

BOROUGH OF BLOOMINGDALE
PASSAIC COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2012

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BOROUGH OF BLOOMINGDALE

PASSAIC COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Bloomingdale
Bloomingdale, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Bloomingdale, as of December 31, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared and presented by the Borough of Bloomingdale on the basis of financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws 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 the State of New Jersey for municipal government entities.

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 requirement that the Borough of Bloomingdale prepare and present its financial statements on the regulatory basis of accounting as discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph above, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Bloomingdale as of December 31, 2012 and 2011, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 15 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2012 and 2011. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 22 percent and 32 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2012 and 2011.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Bloomingdale as of December 31, 2012 and 2011, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2012 in accordance with the basis of financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Required Supplementary Information

The Borough has not presented a management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

Other Information

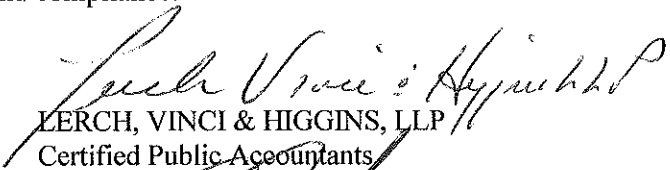
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Bloomingdale as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Bloomingdale.


The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated July 23, 2013 on our consideration of the Borough of Bloomingdale'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 Borough of Bloomingdale's internal control over financial reporting and compliance.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
July 23, 2013

BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash	A-4	\$ 1,923,737	\$ 180,274
Change Fund	A-5	610	610
Grants Receivable	A-23	563,096	591,312
Due from State - Senior Citizens' and Veterans' Deductions	A-6	<u>3,840</u>	<u>1,590</u>
		<u>2,491,283</u>	<u>773,786</u>
Receivables and Other Assets with Full Reserves			
Delinquent Taxes Receivable	A-7		246,166
Tax Title Liens Receivable	A-8	156,455	132,890
Property Acquired for Taxes - Assessed Valuation	A-9	1,758,400	1,758,400
Due from Animal Control Fund	B-2	5	2
Due from Other Trust Fund - Payroll	B-10	487	449
Due from General Capital Fund	C-13		37
Revenue Accounts Receivable	A-10	<u>12,461</u>	<u>14,924</u>
		<u>1,927,808</u>	<u>2,152,868</u>
Deferred Charges			
Special Emergency Authorizations	A-22	289,600	370,400
Emergency Authorization	A-20	240,000	50,000
Operating Deficit	A-20	<u>-</u>	<u>38,820</u>
Total Assets		<u>\$ 4,948,691</u>	<u>\$ 3,385,874</u>

BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-11	\$ 467,202	\$ 169,122
Encumbrances Payable	A-13	102,801	163,477
County Taxes Payable	A-16	2	1
School Taxes Payable	A-17	6	2
Prepaid Taxes	A-15	49,842	78,030
Tax Overpayments	A-12		9,798
Accounts Payable	A-25	16,977	5,522
Due to State- Fees Payable	A-14	1,670	1,371
Due to Other Trust Fund	B-6	24,484	2,311
Due to General Capital Fund	C-13	988,925	
Due to Other Trust Fund (Municipal Open Space Trust Fund)	B-9	373	
Special Emergency Note Payable	A-19	353,600	50,400
Reserve for State Grants - Unappropriated	A-21	11,199	10,749
Reserve for State Grants - Appropriated	A-24	578,331	578,848
Miscellaneous Reserves and Deposits	A-18	36,169	146,705
Due to Municipal Library	A-26	<u>9,130</u>	<u>7,266</u>
		2,640,711	1,223,602
Reserve for Receivables and Other Assets	A	1,927,808	2,152,868
Fund Balance	A-1	<u>380,172</u>	<u>9,404</u>
Total Liabilities, Reserves and Fund Balance		<u><u>\$ 4,948,691</u></u>	<u><u>\$ 3,385,874</u></u>

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

REVENUE AND OTHER INCOME REALIZED	Reference	2012	2011
Fund Balance Utilized	A-1		\$ 170,000
Miscellaneous Revenue Anticipated	A-2	\$ 1,993,302	1,835,082
Receipts from Delinquent Taxes	A-2	241,358	228,967
Receipts from Current Taxes	A-2	27,469,646	26,613,541
Non-Budget Revenue	A-2	86,292	74,065
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-11	65,076	80,346
Cancel Prior Year Payable	A-26	7,266	
Liquidation of Reserve for Interfunds Receivable	A	37	6,227
Total Income		<u>29,862,977</u>	<u>29,008,228</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	3,750,400	3,807,470
Other Expenses	A-3	3,605,637	3,639,508
Capital Improvements	A-3	30,000	
Municipal Debt Service	A-3	1,244,650	1,171,470
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,144,210	1,039,806
Cash Deficit of Preceding Year	A-3	38,820	
County Taxes	A-16	5,197,469	5,417,426
County Taxes - Added	A-16	10,371	1,096
Local District School Taxes	A-17	14,518,957	14,216,081
Municipal Open Space Tax	B-17	187,467	105,131
Other Debits to Income			
Interfunds Established	A	41	39
Deductions Disallowed by Tax Collector	A-6	645	2,715
Refund of Prior Year Revenue	A-4	3,542	240
Prior Year Taxes Cancelled	A-1	-	16,066
Total Expenditures		<u>29,732,209</u>	<u>29,417,048</u>
Excess (Deficit) in Revenue		130,768	(408,820)
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-20	<u>240,000</u>	<u>370,000</u>
Statutory Excess to Fund Balance		370,768	-
Deficit in Operations to be Raised in Budget of Succeeding Years			<u>\$ (38,820)</u>
Fund Balance, January 1	A	<u>\$ 9,404</u>	<u>\$ 179,404</u>
		380,172	179,404
Decreased by:			
Utilized as Anticipated Revenue	A-1	<u>-</u>	<u>170,000</u>
Fund Balance, December 31	A	<u>\$ 380,172</u>	<u>\$ 9,404</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BLOOMINGDALE
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Reference</u>	<u>2012 Anticipated Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Realized in 2012</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	-	-	-	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-10	\$ 15,900		\$ 19,963	\$ 4,063
Other	A-2	2,990		6,648	3,658
Fees and Permits					
Other	A-2	28,400		30,404	2,004
Uniform Construction Code Fees	A-10	89,000		122,462	33,462
Fines and Costs					
Municipal Court	A-10	163,000		200,967	37,967
Interest and Costs on Taxes	A-10	33,000		67,778	34,778
Energy Receipts Tax	A-10	469,772		469,832	60
Supplemental Energy Receipts Tax	A-10			19,091	19,091
Consolidated Municipal Property Tax Relief	A-10	75,861		56,710	(19,151)
Interest on Investments and Deposits	A-2	3,000		4,977	1,977
Interlocal Agreements					
Animal Control Services	A-10	157,600		133,514	(24,086)
West Essex BOE Construction	A-10	928		928	-
West Milford Registrar Services	A-10	17,600		17,637	37
Butler Construction Services	A-10	83,000		83,000	-
Kinnelon Borough Construction Services	A-10	181,000		181,309	309
Pompton Lakes-Street Sweeping	A-10	41,310		20,655	(20,655)
Pompton Lakes-Vegetative Waste	A-10	22,930		17,197	(5,733)
Children's Institute Construction	A-10	9,860		9,860	-
State and Federal Revenues Offset					
With Appropriations					
Municipal Alliance	A-23	17,243		17,243	-
Municipal Alliance-Donations	A-23	4,310		4,310	-
Clean Communities Act	A-23	11,278		11,278	-
Click It or Ticket	A-23	4,000		4,000	-
Police Body Armor	A-23		\$ 3,851	3,851	-
Recycling Tonnage Grant	A-23		10,061	10,061	-
Drunk Driving Enforcement	A-23		2,286	2,286	-
Uniform Fire Safety Act	A-10	8,000		6,828	(1,172)
Cablevision	A-10	31,121		31,121	-
Senior Center Lease to County	A-10	10,000		8,100	(1,900)
Tower Rental	A-10	15,000		22,944	7,944
Soil Extract Permits	A-10	15,000		15,000	-
NJIF Insurance Dividend	A-10	9,077		9,077	-
Fund Balance - General Capital Fund	C-1,A-10	30,000		30,000	-
RER Veg Waste	A-10	30,000		31,200	1,200
Avalon Settlement	A-10	147,000		147,000	-
Sale of Municipal Assets	A-10	19,050		21,928	2,878
FEMA Reimbursement	A-10	99,375	-	154,143	54,768
	A-1	1,845,605	16,198	1,993,302	131,499
Receipts from Delinquent Taxes	A-7	250,000	-	241,358	(8,642)
Amount to be Raised by Taxes for Support of Municipal Budget					
Local Tax for Municipal Purposes	A-2	7,332,837		7,426,305	93,468
Minimum Library Tax	A-2	299,077	-	299,077	-
Total Amount to be Raised by Taxes for Support of Municipal Budget		7,631,914	-	7,725,382	93,468
Budget Totals		\$ 9,727,519	\$ 16,198	9,960,042	\$ 216,325
Non-Budget Revenue				86,292	
				\$ 10,046,334	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF BLOOMINGDALE
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

Reference

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-7	\$ 27,469,646
Allocated to School, County and Open Space Taxes	A-16,A-17,B-17	<u>19,914,264</u>
		7,555,382
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>170,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 7,725,382</u>
Licenses - Other		
Borough Clerk	A-10	\$ 2,695
Board of Health	A-10	<u>3,953</u>
	A-2	<u>\$ 6,648</u>
Fees and Permits - Other		
Borough Clerk	A-10	\$ 315
Board of Health	A-10	1,150
Police	A-10	849
Tax Assessor	A-10	110
Construction Code Official	A-10	5,340
Board of Adjustment	A-10	19,440
Due from Other Trust Fund- Zoning	B-6	<u>3,200</u>
	A-2	<u>\$ 30,404</u>
Interest on Investments and Deposits		
Cash Received	A-10	\$ 2,670
Due from General Capital Fund	C-13	1,815
Due from Other Trust Fund	B-6	412
Due from Payroll (Other Trust) Fund	B-10	38
Due from Small Cities Trust Fund	B-11	8
Due from Animal Control Fund	B-4	<u>34</u>
	A-2	<u>\$ 4,977</u>
Analysis of Non-Budget Revenue		
Admin Fees		\$ 27,308
Tax Sale COS		15,587
State of NJ Inspection Fines		12,168
Garden State Trust		6,516
Fire Department		5,841
Kinnelon Dissolve Solid Waste		5,309
Construction Fines		5,200
Interlocal North Caldwell		2,112
Prior Year Refunds		1,104
LOSAP Refund		1,592
Duplicate Tax Bill		1,214
Copies & Maps		1,131
Miscellaneous		<u>1,210</u>
	A-2,A-4	<u>\$ 86,292</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 Appropriated</u>		<u>2012 Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Mayor and Council					
Salaries and Wages	\$ 11,000	\$ 11,000	\$ 11,000		
Other Expenses	2,500	2,500	2,500		
General Administration					
Salaries & Wages	114,000	109,200	109,173	\$ 27	
Other Expenses	20,000	20,000	19,892	108	
Municipal Clerk					
Salaries and Wages	105,700	105,700	105,700	-	
Other Expenses	42,400	42,400	36,458	5,942	
Senior Citizen Center					
Salaries and Wages	15,000	15,000	15,000	-	
Other Expenses	8,400	8,400	8,206	194	
Municipal Court					
Salaries and Wages	88,840	88,840	83,601	5,239	
Other Expenses	6,630	6,630	5,895	735	
Financial Administration					
Salaries & Wages	91,800	91,800	91,800	-	
Other Expenses	8,540	8,540	8,236	304	
Annual Audit	25,000	25,000	25,000	-	
Miscellaneous Other Expenses	4,500	4,500	-	4,500	
Assessment of Taxes					
Salaries & Wages	36,220	36,220	36,200	20	
Other Expenses	9,850	9,850	9,459	391	
Collection of Taxes					
Salaries & Wages	58,200	58,200	58,200	-	
Other Expenses	10,650	10,650	9,261	1,389	
Legal Services & Costs					
Salaries & Wages	60,000	60,000	49,139	10,861	
Other Expenses	45,000	48,500	46,155	2,345	

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 Appropriated</u>		<u>2012 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
GENERAL GOVERNMENT (Continued)					
Municipal Prosecutor					
Salaries & Wages	\$ 12,300	\$ 12,300	\$ 12,300		
Engineering Services & Costs					
Other Expenses	12,000	12,000	11,862	\$ 138	
Public Buildings and Grounds					
Other Expenses	39,000	39,000	20,263	18,737	
Municipal Land Use Law (NJS 40:55D-1)					
Planning Board					
Salaries & Wages	28,600	28,600	26,344	2,256	
Other Expenses	46,200	50,200	49,705	495	
Shade Tree					
Other Expenses	6,000	6,000	3,700	2,300	
Beautification Committee					
Other Expenses	6,000	6,000	6,000		
Environmental Commission (R.S. 40:56A-1)					
Other Expenses	400	400	340	60	
Zoning and Property Maintenance Official					
Salaries and Wages	26,321	26,321	26,321		
Other Expenses	500	500	500		
PUBLIC SAFETY					
Fire					
Other Expenses	52,400	52,400	50,539	1,861	
Fire Prevention Bureau					
Salaries and Wages	5,275	5,275	4,994	281	
Other Expenses	11,100	11,100	8,959	2,141	
Police					
Salaries & Wages	1,877,364	1,877,364	1,800,745	76,619	
Other Expenses	91,720	71,065	58,556	12,509	
Emergency Dispatching					
Salaries & Wages	146,000	146,000	144,688	1,312	

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 Appropriated</u>		<u>2012 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC SAFETY (Continued)					
First Aid Organization - Contribution	\$ 35,000	\$ 35,000	\$ 25,000	\$ 10,000	
Emergency Management Services					
Other Expenses	8,900	8,900	8,277	623	
Public Defender					
Salaries & Wages	5,200	5,200	5,000	200	
Emergency- Hurricane Sandy		240,000	240,000		
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	414,220	414,220	405,835	8,385	
Other Expenses	121,900	121,900	90,231	31,669	
HEALTH AND WELFARE					
Board of Health					
Salaries & Wages	100	100		100	
Other Expenses	6,550	6,550	4,635	1,915	
Animal Control Officer					
Salaries & Wages	6,465	6,465	3,912	2,553	
Other Expenses	100	100		100	
Garbage and Trash Removal					
Salaries & Wages	411,406	411,406	409,533	1,873	
Other Expenses	46,400	46,400	22,905	23,495	
Tipping Fees	275,000	272,000	215,987	56,013	
Shelter - Other Expenses	31,500	31,500	28,770	2,730	
RECREATION AND EDUCATION					
Board of Recreation Commissioners					
Salaries & Wages	17,866	17,866	17,516	350	
Other Expenses	30,850	30,850	29,886	964	
Celebration of Public Events					
Other Expenses	16,600	16,600	16,600		
INSURANCE					
General Liability	100,000	100,000	100,000		
Workmen's Compensation	80,000	80,000	80,000		
Employee Group Health	765,359	765,359	730,118	35,241	
Other Insurance Premium	500	500		500	
Health Benefit Waiver	68,000	68,000	48,146	19,854	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 Appropriated</u>		<u>2012 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Uniform Construction Code					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4-17)					
Construction Code Official					
Salaries & Wages	\$ 59,278	\$ 59,278	\$ 50,961	\$ 8,317	
Other Expenses	49,425	49,425	49,209	216	
Unclassified:					
Utilities:					
Electric	65,000	72,500	70,451	2,049	
Natural Gas	20,000	16,000	15,132	868	
Telecommunication	27,000	30,000	29,270	730	
Gasoline	104,000	107,800	104,000	3,800	
Street Lighting	38,500	38,500	38,500	-	
Water and Sewer	14,000	14,000	11,096	2,904	
Salary and Wage Adjustment Account	43,610	43,610		43,610	
Webmaster	5,000	10,655	10,650	5	-
Total Operations Within "CAPS"	5,993,139	6,228,139	5,818,311	409,828	-
Contingent	3,000	3,000	-	3,000	-
Total Operations including Contingent - Within "CAPS"	5,996,139	6,231,139	5,818,311	412,828	-
Detail:					
Salaries & Wages	3,634,765	3,629,965	3,467,962	162,003	-
Other Expenses	2,361,374	2,601,174	2,350,349	250,825	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Expenditures					
Contribution to Public Employees Retirement System	280,830	280,830	280,829	1	
Social Security System (O.A.S.I.)	320,000	325,000	321,594	3,406	
Police & Fireman's Retirement Sys. of NJ	397,580	397,580	397,577	3	
Unemployment Insurance	10,000	10,000	10,000	-	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	1,008,410	1,013,410	1,010,000	3,410	-
Cash Deficit of Preceding Year	38,820	38,820	38,820	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	7,043,369	7,283,369	6,867,131	416,238	-

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 Appropriated</u>		<u>2012 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library	\$ 370,000	\$ 370,000	\$ 370,000	\$ -	
Length of Service Awards Program	30,000	30,000		30,000	
Employee Group Health	21,641	21,641	21,641	-	-
Total Other Operations Excluded from "CAPS"	421,641	421,641	391,641	30,000	-
Interlocal Municipal Service Agreements					
Interlocal Payment - Borough of Ringwood					
Contracted Services	33,000	33,000	33,000		
Interlocal Agreement - Animal Control Officer					
Salaries and Wages	120,435	120,435	113,632	6,803	
Other Expenses	37,165	37,165	24,145	13,020	
Health Services					
Pequannock Township	79,000	79,000	79,000		
911 Dispatching Services - Pompton Lakes	24,000	24,000	22,859	1,141	
West Milford - Registrar	17,600	17,600	17,600		
Borough of Butler - Construction	83,000	83,000	83,000		
Borough of Kinnelon - Construction	181,000	181,000	181,000		
Borough of Pompton Lakes - Vegetative Waste Serv	22,930	22,930	22,930		
Borough of Pompton Lakes - Street Sweep	41,310	41,310	41,310		
West Essex Regional School District - Construction	928	928	928		
Children's Institute Construction	9,860	9,860	9,860	-	-
Total Interlocal Municipal Service Agreements	650,228	650,228	629,264	20,964	-
Public and Private Programs Offset by Revenues					
County of Passaic - Municipal Alliance					
County Funds	17,243	17,243	17,243		
Matching Funds	4,310	4,310	4,310		
Clean Communities	11,278	11,278	11,278		
Click It or Ticket	4,000	4,000	4,000		
Body Armor Fund		3,851	3,851		
Drunk Driving Enforcement		2,286	2,286		
Recycling Tonnage Grant	-	10,061	10,061	-	-
Total Public and Private Programs Offset by Revenues	36,831	53,029	53,029	-	-
Total Operations Excluded from "CAPS"	1,108,700	1,124,898	1,073,934	50,964	-
Detail:					
Salaries and Wages	120,435	120,435	113,632	6,803	-
Other Expenses	988,265	1,004,463	960,302	44,161	-

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 Appropriated</u>	<u>2012 Expended</u>		
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Cancelled</u>
		<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)				
CAPITAL IMPROVEMENT FUND				
Capital Improvement Fund	\$ 30,000	\$ 30,000	\$ 30,000	-
Total Capital Improvement Fund Excluded from "CAPS"	30,000	30,000	30,000	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"				
Payment of Bond Principal	955,000	955,000	955,000	
Payment of Bond Anticipation Notes and Capital Notes	16,200	16,200	16,200	
Interest on Bonds	251,450	251,450	251,450	
Interest on Notes	22,000	22,000	22,000	-
Total Municipal Debt Service Excluded from "CAPS"	1,244,650	1,244,650	1,244,650	-
DEFERRED CHARGES MUNICIPAL - EXCLUDED FROM "CAPS"				
Deferred Charges				
Emergency Authorizations	50,000	50,000	50,000	-
Special Emergency Authorizations - 5 years (N.J.S. 40A4-55)	80,800	80,800	80,800	-
Total Deferred Charges - Municipal Excluded from "CAPS"	130,800	130,800	130,800	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,514,150	2,530,348	2,479,384	50,964
Subtotal General Appropriations	9,557,519	9,813,717	9,346,515	467,202
Reserve for Uncollected Taxes	170,000	170,000	170,000	-
Total General Appropriations	\$ 9,727,519	\$ 9,983,717	\$ 9,516,515	\$ 467,202

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 9,727,519	
Added by NJS 40A:4-87	A-2	16,198	
Emergency Authorizations	A-20	<u>240,000</u>	
		<u>\$ 9,983,717</u>	
Cash Disbursed	A-4		\$ 8,755,734
Deferred Charges			
Special Emergency Authorizations	A-22		80,800
Emergency Authorization	A-20		88,820
Transfers to Miscellaneous	A-18		240,000
Reserves and Deposits - Hurricane Sandy			
Appropriated Reserves, Federal, State			
and Other Grants	A-24		53,030
Due to Municipal Library	A-26		9,130
Due to General Capital Fund	C-13		16,200
Encumbrances Payable	A-13		102,801
Reserve for Uncollected Taxes	A-2		<u>170,000</u>
			<u>\$ 9,516,515</u>

BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-3	\$ 32,889	\$ 27,992
OTHER TRUST FUND			
Cash	B-3	995,903	520,911
Due from Current Fund	B-6	24,484	2,311
Due from Current Fund - Municipal Open Space Trust	B-9	373	-
		<u>1,020,760</u>	<u>523,222</u>
SMALL CITIES TRUST FUND			
Cash	B-3	<u>8,079</u>	<u>8,079</u>
LENGTH OF SERVICE AWARD PROGRAM FUND - (UNAUDITED)			
Investments	B	275,185	231,924
Contributions Receivable	B	<u>29,490</u>	<u>30,000</u>
		<u>304,675</u>	<u>261,924</u>
Total Assets		<u>\$ 1,366,403</u>	<u>\$ 821,217</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Due to Current Fund	B-4	\$ 5	\$ 2
Due to State of NJ	B-7	30	131
Reserve for Animal Control Expenditures	B-5	<u>32,854</u>	<u>27,859</u>
		<u>32,889</u>	<u>27,992</u>
OTHER TRUST FUND			
Reserve for State Unemployment	B-8	47,996	35,723
Reserved for Municipal Alliance on Alcoholism and Drug Abuse-Program Income	B-15	1,179	1,179
Due to General Capital Fund	B-16	103,000	103,000
Due to Current Fund-Payroll	B-10	487	449
Reserved for Open Space Expenditures	B-17	155,629	211,260
Payroll Deposits Payable	B-12	(693)	(751)
Special Deposits	B-13	542,462	109,562
Premium on Tax Sale	B-14	<u>170,700</u>	<u>62,800</u>
		<u>1,020,760</u>	<u>523,222</u>
SMALL CITIES TRUST FUND			
Reserve for Revolving Loan Trust	B-18	<u>8,079</u>	<u>8,079</u>
		<u>8,079</u>	<u>8,079</u>
LENGTH OF SERVICE AWARD PROGRAM FUND - (UNAUDITED)			
Reserve for Length of Service Awards Program	B	<u>304,675</u>	<u>261,924</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,366,403</u>	<u>\$ 821,217</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Reference</u>	<u>Anticipated Budget (Memo)</u>	<u>Realized</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	B-17	\$ 187,094	\$ 187,467	\$ 373
	B-2	\$ 187,094	187,467	\$ 373
Non-Budget Revenue	B-17		7,316	
			\$ 194,783	
Analysis of Non-Budget Revenue				
	Interest on Deposits		\$ 311	
	FEMA Reimbursements		7,005	
			\$ 7,316	

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u>	<u>Appropriated (Memo) Budget After Modification</u>	<u>Paid or Charged</u>	<u>Excess or (Deficit)</u>
Reserve for Future Use	187,094	187,094	250,414	(63,320)
	\$ 187,094	\$ 187,094	\$ 250,414	\$ (63,320)
Reference	B-1	B-1	B-17	

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash	C-2, C-3	\$ 1,887,488	\$ 1,388,328
Note Receivable	C-6	33,600	50,400
Grants Receivable	C-4	1,085,904	1,179,035
Deferred Charges to Future Taxation			
Funded	C-5	5,657,000	6,612,000
Unfunded	C-7	4,689,300	4,406,631
Due from Current Fund	C-13	988,925	
Due from Water and Sewer Utility Operating Fund	D-24	175,700	
Due from Water and Sewer Utility Assessment Trust Fund	D-20	100	
Due from Other Trust (Open Space Trust) Fund	B-16	<u>103,000</u>	<u>103,000</u>
Total Assets		<u>\$ 14,621,017</u>	<u>\$ 13,739,394</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-9	\$ 5,657,000	\$ 6,612,000
Improvement Authorizations			
Funded	C-8	1,077,062	1,301,987
Unfunded	C-8	3,039,555	3,835,767
Encumbrances Payable	C-14	661,820	303,029
Bond Anticipation Notes	C-10	3,695,800	1,047,000
Due to Current Fund	C-13		37
Reserve for Grants Receivable	C-15	444,158	567,289
Capital Improvement Fund	C-11	6,623	4,623
Reserve for Other Contributions	C-12	30,000	30,000
Fund Balance	C-1	<u>8,999</u>	<u>37,662</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 14,621,017</u>	<u>\$ 13,739,394</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2012 and 2011 of \$1,204,231 and \$3,359,631 (See Exhibit C-16).

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	C	\$ 37,662	\$ 29,987
Increased by:			
Premium on Notes Issued	C-2	1,337	3,252
Funded Improvement Authorizations Cancelled	C-1	-	67,423
		<u>1,337</u>	<u>70,675</u>
		38,999	100,662
Decreased by:			
2012 Anticipated Revenue - Current Fund	A-2	<u>30,000</u>	<u>63,000</u>
Balance, December 31	C	<u>\$ 8,999</u>	<u>\$ 37,662</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER AND SEWER UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
OPERATING FUND			
Cash	D-8	\$ 1,117,462	\$ 327,625
Change Fund	D-11	100	100
Due from Water and Sewer Utility Assessment Fund	D-19	5,270	10
Due from Water and Sewer Utility Capital Fund	D-13	<u>8</u>	<u>-</u>
		<u>1,122,840</u>	<u>327,735</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-15	69,618	58,809
Inventory	D-12	<u>36,581</u>	<u>25,631</u>
		<u>106,199</u>	<u>84,440</u>
Total Operating Fund		<u>1,229,039</u>	<u>412,175</u>
ASSESSMENT TRUST FUND			
Cash	D-8, D-9	115,122	116,214
Assessments Receivable	D-17	78,976	118,624
Deferred Charge - Cancelled Assessments	D-18	<u>81,041</u>	<u>110,041</u>
Total Assessment Trust Fund		<u>275,139</u>	<u>344,879</u>
CAPITAL FUND			
Cash	D-8,D-10	43,681	367,614
Fixed Capital	D-14	8,693,232	8,054,807
Fixed Capital Authorized and Uncompleted	D-16	<u>799,458</u>	<u>872,556</u>
Total Capital Fund		<u>9,536,371</u>	<u>9,294,977</u>
Total Assets		<u>\$ 11,040,549</u>	<u>\$ 10,052,031</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER AND SEWER UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-21	\$ 89,261	\$ 51,217
Encumbrances Payable	D-22	81,754	115,054
Accounts Payable	D-23	8,185	5,631
Accrued Interest on Bonds, Notes and Loans	D-25	16,802	21,745
Water/Sewer Rent Overpayments	D-26	6,302	3,452
Due to General Capital Fund	D-24	<u>175,700</u>	<u>-</u>
		378,004	197,099
Reserve for Receivables	D	106,199	84,440
Fund Balance	D-1	<u>744,836</u>	<u>130,636</u>
Total Operating Fund		<u>1,229,039</u>	<u>412,175</u>
ASSESSMENT TRUST FUND			
Assessment Serial Bonds	D-31	225,000	300,000
Assessment Bond Anticipation Notes	D-32	42,062	42,162
Due to Water and Sewer Utility Operating Fund	D-19	5,270	10
Due to General Capital Fund	D-20	100	
Fund Balance	D-5	<u>2,707</u>	<u>2,707</u>
Total Assessment Trust Fund		<u>275,139</u>	<u>344,879</u>
CAPITAL FUND			
Capital Improvement Fund	D-35	30,050	30,050
Due to Water and Sewer Utility Operating Fund	D-13	8	
Serial Bonds	D-29	698,000	843,000
Bond Anticipation Notes	D-30	412,138	422,838
Contracts Payable	D-33	326,891	10,584
Improvement Authorizations			
Funded	D-27	41,477	146,948
Unfunded	D-27	463,366	548,143
Reserve for Amortization	D-28	7,501,075	6,967,969
Reserve for Deferred Amortization	D-34	41,477	303,556
Reserve for Payment of Debt	D-37	21,175	21,175
Fund Balance	D-2	<u>714</u>	<u>714</u>
Total Capital Fund		<u>9,536,371</u>	<u>9,294,977</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 11,040,549</u>	<u>\$ 10,052,031</u>

There were Bonds and Notes Authorized But Not Issued of \$840,000 and \$390,000 on December 31, 2012 and 2011 (See Exhibit D-36).

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING
FUND BALANCE - REGULATORY BASIS
WATER AND SEWER UTILITY FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
REVENUE AND OTHER INCOME REALIZED			
Surplus Anticipated	D-3	\$ 103,840	\$ 100,000
Rents	D-3	2,995,088	3,015,564
Miscellaneous	D-3	701,216	29,553
Other Credits			
Unexpended Balance of Appropriation Reserves	D-21	<u>61,288</u>	<u>101,535</u>
Total Income		<u>3,861,432</u>	<u>3,246,652</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-4	2,750,235	2,752,965
Capital Improvements	D-4	105,000	105,000
Debt Service	D-4	207,157	215,193
Deferred Charges and Statutory Expenditures	D-4	81,000	81,000
Refund of Prior Year Revenue	D-1	<u>-</u>	<u>74</u>
Total Expenditures		<u>3,143,392</u>	<u>3,154,232</u>
Excess in Revenue		718,040	92,420
Fund Balance, January 1	D	<u>130,636</u>	<u>138,216</u>
		848,676	230,636
Fund Balance Utilized by Anticipated Revenue	D-1	<u>103,840</u>	<u>100,000</u>
Fund Balance, December 31	D	<u>\$ 744,836</u>	<u>\$ 130,636</u>

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE -
REGULATORY BASIS - WATER AND SEWER CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	D	\$ 714	\$ 714
Balance, December 31	D	\$ 714	\$ 714

STATEMENT OF REVENUES - REGULATORY BASIS -
WATER AND SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Reference</u>	<u>2012 Anticipated</u>	<u>2012 Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	D-3	\$ 103,840	\$ 103,840	
Rents	D-3,D-15	3,015,564	2,995,088	\$ (20,476)
Miscellaneous	D-1	29,000	701,216	672,216
	D-4	<u>\$ 3,148,404</u>	<u>\$ 3,800,144</u>	<u>\$ 651,740</u>

Analysis of Miscellaneous Revenues

Water and Sewer Connection Fees	D-8	\$ 663,022
Due from Water and Sewer Utility Capital Fund -		
Interest on Investments	D-13	130
Interest on Investments	D-5	386
Due from Water and Sewer Utility Assessment Trust Fund -		
Interest on Assessments and Deposits	D-19	5,260
Other Fees	D-8	<u>32,418</u>
		<u>\$ 701,216</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS -
WATER AND SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>2012 Appropriated</u>		<u>2012 Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATING					
Salaries & Wages	\$ 389,015	\$ 389,015	\$ 301,834	\$ 87,181	
Other Expenses	2,361,220	2,361,220	2,361,220	-	
CAPITAL IMPROVEMENTS					
Capital Outlay	105,000	105,000	104,920	80	
DEBT SERVICE					
Payment of Bond Principal	145,000	145,000	145,000		
Payment of Bond Anticipation Notes and Capital Notes	10,700	10,700	10,700		
Interest on Bonds	43,431	43,431	43,431		
Interest on Notes	13,038	13,038	8,026		\$ 5,012
DEFERRED CHARGES AND REGULATORY EXPENDITURES					
Deferred Charges					
Cancelled Assessments	29,000	29,000	29,000		
Statutory Expenditures					
Contribution to					
Public Employees Retirement Sys.	25,000	25,000	25,000		
Social Security System (O.A.S.I.)	25,000	25,000	25,000		
Unemployment Compensation	2,000	2,000	-	2,000	-
Total Utility Appropriations	\$ 3,148,404	\$ 3,148,404	\$ 3,054,131	\$ 89,261	\$ 5,012

Referenc

D-3

D

Cash Disbursed	D-8	\$ 2,910,220
Encumbrances Payable	D-22	81,754
Due to General Capital Fund	D-24	10,700
Accrued Interest on Bonds, Loans and Notes	D-25	51,457
		<u>\$ 3,054,131</u>

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
WATER AND SEWER UTILITY ASSESSMENT TRUST FUND

		<u>2012</u>	<u>2011</u>
Balance, January 1	D	\$ 2,707	\$ 82,577
Balance, December 31	D	\$ 2,707	\$ 82,577

EXHIBIT D-6

STATEMENT OF REVENUES - REGULATORY BASIS
WATER AND SEWER UTILITY ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Anticipated Budget After Modifications</u>	<u>Realized</u>
Assessment Cash	\$ 81,000	\$ 81,000	\$ 73,908
	<u>\$ 81,000</u>	<u>\$ 81,000</u>	<u>\$ 73,908</u>
<u>Reference</u>	D-7	D-7	D-8

EXHIBIT D-7

STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER AND SEWER UTILITY ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Budget</u>	<u>Appropriation Budget After Modifications</u>	<u>Expended</u>
Payment of Bond Principal	\$ 75,000	\$ 75,000	\$ 75,000
Payment of Bond Anticipation Notes	6,000	6,000	100
	<u>\$ 81,000</u>	<u>\$ 81,000</u>	<u>\$ 75,100</u>
<u>Reference</u>	D-6	D-6	D-31,D-32

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS -
FREE PUBLIC LIBRARY FUND
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash			
Checking Accounts	E-2	\$ 255,127	\$ 285,024
New Jersey Cash Management Fund	E-3	317	1,317
Change Fund	E-4	150	150
Petty Cash	E-5	100	100
Due from Borough	A-26	<u>9,130</u>	<u>7,266</u>
		<u>\$ 264,824</u>	<u>\$ 293,857</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Accounts Payable	E-6		\$ 4,202
Reserved for Maintenance of Free Public Library with State Aid	E-7	109,533	137,293
Fund Balance	E-1	<u>155,291</u>	<u>152,362</u>
		<u>\$ 264,824</u>	<u>\$ 293,857</u>

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
FREE PUBLIC LIBRARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Revenues:			
Library Fines, Book Sales, Photo Copier, Donations and Video	E-2	\$ 8,245	\$ 9,112
Change Fund			50
Grant Receipts	E-2	1,500	1,807
Interest Earned			
Checking	E-2	1,519	2,852
NJ Cash Management	E-1		1
Budget Appropriation Balance	A-26	<u>9,130</u>	<u>7,266</u>
 Total Revenues		 <u>20,394</u>	 <u>21,088</u>
 Expenditures:			
Library Supplies and Programs	E-2	10,199	15,652
Balance of 2011 Borough Appropriation	A-26	<u>7,266</u>	<u>-</u>
 Total Expenditures		 <u>17,465</u>	 <u>15,652</u>
 Excess in Revenues		 2,929	 5,436
 Balance, January 1	E	 <u>152,362</u>	 <u>146,926</u>
 Balance, December 31	E	 <u>\$ 155,291</u>	 <u>\$ 152,362</u>

**BOROUGH OF BLOOMINGDALE
BALANCE SHEET - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
ASSETS		
Land	\$ 2,641,400	\$ 2,641,400
Buildings and Building Improvements	1,430,700	1,430,700
Machinery and Equipment	<u>3,431,020</u>	<u>3,421,020</u>
 Total Assets	 <u>\$ 7,503,120</u>	 <u>\$ 7,493,120</u>
 FUND BALANCE		
 Investment in General Fixed Assets	 <u>\$ 7,503,120</u>	 <u>\$ 7,493,120</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Regulatory Basis of Accounting

The financial statements of the Borough of Bloomingdale have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). 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 Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

B. Reporting Entity

The Borough of Bloomingdale (the "Borough") was incorporated in 1918 and operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include volunteer fire department and volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

Animal Control Fund - This fund is used to account for fees collected from dog and cat license, animal shelter fees and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Small Cities Trust Fund - This fund is used to account for the receipts and disbursements relating to small cities revolving loan program.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

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

Water and Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's water utility and sanitary sewerage system and the assets and liabilities relative to such activities. Special benefit assessments levied against properties for specific purposes are accounted for in the assessment trust section of the fund. Acquisition or improvement of capital facilities and other capital assets for the water and sewer utility is accounted for in the capital section of the fund.

Free Public Library Fund – This fund is used to account for the operations of the Library.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the water and sewer utility funds. The Borough's infrastructure is not reported in the account group.

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Utility Rents - Utility charges are levied quarterly based upon a flat service charge and an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's water and sewer utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Grant and Similar Award Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

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

Trust Funds (Except Assessment and Open Space)
Capital Funds
Free Public Library Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012 and 2011 the Borough Council increased the original budget by \$256,198 and \$374,400. The increase was attributable to an emergency authorization resolution for expenses related to Hurricane Sandy and additional aid allotted to the Borough in 2012. In 2011, the increase was attributable to emergency resolutions for social security and accumulated sick leave, Hurricane Irene, a revaluation of real property and additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2012 and 2011.

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

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

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Operating Deficits – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Property Acquired for Taxes – Property acquired for taxes 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 as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Bloomingdale has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

General Fixed Assets (Continued)

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

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the water/sewer 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. 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 Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

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

Reclassifications - Certain reclassifications have been made to the December 31, 2011 balances to conform to the December 31, 2012 presentation.

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

D. Financial Statements – Regulatory Basis

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

NOTE 2 DEPOSITS AND INVESTMENTS

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

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2012 and 2011, the book value of the Borough's deposits were \$6,380,765 and \$3,224,338 and bank and brokerage firm balances of the Borough's deposits amounted to \$6,590,362 and \$3,626,867, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2012</u>	<u>2011</u>
Insured	\$ 6,590,045	\$ 3,625,550
Uninsured and Collateralized	317	1,317
	<u>\$ 6,590,362</u>	<u>\$ 3,626,867</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2012 and 2011, the Borough's bank balances of \$317 and \$1,317 were exposed to custodial credit risk as follows:

	<u>2012</u>	<u>2011</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust		
department but not in the Borough's name	\$ <u>317</u>	\$ <u>1,317</u>

Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2012 and 2011, the Borough had the following investments:

	Fair Value (LOSAP) (Unaudited)
<u>2012</u>	
Investment:	
Lincoln Financial LOSAP Investment	
Fund (Unaudited)	\$ <u>275,185</u>
	\$ <u>275,185</u>

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

2011

Investment:

Lincoln Financial LOSAP Investment

Fund (Unaudited)

Fair
Value
(LOSAP)
(Unaudited)

\$ 231,924

\$ 231,924

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2012 and 2011, \$275,185 and \$231,924 of the Borough's investments was exposed to custodial credit risk as follows:

2012

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Borough's name.

Fair
Value
(LOSAP)
(Unaudited)

Book
Value

\$ 275,185 \$ 275,185

\$ 275,185 \$ 275,185

2011

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Borough's name.

Fair
Value
(LOSAP)
(Unaudited)

Book
Value

\$ 231,924 \$ 231,924

\$ 231,924 \$ 231,924

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2012 and 2011, the Borough's investment in Lincoln Financial, a subsidiary of Lincoln National Corporation, was rated Baa2 by Moody's Investors Service.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough's investments are in Lincoln Financial Group. These investments are 100% of the Borough's total investments.

The fair value of the above-listed investment was based on quoted market prices by Lincoln Financial Group.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Water and Sewer Utility Capital Fund and Water and Sewer Utility Assessment Trust Fund are assigned to the Water and Sewer Utility Operating Fund in accordance with the regulatory basis of accounting.

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2012 consisted of the following:

	<u>Current</u>	<u>Water and Sewer Utility</u>	<u>Total</u>
<u>2012</u>			
Tax Title Liens	\$ 156,455		\$ 156,455
Utility Charges	-	\$ 69,618	69,618
	<u>\$ 156,455</u>	<u>\$ 69,618</u>	<u>\$ 226,073</u>

In 2012, the Borough collected \$241,358 and \$58,809 from delinquent taxes and utility rents, which represented 64% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2011.

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE (Continued)

Receivables at December 31, 2011 consisted of the following:

	<u>Current</u>	<u>Utility</u>	<u>Total</u>
<u>2011</u>			
Property Taxes	\$ 246,166		\$ 246,166
Tax Title Liens	132,890		132,890
Utility Charges	-	\$ 58,809	58,809
	<u>\$ 379,056</u>	<u>\$ 58,809</u>	<u>\$ 437,865</u>

In 2011, the Borough collected \$228,967 and \$38,635 from delinquent taxes and utility rents, which represented 62% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2010.

NOTE 4 MUNICIPAL DEBT

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

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's debt is summarized as follows:

	<u>2012</u>	<u>2011</u>
Issued		
General		
Bonds and Notes	\$ 9,352,800	\$ 7,659,000
Water/Sewer Utility		
Bonds and Notes	1,110,138	1,265,838
Water/Sewer Utility Assessment		
Bonds and Notes	<u>267,062</u>	<u>342,162</u>
	10,730,000	9,267,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>210,731</u>	<u>21,175</u>
Net Debt Issued	10,519,269	9,245,825
Authorized But Not Issued		
General		
Bonds and Notes	1,204,231	3,359,631
Water/Sewer Utility		
Bonds and Notes	<u>840,000</u>	<u>390,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 12,563,500</u>	<u>\$ 12,995,456</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 4 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 1.168% and 1.16% at December 31, 2012 and 2011, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2012</u>			
General Debt	\$ 10,557,031	\$ 210,731	\$ 10,346,300
School Debt			
Utility Debt	<u>2,217,200</u>	<u>2,217,200</u>	<u>-</u>
Total	<u>\$ 12,774,231</u>	<u>\$ 2,427,931</u>	<u>\$ 10,346,300</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2011</u>			
General Debt	\$ 11,018,631		\$ 11,018,631
School Debt	-		
Utility Debt	<u>1,998,000</u>	<u>\$ 1,998,000</u>	<u>-</u>
Total	<u>\$ 13,016,631</u>	<u>\$ 1,998,000</u>	<u>\$ 11,018,631</u>

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2012</u>	<u>2011</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 30,997,366	\$ 33,110,214
Net Debt	<u>10,346,300</u>	<u>11,018,631</u>
Remaining Borrowing Power	<u>\$ 20,651,066</u>	<u>\$ 22,091,583</u>

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt

The Borough's long-term debt consisted of the following at December 31:

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2012</u>	<u>2011</u>
\$3,599,000, 2001 Bonds, due in annual installments of \$224,000 to \$350,000 through March 1, 2014, interest at 4.35%	\$ 499,000	\$ 849,000
 \$3,733,000, 2004 Bonds, due in annual installments of \$330,000 to \$403,000 through August 1, 2017, interest at 3.7%	 1,883,000	 2,213,000
 \$4,050,000, 2008 Bonds, due in annual installments of \$275,000 to \$300,000 through July 15, 2023, interest at 3.75% to 4.00%	 <u>3,275,000</u>	 <u>3,550,000</u>
	<u>\$ 5,657,000</u>	<u>\$ 6,612,000</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 4 MUNICIPAL DEBT (Continued)

Utility Bonds

The Borough pledges revenue from operations to pay debt service on utility bonds issued. The water and sewer utility bonds outstanding at December 31 are as follows:

Water and Sewer Utility

	<u>2012</u>	<u>2011</u>
\$520,000, 1999 Water System Improvement Bonds, due in installments of \$40,000 to \$50,000 through March 1, 2014, interest at 4.500% to 4.650%	\$ 90,000	\$ 130,000
\$849,000, 1999 Sewer System Improvement Bonds, due in annual installments of \$44,000 to \$45,000 through March 1, 2019, interest at 4.550% to 5.000%	314,000	359,000
\$599,000, 2001 Water System Improvement Bonds, due in installments of \$40,000 to \$50,000 through March 1, 2016, interest at 4.350%	184,000	229,000
\$230,000, 2004 Water System Improvement Bonds, due in installments of \$15,000 to \$20,000 through August 2019, interest at 3.700%	110,000	125,000
	<u>\$ 698,000</u>	<u>\$ 843,000</u>

Water and Sewer Utility Assessment Bonds

The Borough pledges revenue from special benefit water and sewer assessments to pay debt service on water and sewer utility assessment bonds issued. The sewer utility assessment bonds outstanding at December 31 are as follows:

	<u>2012</u>	<u>2011</u>
\$1,130,000, 1999 Assessment Bonds, due in annual installments of \$75,000 through March 1, 2015, interest at 4.55% to 4.70%	\$ 225,000	\$ 300,000
	<u>\$ 225,000</u>	<u>\$ 300,000</u>

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2012 is as follows:

Calendar Year	<u>General</u>		<u>Water and Sewer Capital</u>		<u>Water and Sewer Assessment</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2013	\$ 890,000	\$ 215,334	\$ 145,000	\$ 28,242	\$ 75,000	\$ 8,719	\$ 1,362,295
2014	864,000	181,588	150,000	21,696	75,000	5,269	1,297,553
2015	700,000	152,511	110,000	15,917	75,000	1,763	1,055,191
2016	700,000	125,711	109,000	11,082	-	-	945,793
2017	703,000	98,911	60,000	7,313	-	-	869,224
2018-2022	1,500,000	240,000	124,000	6,426	-	-	1,870,426
2023-2025	300,000	12,000	-	-	-	-	312,000
	<u>\$ 5,657,000</u>	<u>\$ 1,026,055</u>	<u>\$ 698,000</u>	<u>\$ 90,676</u>	<u>\$ 225,000</u>	<u>\$ 15,751</u>	<u>\$ 7,712,482</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2012 and 2011 were as follows:

	Balance, December 31, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2012</u>	Due Within <u>One Year</u>
<u>2012</u>					
General Capital Fund					
Bonds Payable	<u>\$ 6,612,000</u>	<u>\$ -</u>	<u>\$ 955,000</u>	<u>\$ 5,657,000</u>	<u>\$ 890,000</u>
General Capital Fund Long-Term Liabilities	<u>\$ 6,612,000</u>	<u>\$ -</u>	<u>\$ 955,000</u>	<u>\$ 5,657,000</u>	<u>\$ 890,000</u>
Water and Sewer Utility Capital Fund					
Bonds Payable	<u>\$ 843,000</u>	<u>-</u>	<u>\$ 145,000</u>	<u>\$ 698,000</u>	<u>\$ 145,000</u>
Water and Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 843,000</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ 698,000</u>	<u>\$ 145,000</u>
Water and Sewer Utility Assessment Fund					
Bonds Payable	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 225,000</u>	<u>\$ 75,000</u>
Water and Sewer Utility Assessment Fund Long-Term Liabilities	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 225,000</u>	<u>\$ 75,000</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>	Due Within <u>One Year</u>
<u>2011</u>					
General Capital Fund					
Bonds Payable	\$ 7,482,000	\$ -	\$ 870,000	\$ 6,612,000	\$ 955,000
General Capital Fund Long-Term Liabilities	<u>\$ 7,482,000</u>	<u>\$ -</u>	<u>\$ 870,000</u>	<u>\$ 6,612,000</u>	<u>\$ 955,000</u>
Water and Sewer Utility Capital Fund					
Bonds Payable	\$ 988,000	-	\$ 145,000	\$ 843,000	\$ 145,000
Water and Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 988,000</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ 843,000</u>	<u>\$ 145,000</u>
Water and Sewer Utility Assessment Fund					
Bonds Payable	\$ 376,000	\$ -	\$ 76,000	\$ 300,000	\$ 75,000
Water and Sewer Utility Assessment Fund Long-Term Liabilities	<u>\$ 376,000</u>	<u>\$ -</u>	<u>\$ 76,000</u>	<u>\$ 300,000</u>	<u>\$ 75,000</u>

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2012 and 2011 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2012</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2012</u>
<u>2012</u>						
<u>General Capital Fund</u>						
Multi-Purpose	1.25%	5/10/2013	\$ 307,000	\$ 290,800	\$ 307,000	\$ 290,800
Multi-Purpose	1.25%	5/10/2013	740,000	740,000	740,000	740,000
Rehabilitation of Sports Field & Open Space	0.95%	5/10/2013		115,000		115,000
Various Road and Drainage Improvement	0.95%	5/10/2013		410,000		410,000
Various Capital Improvements	0.95%	5/10/2013		1,710,000		1,710,000
Installation of Lighting Walter T. Bergen Sch	0.95%	5/10/2013	-	430,000	-	430,000
Total General Capital Fund			<u>\$ 1,047,000</u>	<u>\$ 3,695,800</u>	<u>\$ 1,047,000</u>	<u>\$ 3,695,800</u>

Water and Sewer Capital Fund

Purchase of Water Utility Box Truck	1.25%	5/10/2013	\$ 27,000	\$ 22,400	\$ 27,000	\$ 22,400
Install of Sanitary Sewer Lines	1.25%	5/10/2013	95,838	93,638	95,838	93,638
Install of Water Lines	1.25%	5/10/2013	300,000	296,100	300,000	296,100
Total Water and Sewer Capital Fund			<u>\$ 422,838</u>	<u>\$ 412,138</u>	<u>\$ 422,838</u>	<u>\$ 412,138</u>

Water and Sewer Assessment Fund

Install of Sanitary Sewer Lines	1.25%	5/10/2013	\$ 42,162	\$ 42,062	\$ 42,162	\$ 42,062
Total Water and Sewer Assessment Fund			<u>\$ 42,162</u>	<u>\$ 42,062</u>	<u>\$ 42,162</u>	<u>\$ 42,062</u>

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance January 1, 2012</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2012</u>
<u>2011</u>						
<u>General Capital Fund</u>						
Multi-Purpose	2.00%	7/13/2012	\$ 307,000	\$ 307,000	\$ 307,000	\$ 307,000
Multi-Purpose	2.00%	7/13/2012	<u>740,000</u>	<u>740,000</u>	<u>740,000</u>	<u>740,000</u>
Total General Capital Fund			<u>\$ 1,047,000</u>	<u>\$ 1,047,000</u>	<u>\$ 1,047,000</u>	<u>\$ 1,047,000</u>

Water and Sewer Capital Fund

Purchase of Water Utility Box Truck	1.50%	7/19/2011	\$ 31,500	\$ 27,000	\$ 31,500	\$ 27,000
Install of Sanitary Sewer Lines	1.50%	7/19/2011	97,338	95,838	97,338	95,838
Install of Water Lines	1.50%	7/19/2011	<u>600,000</u>	<u>300,000</u>	<u>600,000</u>	<u>300,000</u>
Total Water and Sewer Capital Fund			<u>\$ 728,838</u>	<u>\$ 422,838</u>	<u>\$ 728,838</u>	<u>\$ 422,838</u>

Water and Sewer Assessment Fund

Install of Sanitary Sewer Lines	2.00%	7/13/2012	\$ 48,162	\$ 42,162	\$ 48,162	\$ 42,162
Total Water and Sewer Assessment Fund			<u>\$ 48,162</u>	<u>\$ 42,162</u>	<u>\$ 48,162</u>	<u>\$ 42,162</u>

The purpose of these short-time borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund. The amounts issued for the Water and Sewer utility activities are accounted for in the Water and Sewer Utility Capital Fund.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2012 and 2011 as follows:

Special Emergency Notes

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

2012

Special Emergency Notes			Balance			Balance,
<u>Purpose</u>	<u>Rate</u>	<u>Maturity</u>	<u>December 31,</u>	<u>Renewed/</u>	<u>Retired/</u>	<u>December 31,</u>
	<u>(%)</u>	<u>Date</u>	<u>2011</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2012</u>
Special Emergency Notes	0.95%	5/10/2013	\$ 50,400	\$ 320,000	\$ 16,800	\$ 353,600
Total Special Emergency Notes			\$ 50,400	\$ 320,000	\$ 16,800	\$ 353,600

2011

Special Emergency Notes			Balance			Balance,
<u>Purpose</u>	<u>Rate</u>	<u>Maturity</u>	<u>December 31,</u>	<u>Renewed/</u>	<u>Retired/</u>	<u>December 31,</u>
	<u>(%)</u>	<u>Date</u>	<u>2010</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2011</u>
Special Emergency Notes			\$ 67,200	\$ -	\$ 16,800	\$ 50,400
Total Special Emergency Notes			\$ 67,200	\$ -	\$ 16,800	\$ 50,400

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2012 and 2011.

	Balance December 31, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2012</u>
<u>2012</u>				
Land	\$ 2,641,400			\$ 2,641,400
Buildings and Building Improvement	1,430,700			1,430,700
Machinery and Equipment	<u>3,421,020</u>	<u>\$ 10,000</u>	<u>-</u>	<u>3,431,020</u>
	<u>\$ 7,493,120</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 7,503,120</u>
	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Land	\$ 2,641,400			\$ 2,641,400
Buildings and Building Improvement	1,430,700			1,430,700
Machinery and Equipment	<u>3,476,020</u>	<u>-</u>	<u>\$ 55,000</u>	<u>3,421,020</u>
	<u>\$ 7,548,120</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ 7,493,120</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 5 FIXED ASSETS (Continued)

Water/Sewer Utility Fund Fixed Assets

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2012 and 2011.

	Balance December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u>
<u>2012</u>				
Fixed Capital	\$ 8,054,807	\$ 638,425	\$ -	\$ 8,693,232
	<u>\$ 8,054,807</u>	<u>\$ 638,425</u>	<u>\$ -</u>	<u>\$ 8,693,232</u>
	Balance December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Fixed Capital	\$ 6,817,600	\$ 1,237,207	\$ -	\$ 8,054,807
	<u>\$ 6,817,600</u>	<u>\$ 1,237,207</u>	<u>\$ -</u>	<u>\$ 8,054,807</u>

NOTE 6 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2012</u>		<u>2011</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 492	\$ 1,013,782	\$ 488	\$ 2,311
Trust Funds:				
Animal Control Fund		5		2
General Trust Fund	24,857	103,487	2,311	103,449
General Capital Fund	1,267,725		103,000	37
Water and Sewer Utility Fund:				
Operating Fund	5,278	175,700	10	-
Capital Fund		8		
Assessment Trust Fund	-	5,370	-	10
Total	<u>\$ 1,298,352</u>	<u>\$ 1,298,352</u>	<u>\$ 105,809</u>	<u>\$ 105,809</u>

The above balances are the result of revenues received in or expenditures being paid by one fund on behalf of another.

The Borough expects all interfund balances to be liquidated within one year.

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2012</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2011</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ -	\$ -	\$ -	\$ -
Non-Cash Surplus	<u>380,172</u>	<u>-</u>	<u>9,404</u>	<u>-</u>
	<u>\$ 380,172</u>	<u>\$ -</u>	<u>\$ 9,404</u>	<u>\$ -</u>
Water and Sewer Utility Operating Fund				
Cash Surplus	<u>\$ 744,836</u>	<u>\$ 270,000</u>	<u>\$ 130,636</u>	<u>\$ 103,840</u>

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

2012

Current Fund			
Emergency Authorizations	\$ 240,000	\$ 240,000	
Special Emergency Authorizations (40A:4-53)	<u>289,600</u>	<u>80,800</u>	<u>\$ 208,800</u>
	<u>\$ 529,600</u>	<u>\$ 320,800</u>	<u>\$ 208,800</u>

2011

Current Fund			
Emergency Authorization	\$ 50,000	\$ 50,000	
Special Emergency Authorizations (40A:4-53)	370,400	80,800	\$ 289,600
Operating Deficit	<u>38,820</u>	<u>38,820</u>	<u>-</u>
	<u>\$ 459,220</u>	<u>\$ 169,620</u>	<u>\$ 289,600</u>

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 9 COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon retirement.

The maximum vacation and sick leave benefits an employee is entitled to at retirement is the cash equivalent of 90 days at their existing daily rate.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$847,967 and \$748,587 at December 31, 2012 and 2011, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2012 and 2011, the Borough has reserved in the Other Trust Fund \$631 and \$19,849, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Significant Legislation (Continued)

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.5 percent and \$11.6 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included: (a) a revised investment rate of return for all the retirement systems from 8.25 percent to 7.95 percent; and (b) revised projected salary increases which vary by fund (6.32% for PFRS and 4.52% for PERS).

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2012, 2011 and 2010, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions, early retirement incentive program contributions, deferred pension obligation contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2012	\$ 397,577	\$ 305,829
2011	406,920	251,086
2010	338,602	207,991

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$227,670 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 8.25%) at December 31, 2012 and 2011 is \$279,601 and \$283,292, respectively.

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 566 state and local participating employers and contributing entities for Fiscal Year 2012.

The State of New Jersey sponsors and administers the following health benefit program covering substantially all local government employees from local participating employers.

Health Benefits Program Fund (HBPF) – Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$18.0 billion for state active and retired members and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661 retirees receiving post-retirement medical benefits, and the State contributed \$958.9 million on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$112.6 million for 8,810 eligible retired members for Fiscal Year 2012. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$36.6 million in Fiscal Year 2012 to provide benefits under Chapter 330 to qualified retirees.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2012, 2011 and 2010 were \$259,455, \$227,346 and \$171,253, respectively, which equaled the required contributions for each year. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2012 and 2011 were \$10,708 and \$12,150, respectively.

NOTE 12 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Bloomingdale is a member of the Morris County Municipal Joint Insurance Fund (MJIF). The joint insurance fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The MJIF coverage amounts are on file with the Borough.

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

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

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 12 RISK MANAGEMENT (Continued)

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough 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 Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2012	\$ 10,000	\$ 6,259	\$ 4,025	\$ 47,996
2011	12,000	5,883	5,001	35,723
2010	11,000	6,496	24,662	24,925

NOTE 13 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012 and 2011. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2012 and 2011, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2012 and 2011, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Bloomingdale Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 23, 2001 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Bloomingdale approved the adoption of the Plan at the general election held on November 6, 2001.

The first year of eligibility for entrance into the Plan was calendar year 2002. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Bloomingdale has contributed between \$100 per year for the first year of eligibility to \$1,150 per year for the five years and thereafter of eligibility for 2012 and 2011, respectively, for each eligible volunteer fire department member into the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial, a subsidiary of Lincoln National Corporation, is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

NOTE 16 DEFERRED COMPENSATION PLAN

The Borough of Bloomingdale offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996: revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Borough of Bloomingdale authorized such modifications to their plan by resolution of the Borough Council adopted October 21, 1997.

The Administrator for the Borough of Bloomingdale's Deferred Compensation Plan is the Variable Annuity Life Insurance Company (VALIC) and AXA Equitable.

The Plan was subject to a review only as defined by the New Jersey Division of Local Government Services and the American Institute of Certified Public Accountants. A review consists principally of inquiries of Borough officials and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards. The audit of the program lies within the scope of the audit of the independent accountants of the Variable Annuity Life Insurance Company (VALIC) and AXA Equitable.

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 17 HURRICANE SANDY

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2012.

NOTE 18 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2012</u>		
Water Main Replacement – Lakeside Ave.	\$150,000	2013
Morse Lakes Road Improvements	46,853	2013
Road Improvements	42,093	2013
Water Main Replacement – Old Ridge	135,854	2013
<u>2011</u>		
Woodware Avenue Improvements	132,361	2012

NOTE 19 SUBSEQUENT EVENTS

PILOT Agreement

On January 22, 2013, the Borough adopted an ordinance accepting and approving application by Bloomingdale Urban Renewal LLC for a financial agreement with the Borough in the form of PILOT payments.

Debt Authorized

On May 14, 2013, the Borough adopted a bond ordinance for sidewalk improvements appropriating \$848,000, including a grant of \$200,000 and authorizing the issuance of \$807,000 bonds or notes.

CURRENT FUND

**BOROUGH OF BLOOMINGDALE
STATEMENT OF CURRENT CASH - TREASURER**

Balance, December 31, 2011		\$ 180,274
Increased by Receipts:		
Taxes Receivable	\$ 27,545,724	
Non-Budget Revenues	86,292	
State of NJ - Senior Citizens' and Veterans Deductions	84,355	
Revenue Accounts Receivable	1,934,766	
Special Emergency Notes Issued	320,000	
Special Emergency Notes Received from General Capital Fund	33,600	
Receipts from Animal Control Fund	31	
Receipts from Small Cities Trust Fund	8	
Receipts from General Capital Fund	1,001,651	
Receipts from Other Trust Fund	3,251	
Due to Other Trust Fund	22,534	
Fees Payable	4,603	
Reserve for Unappropriated Grants	450	
Grants Receivable	54,171	
Prepaid Taxes	49,842	
Tax Overpayments	19,687	
		<u>31,160,965</u>
		31,341,239
Decreased by Disbursements:		
2012 Budget Appropriations	8,755,734	
2011 Appropriation Reserves	256,068	
Miscellaneous Reserves and Deposits	350,536	
Fees Payable	4,304	
County Taxes Payable	5,207,839	
Local District School Taxes Payable	14,518,953	
Municipal Open Space Taxes Payable	187,094	
Special Emergency Notes Paid to General Capital Fund	50,400	
Tax Overpayments Refunded	29,485	
Refund of Prior Year Revenue	3,542	
Appropriated Reserves for Grants	53,547	
		<u>29,417,502</u>
Balance, December 31, 2012		<u>\$ 1,923,737</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF CASH - CHANGE FUNDS**

	Balance, December 31, <u>2011</u>	Balance, December 31, <u>2012</u>
Tax Collector	\$ <u>610</u>	\$ <u>610</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2011		\$ 1,590
Increased by:		
Veterans Deductions Per Tax Billings	\$ 64,000	
Senior Citizen Deductions Per Tax Billings	21,250	
Senior Citizen Deductions Allowed by Tax Collector -2012	250	
Senior Citizen Deductions Allowed by Tax Collector -2011	250	
Veterans Deductions Allowed by Tax Collector	<u>1,500</u>	
		<u>87,250</u>
		88,840
Decreased by:		
Cash Received	84,355	
Senior Citizen Deductions Disallowed by Tax Collector-2011	<u>645</u>	
		<u>85,000</u>
Balance, December 31, 2012		\$ <u>3,840</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF TAXES RECEIVABLE**

Year	Balance, December 31, 2011	2012 Levy	2012 Added	Senior Citizens' and Veterans' Deductions Disallowed	Collections		Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2012
					2011	2012				
2010	\$ 36					\$ 36				-
2011	246,130	-	-	\$ 645	-	241,072	250	-	\$ 5,453	-
	246,166	-	-	645	-	241,108	250	-	5,453	-
2012	-	\$ 27,536,678	\$ 54,851	-	\$ 78,030	27,304,616	\$ 87,000	\$ 103,771	18,112	-
	<u>\$ 246,166</u>	<u>\$ 27,536,678</u>	<u>\$ 54,851</u>	<u>\$ 645</u>	<u>\$ 78,030</u>	<u>\$ 27,545,724</u>	<u>\$ 87,250</u>	<u>\$ 103,771</u>	<u>\$ 23,565</u>	<u>\$ -</u>

Analysis of 2012 Property Tax Levy

Tax Yield

General Purpose Tax
Added Taxes

\$ 27,536,678
54,851

\$ 27,591,529

Tax Levy

County Taxes (Abstract) \$ 5,197,469
Due County for Added and Omitted Taxes 10,371
Municipal Open Space 187,094
Due to Municipal Open Space for Added and Omitted Taxes 373

\$ 5,395,307

Local District School Tax (Abstract)

14,518,957

Local Tax for Municipal Purposes

7,332,837

Minimum Library Tax

299,077

Add Additional Tax Levied

45,351

22,196,222

\$ 27,591,529

**BOROUGH OF BLOOMINGDALE
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2011		\$ 132,890
Increased by:		
Transfers from Taxes Receivable - 2012	\$ 18,112	
Transfers from Taxes Receivable - 2011	<u>5,453</u>	
		<u>23,565</u>
Balance, December 31, 2012		<u>\$ 156,455</u>

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)**

Balance, December 31, 2011	<u>\$ 1,758,400</u>
Balance, December 31, 2012	<u>\$ 1,758,400</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2011</u>	Accrued in <u>2012</u>	<u>Collected</u>	Balance, December 31, <u>2012</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 19,963	\$ 19,963	
Other		2,695	2,695	
Fees and Permits		315	315	
Board of Health				
Fees and Permits		1,150	1,150	
Licenses - Other		3,953	3,953	
Police Department				
Fees and Permits		849	849	
Board of Adjustment				
Fees and Permits		19,440	19,440	
Tax Assessor				
Fees and Permits		110	110	
Construction Code Official				
Fees and Permits		5,340	5,340	
Uniform Construction Code Fees		122,462	122,462	
Municipal Court				
Fines and Costs	\$ 14,924	198,504	200,967	\$ 12,461
Interest and Costs on Taxes		67,778	67,778	
Interest on Investments and Deposits		2,670	2,670	
Energy Receipts Tax		469,832	469,832	
Supplemental Energy Receipts Tax		19,091	19,091	
Consolidated Municipal Property Tax Relief		56,710	56,710	
Interlocal Agreement - Animal Control		133,514	133,514	
West Essex BOE Construction		928	928	
West Milford Registrar Service		17,637	17,637	
Butler Construction Service		83,000	83,000	
Kinnelon Borough Construction Services		181,309	181,309	
Pompton Lakes-Street Sweeping		20,655	20,655	
Pompton Lakes-Vegetative Waste		17,197	17,197	
Construction Children's Institute		9,860	9,860	
Uniform Fire Safety Act		6,828	6,828	
Cablevision		31,121	31,121	
Senior Center Lease to County		8,100	8,100	
Tower Rental		22,944	22,944	
Soil Extract Permits		15,000	15,000	
NJJIF Insurance Dividend		9,077	9,077	
Sale of Municipal Assets		21,928	21,928	
General Capital Fund Balance		30,000	30,000	
RER Veg Waste		31,200	31,200	
Avalon Settlement		147,000	147,000	
FEMA Reimbursement	-	154,143	154,143	-
	<u>\$ 14,924</u>	<u>\$ 1,932,303</u>	<u>\$ 1,934,766</u>	<u>\$ 12,461</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance, December 31, <u>2011</u>	Balance After <u>Modifications</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES				
Senior Citizen	\$ 1,384	\$ 84		\$ 84
Legal Services and Costs	92	92		92
Planning Board	1,232	32		32
Zoning and Property Maintenance Official	17,924	17,924	\$ 17,924	
Public Safety				
Fire Prevention	281	81		81
Police	49,507	41,507	41,441	66
Emergency Dispatching	1,194	1,194	1,194	
Public Defender	1,450	50		50
Health and Welfare				
Board of Health	31	31		31
Animal Control Officer	42	42		42
Recreation and Education				
Board of Recreation Commission	350	350		350
Municipal Court	1,228	1,228	666	562
OTHER EXPENSES				
Mayor and Council	19	19		19
General Administration	214	1,717	1,715	2
Municipal Clerk	975	10,162	9,763	399
Senior Citizen		700	700	
Financial Administration	252	1,037	846	191
Annual Audit		21,850	21,850	
Assessment of Taxes	874	1,545	1,456	89
Collection of Taxes	350	575	525	50
Legal Services & Costs	817	8,182	7,365	817
Engineering Services and Costs	2,080	10		10
Public Buildings and Grounds	7,526	11,260	11,238	22
Planning Board	1,048	331		331
Shade Trees		1,000	1,000	
Beautification Committee	82	82		82
Environmental Commission	120	120		120
Insurance				
Group Insurance Plan for Employees		35,127	884	34,243
Public Safety				
Fire	1,017	11,747	11,036	711
Fire Prevention	78	4,819	4,449	370
Police	9,708	2,609	1,568	1,041
First Aid Organization-Contribution				
Emergency Management Services	217	3,327	3,107	220
Aid to Volunteer Ambulance		10,000	9,497	503
Streets and Roads				
Road Repairs and Maintenance	1,756	9,057	8,524	533
Solid Waste Collection		32,629	28,901	3,728
Health and Welfare				
Board of Health	1,233	2,733	1,500	1,233
Animal Control	100	100		100
Buildings and Grounds				
Garbage and Trash Removal				
Other Expenses	6,525	8,832	6,514	2,318

BOROUGH OF BLOOMINGDALE
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance, December 31, <u>2011</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)				
Tipping Fees	\$ 11,860			
Recreation and Education				
Board of Recreation Commissioners	62	\$ 2,762	\$ 389	\$ 2,373
Celebration of Public Events	421	1,009	718	291
Insurance				
Health Benefit Waiver	6,706			
State Uniform Construction Code				
Other Expense	365	2,870	873	1,997
Utilities				
Natural Gas	4,170	6,112	2,433	3,679
Electricity		14,100	12,347	1,753
Telecommunications	222	2,195	1,244	951
Gasoline	11	11		11
Water and Sewer	447	3,081	2,124	957
Webmaster	300	300		300
Contingent	500	500		500
Statutory Charges				
Social Security System	5,432			
Municipal Court	430	862	448	414
Employee Group Health	28,420			
Maintenance of Free Public Library		23,175	23,175	
Length of Service Awards Program		30,000	30,000	
Interlocal Municipal Service Agreements				
Animal Control Other Expense	43	3,410	109	3,301
Pequannock Township	8	8		8
West Milford - Registrar	19	19	-	19
	<u>\$ 169,122</u>	<u>\$ 332,599</u>	<u>\$ 267,523</u>	<u>\$ 65,076</u>
Appropriation Reserves		\$ 169,122		
Encumbrances Payable		<u>163,477</u>		
		<u>\$ 332,599</u>		
		Cash Disbursed	\$ 256,068	
		Accounts Payable	<u>11,455</u>	
			<u>\$ 267,523</u>	

**BOROUGH OF BLOOMINGDALE
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2011	\$ 9,798
Increased by:	
Cash Receipts	<u>19,687</u>
	29,485
Decreased by:	
Overpayments Refunded	<u>29,485</u>
Balance, December 31, 2012	<u>\$ -</u>

EXHIBIT A-13

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2011	\$ 163,477
Increased by:	
Charges to 2012 Appropriations	<u>102,801</u>
	266,278
Decreased by:	
Restored to Appropriation Reserves	<u>163,477</u>
Balance, December 31, 2012	<u>\$ 102,801</u>

EXHIBIT A-14

STATEMENT OF FEES PAYABLE

	State Training Fees	Marriage License Fees	Total
Balance, December 31, 2011	\$ 1,146	\$ 225	\$ 1,371
Increased by:			
Collections	<u>3,603</u>	<u>1,000</u>	<u>4,603</u>
	4,749	1,225	5,974
Decreased by:			
Payments	<u>3,429</u>	<u>875</u>	<u>4,304</u>
Balance, December 31, 2012	<u>\$ 1,320</u>	<u>\$ 350</u>	<u>\$ 1,670</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2011	\$ 78,030
Increased by:	
Collection of 2013 Taxes	<u>49,842</u>
	127,872
Decreased by:	
Application to 2012 Taxes Receivable	<u>78,030</u>
Balance, December 31, 2012	<u>\$ 49,842</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2011	\$ 1
Increased by:	
2012 Tax Levy	\$ 5,197,469
2012 Added Taxes (54:4-63.1 et seq.)	<u>10,371</u>
	<u>\$ 5,207,840</u>
	5,207,841
Decreased by:	
Payments	<u>5,207,839</u>
Balance, December 31, 2012	<u>\$ 2</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance, December 31, 2011	\$ 2
Increased by:	
Levy - Calendar Year 2012	<u>14,518,957</u>
	14,518,959
Decreased by:	
Payments	<u>14,518,953</u>
Balance, December 31, 2012	<u>\$ 6</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS**

	Balance, December 31, <u>2011</u>	Transferred from 2012 Budget Appropriation	Decreased by Disbursements	Balance, December 31, <u>2012</u>
Reserve for Revaluation	\$ 146,330		\$ 111,773	\$ 34,557
Reserve for Codification of Ordinances	375			375
Reserve for Hurricane Sandy	-	\$ 240,000	238,763	1,237
	<u>\$ 146,705</u>	<u>\$ 240,000</u>	<u>\$ 350,536</u>	<u>\$ 36,169</u>

EXHIBIT A-19

STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE

Balance, December 31, 2011	\$ 50,400
Increased by:	
Special Emergency Note Issued	\$ 320,000
Receipts from General Capital Fund	<u>33,600</u>
	<u>353,600</u>
	404,000
Decreased by:	
Payments to General Capital Fund	<u>50,400</u>
Balance, December 31, 2012	<u>\$ 353,600</u>

EXHIBIT A-20

**STATEMENT OF DEFERRED CHARGES
EMERGENCY AUTHORIZATIONS**

	Balance, December 31, <u>2011</u>	Added in <u>2012</u>	Raised in Budget	Balance, December 31, <u>2012</u>
Emergency Authorization (40A:4-47)	\$ 50,000		\$ 50,000	
Operating Deficit	38,820		38,820	
Emergency Hurricane Sandy	-	\$ 240,000	-	\$ 240,000
	<u>\$ 88,820</u>	<u>\$ 240,000</u>	<u>\$ 88,820</u>	<u>\$ 240,000</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF RESERVE FOR UNAPPROPRIATED GRANTS**

	Balance, December 31, <u>2011</u>	Cash Receipts	Balance, December 31, <u>2012</u>
Recycling Tonnage Grant	\$ 6,870		\$ 6,870
Drunk Driving Enforcement Fund	2,016		2,016
Body Armor	<u>1,863</u>	<u>\$ 450</u>	<u>2,313</u>
	<u>\$ 10,749</u>	<u>\$ 450</u>	<u>\$ 11,199</u>

**STATEMENT OF DEFERRED CHARGES
N.J.S. 40A:4-55 SPECIAL EMERGENCY AUTHORIZATIONS**

<u>Date</u>	<u>Description</u>	Net Amount <u>Authorized</u>	1/5 of Net <u>Amount</u>	Balance, December 31, <u>2011</u>	Raised in 2012 <u>Budget</u>	Balance, December 31, <u>2012</u>
9/27/2011	Accumulated Absences	\$ 35,000	\$ 7,000	\$ 35,000	\$ 7,000	\$ 28,000
6/14/2011	Revaluation	285,000	57,000	285,000	57,000	228,000
4/14/2009	Preparation of Tax Maps	84,000	16,800	<u>50,400</u>	<u>16,800</u>	<u>33,600</u>
				<u>\$ 370,400</u>	<u>\$ 80,800</u>	<u>\$ 289,600</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2011</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2012</u>
NJ Transportation Trust Fund-Paterson-Hamburg Turnpike	\$ 5,053			\$ 5,053
Clean Communities		\$ 11,278	\$ 11,278	
Recycling Tonnage Grant		10,061	10,061	
Body Armor Grant	1,697	3,851	3,851	1,697
Municipal Alliance	13,127	21,553	22,695	11,985
Green Acres Program-Planning Incentive Grant	410,524			410,524
Child Passenger Safety Grant	8,196			8,196
Click It or Ticket	54	4,000	4,000	54
Safe Routes to School Grant	22,000			22,000
NJ DEP-Recreation Trails Program	14,800			14,800
Domestic Violence Training Program	3,752			3,752
Highlands COAH Grant	17,194			17,194
Assistance to Firefighters Grant	16,836			16,836
County of Passaic-Sloan Park Improvements	48,852			48,852
County of Passaic - Oakwood Park	28,113		27,074	1,039
Passaic County Cultural and Heritage Council-Art Classes	503			503
Passaic County Cultural and Heritage Council-Cultural Festival	611			611
Drunk Driving Enforcement Fund	<u>-</u>	<u>2,286</u>	<u>2,286</u>	<u>-</u>
	<u>\$ 591,312</u>	<u>\$ 53,029</u>	<u>\$ 81,245</u>	<u>\$ 563,096</u>
Due from General Capital Fund			\$ 27,074	
Cash Receipts			<u>54,171</u>	
			<u>\$ 81,245</u>	

BOROUGH OF BLOOMINGDALE
STATEMENT OF APPROPRIATED RESERVES FOR GRANTS

<u>Grant</u>	Balance, December 31, <u>2011</u>	Realized 2012 <u>Budget</u>	<u>Expended</u>	Balance, December 31, <u>2012</u>
Clean Communities Grant	\$ 593	\$ 11,278	\$ 11,871	
Drunk Driving Enforcement Fund	918	2,286	2,928	\$ 276
Recycling Tonnage Grant		10,062	5,664	4,398
Body Armor Grant	2,579	3,851	4,141	2,289
Municipal Alliance	13,872	21,553	21,553	13,872
NJ DEP Green Acres Program: Planning	410,524			410,524
Child Passenger Safety Grant	4,606			4,606
Click It or Ticket	58	4,000	4,000	58
Safe Routes to School	22,000			22,000
Over the Limit/Under Arrest	1,450			1,450
NJ DEP-Recreation Trails	19,275			19,275
Office of Emergency Management	2,406			2,406
Domestic Violence Training Program	629			629
Highlands COAH Grant	12,994			12,994
Municipal Storm water Regulation	8,586			8,586
FEMA Grant	774			774
Assistance to Firefighters Grant	19,850			19,850
Bulletproof Vest Partnership	3,811			3,811
County of Passaic-Sloan Park Improvements	48,852		738	48,114
County of Passaic-Oakwood Park	3,095		2,252	843
Passaic County Cultural-Art Classes	397			397
Passaic County Cultural-Cultural Festival	986			986
Passaic County Cultural-Senior Citizen	593	-	400	193
	<u>\$ 578,848</u>	<u>\$ 53,030</u>	<u>\$ 53,547</u>	<u>\$ 578,331</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2011	\$ 5,522
Increased by	
Transferred from Appropriation Reserves	<u>11,455</u>
Balance, December 31, 2012	<u>\$ 16,977</u>

STATEMENT OF DUE TO MUNICIPAL LIBRARY

Balance, December 31, 2011	\$ 7,266
Increased by:	
Balance of 2012 Appropriation Due Library	<u>9,130</u>
	16,396
Decreased by:	
Cancelled- Paid by Appropriation Reserves	<u>7,266</u>
Balance, December 31, 2012	<u>\$ 9,130</u>

TRUST FUNDS

**BOROUGH OF BLOOMINGDALE
STATEMENT OF TRUST CASH - TREASURER**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Small Cities Trust Fund</u>
Balance, December 31, 2011	\$ 27,992	\$ 520,911	\$ 8,079
Increased by Receipts:			
Payroll Deposits		\$ 6,769,071	
Payroll Deposits-Unemployment		6,259	
FEMA Reimbursement		7,005	
Receipts from Current Fund			
Receipts from Current Fund-Open Space Levy		187,094	
Interest on Investments and Deposits	\$ 34	412	\$ 8
Interest on Investments-Payroll		38	
Interest-Open Space Trust Fund		311	
Interest-Unemployment		39	
Zoning Permits		3,200	
Special Deposits		869,984	
Tax Sale Premiums		183,200	
Budget Appropriation-Unemployment		10,000	
Due to State of NJ	1,569		
Miscellaneous Fees	41,848		
Animal License Fees	10,778	-	-
	<u>54,229</u>	<u>8,036,613</u>	<u>8</u>
	82,221	8,557,524	8,087
Decreased by Disbursements:			
Payroll Expenditures		6,769,013	
Payments to Current Fund	31	3,251	8
Expenditures Under R.S. 4:19-15.11	47,631		
Special Deposits		459,618	
Due to State of New Jersey	1,670		
Tax Sale Premiums		75,300	
Open Space Expenditures		250,414	
Unemployment Ins. Claims/Payroll Deductions	-	4,025	-
	<u>49,332</u>	<u>7,561,621</u>	<u>8</u>
Balance, December 31, 2012	<u>\$ 32,889</u>	<u>\$ 995,903</u>	<u>\$ 8,079</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND

Balance, December 31, 2011	\$ 2
Increased by:	
Interest on Investments and Deposits	34
	36
Decreased by:	
Payments to Current	31
Balance, December 31, 2012	<u>\$ 5</u>

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance, December 31, 2011	\$ 27,859
Increased by:	
License Fees Collected	\$ 10,778
Miscellaneous Fees	41,848
	52,626
	80,485
Decreased by:	
Expenditures Under R.S. 4:19-15-11	47,631
Balance, December 31, 2012	<u>\$ 32,854</u>

Analysis of Fund Balance

Reserve for Dog Expenditures	\$ 4,945
Reserve for Cat Licenses	1,993
Reserve for Animal Control	25,916
	<u>\$ 32,854</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF DUE FROM CURRENT FUND - OTHER TRUST FUND**

Balance, December 31, 2011		\$ 2,311
Increased by:		
Payments to Current Fund -(Zoning)	\$ 3,075	
Payments to Current Fund -(Interest Earnings)	176	
Other Trust Fund Receipts Deposited in Current Fund- Third Party Tax Redemption	<u>22,534</u>	
		<u>25,785</u>
		28,096
Decreased by:		
Interest on Investments	412	
Current Fund Receipts Deposited in Other Trust Fund (Zoning)	<u>3,200</u>	
		<u>3,612</u>
Balance, December 31, 2012		<u>\$ 24,484</u>

EXHIBIT B-7

STATEMENT OF DUE TO STATE OF NEW JERSEY - ANIMAL CONTROL FUND

Balance, December 31, 2011		\$ 131
Increased by:		
Dog License Fees Collected		<u>1,569</u>
		1,700
Decreased by:		
Disbursements - Animal Control		<u>1,670</u>
Balance, December 31, 2012		<u>\$ 30</u>

EXHIBIT B-8

STATEMENT OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE CLAIMS

Balance, December 31, 2011		\$ 35,723
Increased by Revenues:		
Interest on Investments and Deposits	\$ 39	
Employee Contributions	6,259	
2012 Budget Appropriation	<u>10,000</u>	
		<u>16,298</u>
		52,021
Decreased by Expenditures:		
Unemployment Insurance Claims/ Payroll Deductions		<u>4,025</u>
Balance, December 31, 2012		<u>\$ 47,996</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF DUE FROM CURRENT FUND - MUNICIPAL OPEN SPACE TRUST

Increased by:	
Added Assessment - Open Space	\$ <u>373</u>
Balance, December 31, 2012	\$ <u>373</u>

STATEMENT OF DUE TO CURRENT FUND - PAYROLL

Balance, December 31, 2011	\$ 449
Increased by:	
Interest on Investments and Deposits	<u>38</u>
Balance, December 31, 2012	\$ <u>487</u>

STATEMENT OF DUE TO CURRENT FUND - SMALL CITIES REVOLVING LOAN TRUST

Increased by:	
Interest on Investments and Deposits	\$ <u>8</u>
Decreased by:	
Payments to Current Fund	\$ <u>8</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF RESERVE FOR PAYROLL DEPOSITS PAYABLE**

Balance, December 31, 2011	\$ (751)
Increased by:	
Receipts	<u>6,769,071</u>
	6,768,320
Decreased by:	
Disbursements	<u>6,769,013</u>
Balance, December 31, 2012	<u>\$ (693)</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF SPECIAL DEPOSITS**

	Balance, December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u>
Escrow Deposits	\$ 26,870	\$ 490,575	\$ 57,275	\$ 460,170
Recycling Trust	19,942	35,363	41,793	13,512
Recreation Trust	29,111	41,208	47,822	22,497
POAA	407	234	309	332
Public Defender Application Fees	4,220	5,390		9,610
Outside Police Detail	3,268	63,506	63,506	3,268
Fire Prevention Penalties	2,620			2,620
Senior Citizen Activities	2,935	26,840	23,858	5,917
Accumulated Compensated Absences	19,849		19,218	631
Reserve for Snow Removal	340			340
Flex Spending		2,670	1,643	1,027
Affordable Housing		4		4
Kinnelon Interlocal Construction		204,194	204,194	-
Third Party Tax Redemptions	-	22,534	-	22,534
	<u>\$ 109,562</u>	<u>\$ 892,518</u>	<u>\$ 459,618</u>	<u>\$ 542,462</u>
Cash Receipts		\$ 869,984		
Cash Disbursements			\$ 459,618	
Receipts Deposited in Current Fund		<u>22,534</u>	<u>-</u>	
		<u>\$ 892,518</u>	<u>\$ 459,618</u>	

EXHIBIT B-14

STATEMENT OF PREMIUMS ON TAX SALE

Balance, December 31, 2011	\$ 62,800
Increased by:	
Cash Receipts	<u>183,200</u>
	246,000
Decreased by:	
Cash Disbursements	<u>75,300</u>
Balance, December 31, 2012	<u>\$ 170,700</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF RESERVE FOR MUNICIPAL ALLIANCE ON
ALCOHOLISM AND DRUG ABUSE - PROGRAM INCOME**

Balance, December 31, 2011	\$ <u>1,179</u>
Balance, December 31, 2012	\$ <u>1,179</u>

STATEMENT OF DUE TO GENERAL CAPITAL FUND

Balance, December 31, 2011	\$ <u>103,000</u>
Balance, December 31, 2012	\$ <u>103,000</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF RESERVED FOR OPEN SPACE EXPENDITURES**

Balance, December 31, 2011		\$ 211,260
Increased by:		
2012 Tax Levy	\$ 187,094	
2012 Added Taxes	373	
Interest Earned	311	
FEMA Reimbursements	<u>7,005</u>	
		<u>194,783</u>
		406,043
Decreased by:		
Cash Disbursements		<u>250,414</u>
Balance, December 31, 2012		<u>\$ 155,629</u>

STATEMENT OF RESERVE FOR SMALL CITIES REVOLVING LOAN TRUST

Balance, December 31, 2011		\$ 8,079
Increased by:		
Interest Earned		<u>8</u>
		8,087
Decreased by:		
Payments to Current		<u>8</u>
Balance, December 31, 2012		<u>\$ 8,079</u>

GENERAL CAPITAL FUND

**BOROUGH OF BLOOMINGDALE
STATEMENT OF GENERAL CAPITAL CASH**

Balance, December 31, 2011		\$ 1,388,328
Increased by Receipts:		
Interest on Investments and Deposits	\$ 1,815	
Premium on Sale of Bond Anticipation Notes	1,337	
Bond Anticipated Notes Issued	2,665,000	
Receipt from Current Fund- Special Emergency Note	50,400	
Current Fund grant receipt deposited in General Capital Fund	27,074	
Grant Proceeds	<u>213,131</u>	
		<u>2,958,757</u>
		4,347,085
Decreased by Disbursements:		
Improvement Authorizations	929,317	
Encumbrances Payable	303,029	
Payment to Current Fund- Special Emergency Note	33,600	
Current Fund expenditure paid by General Capital Fund	16,200	
Payments for Water and Sewer Utility Assessment Trust Fund	100	
Water and Sewer Utility Operating Fund expenditures paid by General Capital Fund	10,700	
Payments to Water and Sewer Operating Fund	165,000	
Payments to Current Fund	<u>1,001,651</u>	
		<u>2,459,597</u>
Balance, December 31, 2012		<u>\$ 1,887,488</u>

**BOROUGH OF BLOOMINGDALE
ANALYSIS OF GENERAL CAPITAL CASH**

EXHIBIT C-3

		Balance, December 31, <u>2012</u>
Capital Improvement Fund		\$ 6,623
Fund Balance		8,999
Encumbrances Payable		661,820
Grants Receivable		(641,746)
Notes Receivable		(33,600)
Reserve for Other Contributions		30,000
Due from Current Fund		(988,925)
Due from Water and Sewer Utility Operating Fund		(175,700)
Due from Water and Sewer Utility Assessment Trust Fund		(100)
Due from Other Trust (Open Space Trust Fund)		(103,000)
Excess Note Proceeds		210,731
 Ord.		
<u>No.</u>	<u>Improvement Authorizations</u>	
8-1999	Various Capital Improvements	210
8-2004	Various Capital Improvements	182,716
1-2005	Various Capital Improvements	434,980
22-2005	Rehabilitation of Sports Fields and Open Space	404
27-2006	Various Capital Improvements	426,189
31-2006	Bloomington Town Center	200,000
32-2006	Walter T. Bergen School Field Project	18,939
27-2007	Construction of New Public Works Service Operations Garage and Acquisition of Property for Use as New Police Headquarters	12,902
15-2008	Various Capital Improvements	(48,080)
17-2009	Various Capital Improvements	31,413
11-2010	Sloan Park Bridge Project	228,470
15-2010	Reconstruction of Woodward Avenue	(63,549)
16-2010	Oakwood Lake Park Project	31,994
10-2011	Various Road and Drainage Improvements	39,724
18-2011	Various Capital Improvements	1,448,894
20-2011	Installation of Lighting at Walter T. Bergen School	9,620
10-2012	Various Road Improvements to Section 3	(20,652)
13-2012	Riverwalk Feasibility Plan	20,065
14-2012	Road Improvements Morse Lake Development	(41,853)
		<u>\$ 1,887,488</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF STATE AND FEDERAL GRANTS RECEIVABLE**

	Balance, December 31, <u>2011</u>	Grant <u>Award</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2012</u>
<u>Federal Grants</u>				
Federal Transportation Enhancement Grant				
Improvements to Main Street Ord. 1-2005a	\$ 200,000			\$ 200,000
Department of Transportation- Ord. 10-2011	230,000		\$ 172,500	57,500
Passaic Community Development Block Grant Ord. 10-2011	64,800		40,631	24,169
<u>State Grants</u>				
NJ Transportation Trust Fund				
Reconstruction of Ella Street Ord. 17-2000b	11,130			11,130
Reconstruction and Paving of Clark Street Ord. 11-2001b	5,196			5,196
Crosswalk Improvements to Main Street/ Hamburg Turnpike Ord. 11-2001c	5,433			5,433
Improvements to Main Street Projects Ord. 31-2006	200,000			200,000
Sloan Park Bridge Project Ord. 11-2010	231,000			231,000
Reconstruction of Woodward Avenue Ord. 15-2010	50,731			50,731
<u>County of Passaic</u>				
County Open Space and Farmland Preservation Trust Fund:				
Replacement of the Sloan Park Bridge Ord. 1-2005h	40,000			40,000
Walter T. Bergen School Field Project Ord. 32-2006	40,745			40,745
Oakwood Lake Park Project Ord. 16-2010	100,000			100,000
Riverwalk Feasibility Plan Ord. 13-2012		\$ 30,000		30,000
Road Improvements Morse Lake Development Ord. 14-2012	-	90,000	-	90,000
	<u>\$ 1,179,035</u>	<u>\$ 120,000</u>	<u>\$ 213,131</u>	<u>\$ 1,085,904</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2011	\$ 6,612,000
Decreased by:	
2012 Budget Appropriation	
Payment of Bond Principal	<u>955,000</u>
Balance, December 31, 2012	<u>\$ 5,657,000</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF NOTES RECEIVABLE**

Balance, December 31, 2011	\$ 50,400
Increased by:	
Payments to Current Fund	<u>33,600</u>
	\$ 84,000
Decreased by:	
Receipts from Current Fund	<u>50,400</u>
Balance, December 31, 2012	<u><u>\$ 33,600</u></u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

		Analysis of Balance, December 31, 2012								
Ord. No.	Improvement Description	Balance, December 31, 2011	2012 Authori- zations	Grant Proceeds/ Reimbursements	Notes Paid by Budget Appropriation	Balance, December 31, 2012	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authori- zations	
17-2005	Housing Rehabilitation Costs	\$ 250				\$ 250			\$ 250	
22-2005	Rehabilitation of Sports Fields and Open Space	500,000				500,000	\$ 115,000		385,000	
15-2008	Multi-Purpose	357,000			\$ 16,200	340,800	290,800	\$ 48,080	1,920	
17-2009	Multi-Purpose	928,000				928,000	740,000		188,000	
15-2010	Reconstruction of Woodward Avenue	66,731				66,731		63,549	3,182	
10-2011	Various Road and Drainage Improvements	412,400		\$ 213,131		199,269	199,269			
18-2011	Various Capital Improvements	1,710,000				1,710,000	1,710,000			
20-2011	Installation of Lighting at Walter T. Bergen School	432,250				432,250	430,000		2,250	
10-2012	Various Road Improvements to Section 3		\$ 427,000			427,000		20,652	406,348	
14-2012	Road Improvements Morse Lake Development	-	85,000	-	-	85,000	-	41,853	43,147	
		<u>\$ 4,406,631</u>	<u>\$ 512,000</u>	<u>\$ 213,131</u>	<u>\$ 16,200</u>	<u>\$ 4,689,300</u>	<u>\$ 3,485,069</u>	<u>\$ 174,134</u>	<u>\$ 1,030,097</u>	
							Bond Anticipation Notes	\$ 3,695,800		
							Less: Excess Note Proceeds			
							Ord #10-2011	210,731		
								<u>\$ 3,485,069</u>		
									Improvement Authorizations-Unfunded	\$ 3,039,555
									Less: Unexpended Proceeds on Bond Anticipation Notes	
									Ord. #22-2005	\$ 404
									Ord. #31-2006	200,000
									Ord. #32-2006	18,939
									Ord. #17-2009	31,413
									Ord. #11-2010	228,470
									Ord. #16-2010	31,994
									Ord. #10-2011	39,724
									Ord. #18-2011	1,448,894
									Ord. #20-2011	9,620
										<u>2,009,458</u>
										<u>\$ 1,030,097</u>

BOROUGH OF BLOOMINGDALE STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Amount	2012 Authorizations						Balance,	
			Balance, December 31, 2011		Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded	Grant Award	Expended	December 31, 2012	
			Funded	Unfunded					Funded	Unfunded
8-1999	Various Capital Improvements	\$ 500,945	\$ 210						\$ 210	
8-2004	Various Capital Improvements	225,000	182,716						182,716	
1-2005	Various Capital Improvements	360,570	442,425					\$ 7,445	434,980	
17-2005	Rehabilitation Costs of Substandard Housing Units	15,000		\$ 250						\$ 250
22-2005	Rehabilitation of Sports Fields and Open Space	500,000		385,404						385,404
27-2006	Various Capital Improvements	705,000	426,189						426,189	
31-2006	Bloomingtondale Town Center	200,000		200,000						200,000
32-2006	Walter T. Bergen School Field Project	150,000		58,927				39,988		18,939
27-2007	Construction of New Public Works Service Operations Garage and Acquisition of Property for Use as New Police Headquarters	1,000,000	16,047					3,145	12,902	
15-2008	Various Capital Improvements	375,000		3,000				1,080		1,920
22-2008	Various Capital Improvements	285,575	127,550					127,550		
17-2009	Various Capital Improvements	975,000		381,652				162,239		219,413
11-2010	Sloan Park Bridge Project	231,000		231,000				2,530		228,470
15-2010	Reconstruction of Woodward Avenue	175,000		17,639				14,457		3,182
16-2010	Oakwood Lake Park Project	100,000		100,000				68,006		31,994
10-2011	Various Road and Drainage Improvements	422,000		315,645				275,921		39,724
18-2011	Various Capital Improvements	1,800,000	84,100	1,710,000				345,206		1,448,894
20-2011	Installation of Lighting at Walter T. Bergen School	455,000	22,750	432,250				443,130		11,870
10-2012	Various Road Improvements to Section 3	450,000			\$ 23,000	\$ 427,000		43,652		406,348
13-2012	Riverwalk Feasibility Plan	30,000					\$ 30,000	9,935	20,065	
14-2012	Road Improvements Morse Lake Development	90,000	-	-	5,000	85,000	-	46,853	-	43,147
			\$ 1,301,987	\$ 3,835,767	\$ 28,000	\$ 512,000	\$ 30,000	\$ 1,591,137	\$ 1,077,062	\$ 3,039,555
					Cash Disbursements			\$ 929,317		
					Encumbrances Payable			661,820		
								\$ 1,591,137		

**BOROUGH OF BLOOMINGDALE
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2012		Interest Rate	Balance, December 31, 2011	Decreased	Balance, December 31, 2012
			Date	Amount				
General Improvement Bonds	3/1/2001	\$ 3,599,000	3/1/2013	\$ 275,000	4.35%	\$ 849,000	\$ 350,000	\$ 499,000
			3/1/2014	224,000				
General Improvement Bonds	8/1/2004	3,733,000	8/1/2013-14	340,000	3.7%	2,213,000	330,000	1,883,000
			8/1/2015-16	400,000				
			8/1/2017	403,000				
General Improvement Bonds	7/15/2008	4,050,000	7/15/2013	275,000	3.75%	<u>3,550,000</u>	<u>275,000</u>	<u>3,275,000</u>
			7/15/2014	300,000	3.88%			
			7/15/2015-23	300,000	4.00%			
						<u>\$ 6,612,000</u>	<u>\$ 955,000</u>	<u>\$ 5,657,000</u>
Paid by Budget Appropriation							\$ 955,000	

**BOROUGH OF BLOOMINGDALE
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2011	Increased	Decreased	Balance, December 31, 2012
15-2008	Multi-Purpose	7/20/2009	7/14/2011 7/12/2012	7/13/2012 5/10/2013	2.0% 1.25%	\$ 307,000	\$ 290,800	\$ 307,000	\$ 290,800
17-2009	Multi-Purpose	7/19/2010	7/14/2011 7/12/2012	7/13/2012 5/10/2013	2.0% 1.25%	740,000	740,000	740,000	740,000
22-2005	Rehabilitation of Sports Fields and Open Space	5/10/2012	5/10/2012	5/10/2013	0.95%		115,000		115,000
10-2011	Various Road and Drainage Improvements	5/10/2012	5/10/2012	5/10/2013	0.95%		410,000		410,000
18-2011	Various Capital Improvements	5/10/2012	5/10/2012	5/10/2013	0.95%		1,710,000		1,710,000
20-2011	Installation of Lighting at Walter T. Bergen School	5/10/2012	5/10/2012	5/10/2013	0.95%	-	430,000	-	430,000
						<u>\$ 1,047,000</u>	<u>\$ 3,695,800</u>	<u>\$ 1,047,000</u>	<u>\$ 3,695,800</u>
						Issued for Cash	\$ 2,665,000		
						Renewals	1,030,800	\$ 1,030,800	
						Paid by Capital Cash- Due from			
						Current Fund-Budget Appropriation	-	16,200	
							<u>\$ 3,695,800</u>	<u>\$ 1,047,000</u>	

**BOROUGH OF BLOOMINGDALE
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2011	\$ 4,623
Increased by:	
2012 Budget Appropriation	<u>30,000</u>
	34,623
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>28,000</u>
Balance, December 31, 2012	<u><u>\$ 6,623</u></u>

STATEMENT OF RESERVE FOR OTHER CONTRIBUTIONS

	Balance, December 31, 2011	Balance, December 31, 2012
Reserve for:		
Other Contributions	<u>\$ 30,000</u>	<u>\$ 30,000</u>
	<u><u>\$ 30,000</u></u>	<u><u>\$ 30,000</u></u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF DUE TO/(FROM) CURRENT FUND**

Balance, December 31, 2011 - Due To		\$ 37
Increased by:		
Current Fund Grant Receipts deposited in General Capital Fund	\$ 27,074	
Interest on Investments and Deposits	<u>1,815</u>	
		<u>28,889</u>
		28,926
Decreased by:		
Payments to Current Fund	1,001,651	
Current Fund expenditure paid by General Capital Fund-		
2012 Budget Appropriation - Bond Anticipation Note Principal	<u>16,200</u>	
		<u>1,017,851</u>
Balance, December 31, 2012 - (Due From)		<u>\$ (988,925)</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2011	\$ 303,029
Increased by:	
Charges to Improvement Authorizations	<u>661,820</u>
	964,849
Decreased by:	
Cash Disbursements	<u>303,029</u>
Balance, December 31, 2012	<u>\$ 661,820</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF RESERVE FOR GRANTS RECEIVABLE

	Ordinance Number	Balance December 31, 2011	2012 Grants	Grant Receipts	Balance, December 31, 2012
<u>Federal Grants</u>					
Federal Transportation Enhancement Grant:					
Improvements to Main Street	1-2005a	\$ 200,000			\$ 200,000
Department of Transportation	10-2011	230,000		\$ 172,500	57,500
Passaic County Community					
Development Block Grant	10-2011	<u>64,800</u>	<u>-</u>	<u>40,631</u>	<u>24,169</u>
		494,800	-	213,131	281,669
State Grants					
New Jersey Department of Transportation:					
Transportation Trust Fund:					
Reconstruction of Ella Street	17-2000b	11,130			11,130
Reconstruction and Paving of Clark					
Street	11-2001b	5,195			5,195
Crosswalk Improvements to Main					
Street/Hamburg Turnpike	11-2001c	5,433			5,433
Reconstruction of Woodward Avenue	15-2010	50,731			50,731
Road Imprv. Morse Lake Development	14-2012	<u>-</u>	<u>\$ 90,000</u>	<u>-</u>	<u>90,000</u>
		<u>\$ 567,289</u>	<u>\$ 90,000</u>	<u>\$ 213,131</u>	<u>\$ 444,158</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2011</u>	<u>Authorized</u>	Grant Proceeds	Notes Issued	Balance, December 31, <u>2012</u>
17-2005	Rehabilitation Costs for Substandard Housing Units	\$ 250				\$ 250
22-2005	Rehabilitation of Sports Fields and Open Space	500,000			\$ 115,000	385,000
15-2008	Multi-Purpose	50,000				50,000
17-2009	Multi-Purpose	188,000				188,000
15-2010	Reconstruction of Woodward Avenue	66,731				66,731
10-2011	Various Road and Drainage Improvements	412,400		\$ 2,400	410,000	-
18-2011	Various Capital Improvements	1,710,000			1,710,000	-
20-2011	Installation of Lighting at Walter T. Bergen School	432,250			430,000	2,250
10-2012	Various Road Improvements to Section 3		\$ 427,000			427,000
14-2012	Road Improvements Morse Lake Development	-	85,000	-	-	85,000
		<u>\$ 3,359,631</u>	<u>\$ 512,000</u>	<u>\$ 2,400</u>	<u>\$ 2,665,000</u>	<u>\$ 1,204,231</u>

WATER AND SEWER UTILITY FUND

BOROUGH OF BLOOMINGDALE
STATEMENT OF WATER AND SEWER UTILITY CASH - TREASURER

	<u>Operating</u>	<u>Capital</u>	<u>Assessment Trust</u>
Balance, December 31, 2011	\$ 327,625	\$ 367,614	\$ 116,214
Increased by Receipts:			
Consumer Accounts Receivable	\$ 2,991,636		
Overpayments	6,302		
Interest on Investments and Deposits	386	\$ 130	\$ 111
Assessments Receivable			39,648
Sewer Connection Fees	663,022		
Other Fees	32,418		
Receipts from General Capital Fund	165,000		
Receipts from Water Capital Fund	122		
Interest on Assessments Receivable			5,149
Due from Water/ Sewer Utility Operating - Budget	-	-	29,000
	<u>3,858,886</u>	<u>130</u>	<u>73,908</u>
	4,186,511	367,744	190,122
Decreased by Disbursements:			
2012 Budget Appropriations	2,910,220		
2011 Appropriation Reserves	102,429		
Accrued Interest on Bonds and Notes	56,400		
Improvement Authorizations		313,357	
Contracts Payable		10,584	
General Serial Bonds			75,000
Payments to Water/Sewer Utility Operating Fund	-	122	-
	<u>3,069,049</u>	<u>324,063</u>	<u>75,000</u>
Balance, December 31, 2012	<u>\$ 1,117,462</u>	<u>\$ 43,681</u>	<u>\$ 115,122</u>

BOROUGH OF BLOOMINGDALE
ANALYSIS OF WATER AND SEWER UTILITY ASSESSMENT TRUST CASH

	Balance, December 31, <u>2011</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance, December 31, <u>2012</u>
Assessment Serial Bonds				
Sanitary Sewer System (Ord. No. 16-1994/ 1-1997)	\$ 107,222	\$ 62,636	\$ 75,000	\$ 94,858
Assessment Bond Anticipation Notes Issues:				
#16-2006, 26-2006	6,275	6,012	100	12,187
Due to Sewer Utility Operating/Capital Funds	10	5,260		5,270
Due to General Capital Fund		100		100
Trust Surplus	<u>2,707</u>	<u>-</u>	<u>-</u>	<u>2,707</u>
	<u>\$ 116,214</u>	<u>\$ 74,008</u>	<u>\$ 75,100</u>	<u>\$ 115,122</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF WATER AND SEWER UTILITY CAPITAL CASH

	Balance, December 31, <u>2012</u>
Fund Balance	\$ 714
Reserve for Payment of Debt	21,175
Contracts Payable	326,891
Due to Water and Sewer Utility Operating Fund	8
Capital Improvement Fund	30,050
 Ord.	
<u>No.</u>	<u>Improvement Description</u>
18-2000	Refurbishment of the Star Lake Water Tank 335
2-2002	Refurbishment of the Star Lake Water Tank 32,000
11-2004	Water and Sewer Upgrades and Repairs Road Improvement Program 18
20-2005	Various Capital Improvements 654
17-2007/	
11-2008	Installation of Water Lines-Upper Morse Lake Area 117,174
12-2009	Repairs, Upgrades and Supplies to the Municipal Utility System 8,488
21-2009	Rehabilitation and Improvements to a Water Tank (232,558)
14-2010	Purchase of Water Meter and Hydrants for Water Department (32,122)
16-2006/26-	
2006	Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street 65,469
17-2012	Water Main Replacement Lakeside Ave (158,760)
22-2012	Water Main Replacement Old Ridge Rd. (135,855)
	<u>\$ 43,681</u>

EXHIBIT D-11

STATEMENT OF CHANGE FUND
WATER AND SEWER UTILITY OPERATING FUND

Balance, December 31, 2011	\$ <u>100</u>
Balance, December 31, 2012	\$ <u>100</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF INVENTORY - MATERIAL AND SUPPLIES
WATER AND SEWER UTILITY OPERATING FUND**

Balance, December 31, 2011	\$ 25,631
Increased by:	
Adjustments to Actual Inventory	<u>10,950</u>
Balance, December 31, 2012	<u>\$ 36,581</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF DUE FROM WATER AND SEWER CAPITAL FUND -
WATER AND SEWER UTILITY OPERATING FUND**

Increased by:

Interest Earned in Water/Sewer Utility Capital Fund	\$	130
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Decreased by:

Payments to Water/Sewer Utility Operating Fund		<u>122</u>
--	--	------------

Balance, December 31, 2012

	\$	<u>8</u>
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**STATEMENT OF FIXED CAPITAL
WATER AND SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2011

	\$	8,054,807
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Increased by:

Capital Outlay Additions - Current Year	\$	104,920	
Capital Outlay Additions - Appropriation Reserves		10,407	
Transfer from Fixed Capital - Authorized and Uncompleted		<u>523,098</u>	
			<u>638,425</u>

Balance, December 31, 2012

	\$	<u>8,693,232</u>
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**BOROUGH OF BLOOMINGDALE
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE
WATER AND SEWER UTILITY OPERATING FUND**

Balance, December 31, 2011		\$	58,809
Increased by:			
Water Rents Levied			<u>3,005,897</u>
			3,064,706
Decreased by:			
Cash Collections	\$	2,991,636	
Overpayments Applied		<u>3,452</u>	
			<u>2,995,088</u>
Balance, December 31, 2012		\$	<u>69,618</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
WATER AND SEWER UTILITY CAPITAL FUND

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2011</u>	Deferred Charges to <u>Future Revenue</u>	Costs to Fixed <u>Capital</u>	Balance, December 31, <u>2012</u>
18-2000	Refurbishment of Star Lake Water Tank	\$ 120,491		\$ 120,156	\$ 335
2-2002	Refurbishment of Star Lake Water Tank	32,000			32,000
11-2004	Water and Sewer Upgrades and Repairs:				
	Road Improvement Projects	2,759		2,759	
15-2005	Purchase of Water Utility Box Truck	18			18
20-2005	Various Capital Improvements	654			654
17-2007/					
11-2008	Installation of Water Lines-Upper Morse Lake Area	117,634		460	117,174
12-2009	Repairs, Upgrades, and Supplies to the Municipal Utility System	16,000		7,512	8,488
21-2009	Rehabilitation and Improvements to a Water Tank	350,000		232,558	117,442
16-2006/ 26-					
2006	Installation of Sanitary Sewer Lines	193,000		127,531	65,469
14-2010	Purchase of Water Meter and Hydrants for Water Dept.	40,000		32,122	7,878
17-2012	Water Main Replacement Lakeside Ave		\$ 200,000		200,000
22-2012	Water Main Replacement Olde Ride Road	-	250,000	-	250,000
		<u>\$ 872,556</u>	<u>\$ 450,000</u>	<u>\$ 523,098</u>	<u>\$ 799,458</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF ASSESSMENTS RECEIVABLE
WATER AND SEWER UTILITY ASSESSMENT TRUST FUND**

Ord. No.	<u>Improvement Description</u>	Balance, December 31,		Balance, December 31,		<u>Pledged To</u>	
		<u>2011</u>	<u>Collected</u>	<u>2012</u>	<u>Reserve</u>	<u>Bonds</u>	
16-1994/ 1-1997	Hillside Drive Sewer Project	\$ 82,737	\$ 33,636	\$ 49,101		\$ 49,101	
16-2006/ 26-2006	Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	<u>35,887</u>	<u>6,012</u>	<u>29,875</u>	<u>-</u>	<u>29,875</u>	
		<u>\$ 118,624</u>	<u>\$ 39,648</u>	<u>\$ 78,976</u>	<u>\$ -</u>	<u>\$ 78,976</u>	

**BOROUGH OF BLOOMINGDALE
STATEMENT OF DEFERRED CHARGES
WATER AND SEWER UTILITY ASSESSMENT TRUST FUND**

	Balance, December 31, <u>2011</u>	Raised by Budget <u>Appropriation</u>	Balance, December 31, <u>2012</u>
Amount to be Raised for Cancelled Assessment - Ord. 16-1994, 1-1997	\$ 110,041	\$ 29,000	\$ 81,041

**STATEMENT OF DUE FROM WATER AND SEWER UTILITY ASSESSMENT TRUST FUND
WATER AND SEWER UTILITY OPERATING FUND**

Balance, December 31, 2011	\$ 10
Increased by:	
Interest on Investments and Deposits	\$ 111
Current Year Interest on Assessments	<u>5,149</u>
	<u>5,260</u>
Balance, December 31, 2012	\$ <u>5,270</u>

**STATEMENT OF DUE TO GENERAL CAPITAL FUND
WATER AND SEWER UTILITY ASSESSMENT TRUST FUND**

Increased by:	
Bond Anticipation Notes Paydown Paid by General Capital Fund	\$ <u>100</u>
Balance, December 31, 2012	\$ <u>100</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF 2011 APPROPRIATION RESERVES
WATER AND SEWER UTILITY OPERATING FUND**

	Balance, December 31, <u>2011</u>	Balance After Modifications	<u>Expended</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 33,267	\$ 33,266	\$ 21,341	\$ 11,925
Other Expenses	7,490	112,138	73,235	38,903
CAPITAL IMPROVEMENTS				
Capital Outlay	7,094	17,501	10,407	7,094
STATUTORY EXPENDITURES				
Social Security System	<u>3,366</u>	<u>3,366</u>	<u>-</u>	<u>3,366</u>
	<u>\$ 51,217</u>	<u>\$ 166,271</u>	<u>\$ 104,983</u>	<u>\$ 61,288</u>
Appropriation Reserves		\$ 51,217		
Encumbrances Payable		<u>115,054</u>		
		<u>\$ 166,271</u>		
Transferred to Accounts Payable			\$ 2,554	
Cash Disbursements			<u>102,429</u>	
			<u>\$ 104,983</u>	

EXHIBIT D-22

**STATEMENT OF ENCUMBRANCES PAYABLE -
WATER AND SEWER UTILITY OPERATING FUND**

Balances, December 31, 2011	\$ 115,054
Increased by:	
Charges to 2012 Appropriations	<u>81,754</u>
	196,808
Decreased by:	
Restored to Appropriation Reserves	<u>115,054</u>
Balance, December 31, 2012	<u>\$ 81,754</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF ACCOUNTS PAYABLE
WATER AND SEWER UTILITY OPERATING FUND**

Balances, December 31, 2011	\$	5,631
Increased by:		
Transferred from 2011 Appropriation Reserves		<u>2,554</u>
Balance, December 31, 2012	\$	<u>8,185</u>

**STATEMENT OF DUE TO GENERAL CAPITAL FUND
WATER AND SEWER UTILITY OPERATING FUND**

Increased by:		
Cash Receipt	\$	165,000
Budget Appropriation for Payment of Bond Anticipation Notes		<u>10,700</u>
Balance, December 31, 2012	\$	<u>175,700</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS
WATER AND SEWER UTILITY OPERATING FUND**

Balance, December 31, 2011	\$ 21,745
Increased by:	
Interest Accrued-Budget	<u>51,457</u>
	73,202
Decreased by:	
Interest Paid	<u>56,400</u>
Balance, December 31, 2012	<u>\$ 16,802</u>

Analysis of Balance, December 31, 2012

Serial Bonds	\$ 14,200
Bond Anticipation Notes	<u>2,602</u>
	<u>\$ 16,802</u>

**STATEMENT OF WATER AND SEWER RENT OVERPAYMENTS
WATER AND SEWER UTILITY OPERATING FUND**

Balance, December 31, 2011	\$ 3,452
Increased by:	
Overpayments Received	<u>6,302</u>
	9,754
Decreased by:	
Overpayments Applied	<u>3,452</u>
Balance, December 31, 2012	<u>\$ 6,302</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
WATER AND SEWER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ord. Amount	Balance, December 31, 2011		2012 Authorizations	Expended	Balance, December 31, 2012	
			Funded	Unfunded			Funded	Unfunded
18-2000	Refurbishment of the Star Lake Water Tank	\$ 122,500	\$ 103,047			\$ 102,712	\$ 335	
2-2002	Refurbishment of the Star Lake Water Tank	32,000	32,000				32,000	
11-2004	Water and Sewer Upgrades and Repairs							
	Road Improvement Projects	2,759	2,759			2,759		
15-2005	Purchase of Water Utility Box Truck	41,000		\$ 18				\$ 18
20-2005	Various Capital Improvement	58,000	654				654	
17-2007/ 11-2008	Installation of Water Lines-Upper Morse Lake Area	1,120,000		117,634		460		117,174
12-2009	Repairs, Upgrades and Supplies to the Municipal Utility System	16,000	8,488				8,488	
21-2009	Rehabilitation and Improvements to a Water Tank	350,000		337,902		220,460		117,442
14-2010	Purchase of Water Meter and Hydrants for Water Department	40,000		27,120		19,242		7,878
16-2006/ 26- 2006	Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	193,000		65,469				65,469
17-2012	Water Main Replacement Lakeside Ave	200,000			\$ 200,000	158,760		41,240
22-2012	Water Main Replacement Old Ridge Rd	250,000	-	-	250,000	135,855	-	114,145
			<u>\$ 146,948</u>	<u>\$ 548,143</u>	<u>\$ 450,000</u>	<u>\$ 640,248</u>	<u>\$ 41,477</u>	<u>\$ 463,366</u>
Cash Disbursements						\$ 313,357		
Contracts Payable						326,891		
						<u>\$ 640,248</u>		

**BOROUGH OF BLOOMINGDALE
STATEMENT OF RESERVE FOR AMORTIZATION
WATER AND SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2011			\$ 6,967,969
Increased by:			
Capital Outlay Expenditures	\$	115,327	
Serial Bonds Paid by Operating Budget		145,000	
Transfer from Reserve for Deferred Amortization		<u>272,779</u>	
			<u>533,106</u>
Balance, December 31, 2012			<u>\$ 7,501,075</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF SERIAL BONDS
WATER AND SEWER UTILITY CAPITAL FUND**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, December 31,		Balance, December 31,	
			December 31, 2012			2011	Decreased	2012	
			Date	Amount					
Water System Improvements	3/1/1999	\$ 520,000	3/1/2013	\$ 40,000	4.550 %				
			3/1/2014	50,000	4.650	\$ 130,000	\$ 40,000	\$ 90,000	
Sewer System Improvements	3/1/1999	\$ 849,000	3/1/2013	45,000	4.550				
			3/1/2014	45,000	4.650				
			3/1/2015	45,000	4.700				
			3/1/2016	45,000	4.750				
			3/1/2017	45,000	4.800				
			3/1/2018	45,000	4.850				
			3/1/2019	44,000	5.000	359,000	45,000	314,000	
Water System Improvements	3/1/2001	\$ 599,000	3/1/2013	45,000	4.350				
			3/1/2014	40,000	4.350				
			3/1/2015	50,000	4.350				
			3/1/2016	49,000	4.350	229,000	45,000	184,000	
Water System Improvements	8/1/2004	\$ 230,000	8/1/2013-18	15,000	3.700				
			8/1/2019	20,000	3.700	125,000	15,000	110,000	
						<u>\$ 843,000</u>	<u>\$ 145,000</u>	<u>\$ 698,000</u>	
							<u>\$ 145,000</u>		
					Paid by Budget Appropriation				

**BOROUGH OF BLOOMINGDALE
STATEMENT OF BOND ANTICIPATION NOTES
WATER AND SEWER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Ord. No.</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2012</u>
Purchase of Water Utility Box Truck	15-2005	7/27/2005	7/14/2011 7/12/2012	7/13/2012 5/10/2013	2.00 1.25	% \$ 27,000	\$ 22,400	\$ 27,000	\$ 22,400
Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	16-2006/ 26-2006	7/25/2007	7/14/2011 7/12/2012	7/13/2012 5/10/2013	2.00 1.25	95,838	93,638	95,838	93,638
Installation of Water Lines to the Upper Morse Lake Area	17-2007	2/12/2009	7/14/2011 7/12/2012	7/13/2012 5/10/2013	2.00 1.25	300,000 -	296,100	300,000 -	296,100
						<u>\$ 422,838</u>	<u>\$ 412,138</u>	<u>\$ 422,838</u>	<u>\$ 412,138</u>
Paid by Budget Appropriation							\$ 10,700		
Renewals							<u>\$ 412,138</u>	<u>412,138</u>	
							<u>\$ 412,138</u>	<u>\$ 422,838</u>	

**BOROUGH OF BLOOMINGDALE
STATEMENT OF WATER AND SEWER ASSESSMENT BONDS
WATER AND SEWER UTILITY ASSESSMENT TRUST FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance,</u>	<u>Decreased</u>	<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31, 2011</u>		<u>December 31, 2012</u>
Sewer System Improvements	3/1/1999	1,130,000	3/1/2013	75,000	4.55%			
			3/1/2014	75,000	4.65%			
			3/1/2015	75,000	4.70%	<u>\$ 300,000</u>	<u>\$ 75,000</u>	<u>\$ 225,000</u>
						<u>\$ 300,000</u>	<u>\$ 75,000</u>	<u>\$ 225,000</u>
Paid by Assessment Cash							<u>\$ 75,000</u>	

BOROUGH OF BLOOMINGDALE
STATEMENT OF WATER AND SEWER ASSESSMENT BOND ANTICIPATION NOTES

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Date of</u> <u>Issue of</u> <u>Note</u>	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance,</u> <u>December 31,</u> <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance,</u> <u>December 31,</u> <u>2012</u>
16-2006/ 26-2006	Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	7/25/2007	7/14/2011 7/12/2012	7/13/2012 5/10/2013	2.00% 1.25%	\$ 42,162 -	\$ 42,062	\$ 42,162 -	\$ 42,062
						<u>\$ 42,162</u>	<u>\$ 42,062</u>	<u>\$ 42,162</u>	<u>\$ 42,062</u>
					Paid by General Capital Cash Renewals		\$ 42,062	\$ 100 42,062	
							<u>\$ 42,062</u>	<u>\$ 42,162</u>	

**BOROUGH OF BLOOMINGDALE
STATEMENT OF CONTRACTS PAYABLE
WATER AND SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2011	\$ 10,584
Increased by:	
Contracts Awarded	<u>326,891</u>
	337,475
Decreased by:	
Cash Disbursements	<u>10,584</u>
Balance, December 31, 2012	<u>\$ 326,891</u>

EXHIBIT D-34

**STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION
WATER AND SEWER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Date of Ordinance	Balance, December 31, 2011	Notes Paid by Operating Budget	Transfer to Reserve	Balance, December 31, 2012
18-2000	Refurbishment of the Star Lake Water Tank	7/25/2000	\$ 120,491		\$ 120,156	\$ 335
2-2002	Refurbishment of the Star Lake Water Tank	2/26/2002	32,000			32,000
11-2004	Water and Sewer Upgrades and Projects Road Improvement Project	8/17/2004	2,759		2,759	
15-2005	Purchase of Water Utility Box Truck	6/21/2005	18	\$ 4,600	4,618	
20-2005	Various Capital Improvements	9/13/2005	654			654
17-2007/ 11-2008	Installation of Water Lines to the Upper Morse Lake Area	5/27/2008	117,634	3,900	121,534	
12-2009	Repairs, Upgrades and Supplies to the Municipal Utility System	9/22/2009	16,000		7,512	8,488
16-2006/ 26-2006	Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	7/18/2006	<u>14,000</u>	<u>2,200</u>	<u>16,200</u>	<u>-</u>
			<u>\$ 303,556</u>	<u>\$ 6,800</u>	<u>\$ 272,779</u>	<u>\$ 41,477</u>

EXHIBIT D-35

**BOROUGH OF BLOOMINGDALE
STATEMENT OF CAPITAL IMPROVEMENT FUND
WATER AND SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2011 \$ 30,050

Balance, December 31, 2012 \$ 30,050

EXHIBIT D-36

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
WATER AND SEWER UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2011</u>	2012 <u>Authorizations</u>	Balance, December 31, <u>2012</u>
21-2009	Rehabilitation and Improvements to a Water Tank'	\$ 350,000		\$ 350,000
14-2010	Purchase of a Water Meter and Hydrants for the Water Department	40,000		40,000
17-2012	Water Main Replacement Lakeside Ave		\$ 200,000	200,000
22-2012	Water Main Replacement Old Ridge Rd	<u>-</u>	<u>250,000</u>	<u>250,000</u>
		<u>\$ 390,000</u>	<u>\$ 450,000</u>	<u>\$ 840,000</u>

EXHIBIT D-37

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT
WATER AND SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2011 \$ 21,175

Balance, December 31, 2012 \$ 21,175

FREE PUBLIC LIRARY

**BOROUGH OF BLOOMINGDALE
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
PUBLIC LIBRARY CHECKING ACCOUNT**

Balance, December 31, 2011		\$ 285,024
Increased by Receipts:		
Library Fines, Book Sales, Photo Copier, Donations and Video	\$ 8,245	
State Aid	3,388	
Grant Receipts	1,500	
Transfer from NJ Cash Management Fund	1,000	
Interest Earned	<u>2,800</u>	
		<u>16,933</u>
		301,957
Decreased by Disbursements:		
Library Supplies and Program		
Checking Account	10,199	
State Aid Account	<u>36,631</u>	
		<u>46,830</u>
Balance, December 31, 2012		<u><u>\$ 255,127</u></u>

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
PUBLIC LIBRARY NEW JERSEY CASH MANAGEMENT FUND**

Balance, December 31, 2011	\$ 1,317
Decreased by:	
Transfer to Checking Account	<u>1,000</u>
Balance, December 31, 2012	<u><u>\$ 317</u></u>

EXHIBIT E-4

**BOROUGH OF BLOOMINGDALE
STATEMENT OF CHANGE FUND
PUBLIC LIBRARY**

Balance, December 31, 2011	\$ <u>150</u>
Balance, December 31, 2012	\$ <u>150</u>

EXHIBIT E-5

**STATEMENT OF PETTY CASH
PUBLIC LIBRARY**

Balance, December 31, 2011	\$ <u>100</u>
Balance, December 31, 2012	\$ <u>100</u>

EXHIBIT E-6

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2011	\$ 4,202
Decreased by:	
Paid by State Aid checking account	<u>4,202</u>
Balance, December 31, 2012	\$ <u>-</u>

EXHIBIT E-7

STATEMENT OF RESERVE FOR MAINTENANCE OF FREE PUBLIC LIBRARY WITH STATE AID

Balance, December 31, 2011	\$ 137,293
Increased by:	
Interest Earned	\$ 1,281
State Aid	<u>3,388</u>
	<u>4,669</u>
	141,962
Decreased by:	
Cash Disbursements	<u>32,429</u>
Balance, December 31, 2012	\$ <u>109,533</u>

BOROUGH OF BLOOMINGDALE
PART II
GOVERNMENTAL AUDITING STANDARDS

LERCH, VINCI & HIGGINS, LLP

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ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
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CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Bloomingdale
Bloomingdale, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bloomingdale, as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated July 23, 2013. Our report on the financial statements – regulatory basis indicated that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting 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, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

Internal Control over Financial Reporting

Management of the Borough of Bloomingdale is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Borough of Bloomingdale's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bloomingdale's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Bloomingdale's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2012-1 and 2012-2 that we consider to be significant deficiencies in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Bloomingdale's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and responses as items 2012-1 and 2012-2.

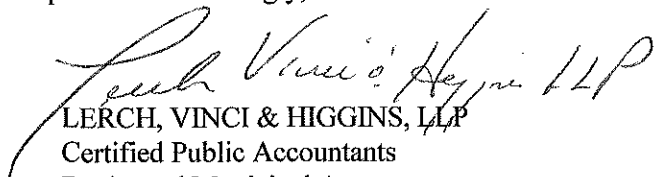

We also noted certain matters that we reported to management of the Borough of Bloomingdale in Part III of this report of audit entitled; "Letter of Comments and Recommendations"

Borough of Bloomingdale's Responses to Findings

The Borough of Bloomingdale's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Borough of Bloomingdale's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Bloomingdale's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Bloomingdale's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

BOROUGH OF BLOOMINGDALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2012

	<u>Grant Year</u>	<u>Federal CFDA Number</u>	<u>Grant Award Amount</u>	<u>Balance, December 31, 2011</u>	<u>Revenue Realized</u>	<u>Expenditures</u>	<u>Balance, December 31, 2012</u>
Office of Emergency Management	2004			\$ 2,406			\$ 2,406
U. S. Department of Homeland Security							
Disaster Grants - Public Assistance							
(Passed Through the State Department of Law and Public Safety)							
FEMA Grant	2008			774			774
FEMA - Hurricane Irene 8/26/11	2012	97.036	146,035		\$ 146,035	\$ 146,035	
FEMA- Severe Snowstorm	2012		15,113		15,113	15,113	
Division of Highway Traffic Safety							
Occupant Protection Incentive Program:							
Click It or Ticket	2005	20.602		58			58
Click It or Ticket	2012	20.602	4,000		4,000	4,000	
Federal Transportation Enhancement Grant:							
Improvements to Main Street Ord. 1-2005a	2005	20.205		200,000	-	-	200,000
				<u>\$ 203,238</u>	<u>\$ 165,148</u>	<u>\$ 165,148</u>	<u>\$ 203,238</u>

Note: This Schedule was not subject to audit requirements of OMB A-133.

BOROUGH OF BLOOMINGDALE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Amount Received</u>	<u>Balance, December 31, 2011</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2012</u>
Clean Communities Act	4900-765-004	2011		\$ 593		\$ 593	
		2012	\$ 11,278		\$ 11,278	11,278	
Drunk Driving Enforcement Program	1110-448-013020-22	2010		918		642	\$ 276
		2012	2,286		2,286	2,286	
Recycling Tonnage Grant	4900-752-001	2012	10,062		10,062	5,664	4,398
Body Armor Grant	1020-718-001	2010		217		217	-
		2011		2,363		74	2,289
		2012	4,301		4,301	3,851	450
Municipal Alliance	N/A	2003		972			972
		2004		5,345			5,345
		2007		461			461
		2008		708			708
		2009		1,676			1,676
		2010		4,710			4,710
		2012	17,243		17,243	17,243	
NJ DEP Green Acres Program: Planning Incentive Grant		2003		10,524			10,524
		2004		400,000			400,000
NJ Division of Highway Traffic Safety: Child Passenger Safety Grant		2004		426			426
		2005		4,180			4,180
Safe Routes to School		2009		22,000			22,000
Over the Limit/Under Arrest	1160-100-057			1,450			1,450
NJ DEP - Recreation Trails Program		2004		14,275			14,275
		2007		5,000			5,000
Domestic Violence Training Program		2008		629			629
Highlands COAH Grant		2006					
		2009		12,994			12,994
Municipal Stormwater Regulation		2004		118			118
This Schedule was not Subject to Audit Requirements of OMB 98-07.							

BOROUGH OF BLOOMINGDALE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Amount Received</u>	<u>Balance, December 31, 2011</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2012</u>
Municipal Stormwater Regulation		2007		6,351			6,351
		2009		2,117			2,117
Bulletproof Vest Partnership		2010		3,811			3,811
NJ Transportation Trust Fund							
Reconstruction of Ella Street Ord. 17-2000b		2000		11,130			11,130
Reconstruction of Paving of Clark Street Ord. 11-2001b		2001		5,196			5,196
Crosswalk Improvements to Main Street/ Hamburg Turnpike Ord. 11-2001c		2001		5,433			5,433
Improvements to Main Street Projects Ord. 31-2006		2006		200,000			200,000
Sloan Park Bridge Project Ord. 11-2010		2010		231,000		2,530	228,470
				-	-	-	-
				<u>\$ 954,597</u>	<u>\$ 45,170</u>	<u>\$ 44,378</u>	<u>\$ 955,389</u>

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

**BOROUGH OF BLOOMINGDALE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Bloomingdale. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 165,148	\$ 45,170	\$ 210,318
	<u>\$ 165,148</u>	<u>\$ 45,170</u>	<u>\$ 210,318</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**BOROUGH OF BLOOMINGDALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements Qualified - Unaudited LOSAP Trust Fund

Internal control over financial reporting:

1) Material weakness(es) identified yes X no

2) Significant deficiency(ies) that are not considered to be material weakness(es)? X yes none reported

Noncompliance material to the financial statements noted? X yes no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF BLOOMINGDALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2012-1

Certain accounts in the Current Fund, General Capital Fund, Other Trust Fund and Water and Sewer Operating Fund general ledgers for the year ended December 31, 2012 were not in agreement with the subsidiary records and bank reconciliations. In addition, certain transactions were not properly recorded in the general ledgers and beginning balances of the general ledgers did not agree to audited balances.

Criteria:

N.J.A.C. 5:30-5.7 General Ledger Accounting Systems

Condition:

The Current Fund, General Capital Fund, Other Trust Fund and Water and Sewer Operating Fund general ledgers were not reconciled to the respective subsidiary ledgers and bank reconciliations of the Borough, resulting in certain general ledger accounts being misstated at December 31, 2012.

Context:

General ledger balances in Current, General Capital, Other Trust and Water and Sewer Utility Operating Funds are not being reconciled to subsidiary records on a monthly basis.

Effect:

Financial statements prepared from general ledger account balances may be misstated.

Recommendation:

The general ledgers be reconciled to the respective subsidiary ledgers and financial records on a monthly basis.

Management's Response:

Management has reviewed this finding and has indicated that corrective action will be taken.

**BOROUGH OF BLOOMINGDALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2012-2

Our audit revealed that certain Current, General Capital and Water and Sewer Utility Capital Fund contracts were not encumbered when awarded. In addition, a certain outstanding purchase order was deemed invalid and should be cancelled.

Criteria:

N.J.A.C. 5:30-5.2 Encumbrance Systems

Condition:

Certain outstanding purchase orders were deemed invalid upon review and should be cancelled. In addition, purchase orders were not always issued for all contracts awarded.

Questioned Costs:

Unknown

Context:

A General Capital encumbrance in the amount of \$31,369 was deemed invalid and cancelled by audit adjustment. In the General Capital Fund, \$88,945 of encumbrances were recorded by audit adjustment for contracts awarded for various street improvements. In the Water and Sewer Utility Capital Fund, emergency contracts for various water main replacements in the amount of \$285,854 were not encumbered when the contracts were awarded. An audit adjustment was made in the Water and Sewer Operating Fund to record \$56,540 of unencumbered liabilities.

Effect:

Commitments may exist and not be recorded in the financial statements. In addition, commitments may be recorded in the financial statements that are deemed invalid. Audit adjustments have been made to record known encumbrances and cancel invalid balances.

Cause:

Unknown

Recommendation:

The encumbrance system be enhanced to ensure that outstanding purchase orders are reviewed to determine their validity and that all contracts awarded are properly encumbered.

Management's Response:

Management has reviewed this finding and has indicated that corrective action will be taken.

**BOROUGH OF BLOOMINGDALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2012-03

Our audit revealed that the Borough has not had a review of their Length of Service Award Program (LOSAP) account.

Criteria or specific requirement

Emergency Service Volunteers – NJAC 5:30-14.49.

Condition

The Borough did not have a review of their LOSAP account performed.

Effect

The Borough is not verifying the accuracy of the annual certification lists which could result in potential under or overstatements of the annual contribution.

Recommendation

A review report be made of the Borough's Length of Service Award program (LOSAP) account in accordance with NJAC 5:30-14.49.

Managements' Response

Management will engage an audit firm to perform the review report.

**BOROUGH OF BLOOMINGDALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the status of prior-year findings related to the financial statements that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

Finding 2011-01

Condition:

Certain outstanding purchase orders were deemed invalid upon review and cancelled.

Current Status

See Finding 2012-2.

Finding 2011-02

Condition:

The Borough contracted for field maintenance, plumbing and drainage repairs, for which quotes were not obtained.

Current Status

Corrective action has been taken.

Finding 2011-03

Condition:

The Borough did not have a review of their LOSAP account performed.

Current Status

See Finding 2012-3.

**BOROUGH OF BLOOMINGDALE
PASSAIC COUNTY, NEW JERSEY**

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized		0.00%	\$ 170,000	0.59%
Miscellaneous - From Other Than Local				
Property Tax Levies	\$ 2,079,594	6.96%	1,909,147	6.58%
Collection of Delinquent Taxes and Tax Title Liens	241,358	0.81%	228,967	0.79%
Collection of Current Tax Levy	27,469,646	91.99%	26,613,541	91.74%
Other Credits to Income	<u>72,379</u>	<u>0.24%</u>	<u>86,573</u>	<u>0.30%</u>
Total Income	<u>29,862,977</u>	<u>100.00%</u>	<u>29,008,228</u>	<u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	9,813,717	33.01%	9,658,254	32.83%
County Taxes	5,207,840	17.52%	5,418,522	18.42%
Local and Regional School Taxes	14,518,957	48.83%	14,216,081	48.33%
Municipal Open Space Tax	187,467	0.63%	105,131	0.36%
Other Expenditures	<u>4,228</u>	<u>0.01%</u>	<u>19,060</u>	<u>0.06%</u>
Total Expenditures	<u>29,732,209</u>	<u>100.00%</u>	<u>29,417,048</u>	<u>100.00%</u>
Excess in Revenue	130,768			
Deficit in Revenue			(408,820)	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>240,000</u>		<u>370,000</u>	
Statutory Excess to Fund Balance	370,768			
Deficit in Operations to be Raised in Budget of Succeeding Years			\$ <u>(38,820)</u>	
Fund Balance, January 1	\$ <u>9,404</u>		\$ <u>179,404</u>	
	380,172		179,404	
Less Utilization as Anticipated Revenue	<u>-</u>		<u>170,000</u>	
Fund Balance, December 31	\$ <u>380,172</u>		\$ <u>9,404</u>	

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
WATER AND SEWER UTILITY OPERATING FUND**

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 103,840	2.69%	\$ 100,000	3.08%
Collection of Water and Sewer User Fees	2,995,088	77.56%	3,015,564	92.88%
Miscellaneous - From Other Than				
Water and Sewer User Fees	701,216	18.16%	29,553	0.91%
Other Credits to Income	<u>61,288</u>	<u>1.59%</u>	<u>101,535</u>	<u>3.13%</u>
 Total Income	 <u>3,861,432</u>	 <u>100.00%</u>	 <u>3,246,652</u>	 <u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Operating	2,750,235	87.49%	2,752,965	87.28%
Capital Improvements	105,000	3.34%	105,000	3.33%
Debt Service	207,157	6.58%	215,193	6.81%
Deferred Charges and Statutory				
Expenditures	81,000	2.58%	81,000	2.57%
Other Expenditures	<u>-</u>	<u>0.00%</u>	<u>74</u>	<u>0.00%</u>
 Total Expenditures	 <u>3,143,392</u>	 <u>100.00%</u>	 <u>3,154,232</u>	 <u>100.00%</u>
 Excess in Revenue	 718,040		 92,420	
 Fund Balance, January 1	 <u>130,636</u>		 <u>138,216</u>	
	848,676		230,636	
 Less Utilization as Anticipated Revenue				
Water and Sewer Utility Operating Fund	<u>103,840</u>		<u>100,000</u>	
 Fund Balance, December 31	 <u>\$ 744,836</u>		 <u>\$ 130,636</u>	

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

Comparative Schedule Of Tax Rate Information

	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	<u>\$3.681</u>	<u>\$6.414</u>	<u>\$6.231</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.02033	1.719	1.633
Municipal Open Space	.02502	.025	.025
County	.6838	1.266	1.255
County Open Space	.01101	.022	.025
School	1.94084	3.382	3.294

Assessed Valuation

2012	(1)	<u>\$748,076,000</u>	
2011		<u>\$420,441,964</u>	
2010			<u>\$422,725,812</u>

(1) The Borough underwent a revaluation effective for tax year 2012

Comparison Of Levies And Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$ 27,591,529	\$ 27,469,646	99.55%
2011	26,972,595	26,613,541	98.66%
2010	26,228,435	25,903,779	98.76%

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

Delinquent Taxes And Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$ 156,455		\$ 156,455	0.57%
2011	132,890	\$ 246,166	379,056	1.41%
2010	116,219	255,778	371,997	1.42%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2012 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2012	\$1,758,400
2011	1,758,400
2010	1,758,400

Schedule of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections (1)</u>	<u>Percentage of Collection</u>
2012	\$ 3,005,897	\$ 2,995,088	99.63%
2011	3,035,738	3,015,564	99.33%
2010	3,063,812	3,065,630	100.06%

(1) Includes collection of prior year receivables and overpayments applied.

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2012	\$380,172	-
	2011	9,404	-
	2010	179,404	\$170,000
	2009	180,736	160,000
	2008	406,085	350,000
Sewer Utility Fund	2012	\$744,836	\$270,000
	2011	130,636	103,840
	2010	138,216	100,000
	2009	141,016	130,000
	2008	446,350	395,000

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Jonathan Dunleavy	Mayor	
John D'Amato	Council President	
Linda Shortman	Councilwoman	
Mark Conklin	Councilman	
Ray Yazdi	Councilman	
Richard Dellaripa	Councilman	
Michael Sondermeyer	Councilman	
Jane McCarthy	Borough Clerk Assessment Search Officer	
Timothy Roberts	Chief Financial Officer	
Sherry Lisa Gallagher	Treasurer	\$1,000,000
Barbara Neinstedt	Tax Collector	1,000,000
Brenda Darlene Nowak	Library Treasurer	*

The surety bond for the Treasurer was issued by the Municipal Excess Liability Joint Insurance Fund.

The surety bond for the Tax Collector was issued by the Municipal Excess Liability Joint Insurance Fund.

*A blanket library bond, issued by the RLI Insurance, in the amount of \$25,000, covers the Library officers.

A public employee dishonesty bond, issued by the Morris County Municipal Joint Insurance Fund, in the amount of \$1,000,000, covers all employees except those required to file statutory bonds.

**BOROUGH OF BLOOMINGDALE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Prior Year Comments Unresolved

FINANCE

Finding-Out audit revealed that certain prior year grant receivable balances exist in the Current Fund and General Capital Fund.

Recommendation- Continued efforts be made to review grant receivable balances and clear of record, as appropriate.

Finding-Employee Group Health and Health Benefit Waiver budget appropriations were combined in the internal accounting system budget appropriation report and were not shown separately as required per the adopted budget. The Health Benefit Waiver transactions are reported under a sub-account of the Employee Group Health budget line.

Recommendation- Budget appropriations report reflect a separate line item for Health Benefit Waiver in accordance with the adopted budget.

Finding- There are approximately forty (40) properties on the foreclosed listing with assessed values totaling \$1,758,400.

Recommendation- Efforts be made to restore foreclosed properties to the tax rolls.

Finding- A balance of \$8,079 exists in the Small Cities Trust fund as of December 31, 2012.

Recommendation-The Small Cities Trust Fund be cleared of record.

WATER AND SEWER UTILITY

Finding-Per review of the water and sewer utility, it was revealed that the Borough does not have a formal allocation for salaries and benefits charged to the utility.

Recommendation-An allocation study be made to support administrative salaries and benefits allocated to the water and sewer utility.

MUNICIPAL COURT

Finding-Municipal court disbursements only have one signature on the checks.

Recommendation-With respect to the Municipal Court, two signatures be required on all checks.

**BOROUGH OF BLOOMINGDALE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

Prior Year Comments Unresolved(Continued)

DEPARTMENTS

Finding- Our audit revealed that funds were not turned over to the Borough Treasurer within 48 hours for the Police, Borough Clerk, Fire Prevention and Recreation Departments.

Recommendation-All municipal departments turn over funds collected within 48 hours to the Borough Treasurer as required by NJSA 40A:5-15.

PAYROLL

Finding-Our audit revealed that the payroll service provider utilizes its own address, rather than that of the Borough, on the payroll tax returns filed with the IRS and the State of New Jersey.

Recommendation-The payroll service provider be directed to change the address on all payroll tax returns to that of the Borough Hall.

Current Year Comments

FINANCE

Finding- There are various appropriated grant reserve balances that remain unexpended for several years.

Recommendation- Appropriated grant reserve balances be reviewed for possible disposition.

PURCHASING

Finding-Our audit revealed that documentation supporting the use of certain vendors asserted to be State contact vendors were not maintained on file. In addition, purchases to vendors in excess of the bid threshold and the contract was not approved by resolution in accordance with State statute.

Recommendation-State contact vendor files be maintained supporting and documenting information related to the applicable State contact utilized by the Borough. In addition, purchases from a State contract vendor in excess of the bid threshold be approved by resolution.

DEPARTMENTS

Finding – Our audit of the Recreation Department revealed the following:

- All monies are collected off-site of the Borough Hall at the Recreation Center
- No daily cash receipts ledger is maintained
- Monthly cash reports were not provided for audit

Recommendation – The Recreation Department's internal control procedures for revenue collection and accounting be enhanced to ensure that transactions are properly documented and recorded.

BOROUGH OF BLOOMINGDALE LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Current Year Comments (Continued)

PAYROLL

Finding-Our audit revealed that the service provider which processes the Borough's payroll did not submit a 2012 report on internal controls ("SSAE No. 16") to the Borough.

Recommendation-The Borough obtain a current report on internal controls ("SSAE No. 16") from their payroll service provider.

OTHER

Finding – Our review of related party transactions found that two Council members had not filed their Ethics Disclosure Forms in a timely manner.

Recommendation – All designed officials file the required Ethics Disclosure Forms as required by the New Jersey Division of Local Government Services.

FIXED ASSETS

Finding – the Borough's fixed asset accounting and reporting system was not updated through December 31, 2012. The account group has been updated by an audit adjustment to include an addition compiled from the accounting records.

Recommendation – The Borough's fixed asset accounting and reporting system be currently maintained.

Suggestions to Management

Prior year unexpended improvement authorizations be reviewed for potential cancellation.

Contracts and Agreements Required To Be Advertised For NJS 40a:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement."

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500 as of January 1, 2012. The Borough does not have a qualified purchasing agent.

BOROUGH OF BLOOMINGDALE LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Contracts and Agreements Required To Be Advertised For NJS 40a:11-4 (Continued)

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Outdoor Lights for Walter T. Bergen M.S. Fields
Rear Loader Refuse Collection Truck
Vreeland Avenue Improvements

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies", where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection Of Interest On Delinquent Taxes, Assessments And Sewer User Fees

The New Jersey statutes provide the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent. The Governing Body on January 3, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED, by the Mayor and Council of the Borough of Bloomingdale, County of Passaic, State of New Jersey, that the rate of interest on delinquent taxes for the year 2012, shall be computed at the rate of eight (8%) percent per annum and,

BE IT FURTHER RESOLVED, that the rate of interest on delinquent taxes in excess of \$1,500 shall be computed at eighteen (18%) percent per annum, and

BE IT FURTHER RESOLVED, that a grace period of ten (10) days be given on delinquent taxes and delinquent sewer utility charges without interest."

Collection of Interest on Delinquent Water and Sewer Billings

The Government Body on June 13, 2000 adopted Ordinance Number 9-2000 authorizing interest to be charged on delinquent water bills. The Governing Body on December 27, 2001 adopted Ordinance Number 32-2001 authorizing interest to be charged on delinquent sewer bills. Each ordinance states the following:

*All charges shall be paid within thirty (30) days after the date of the bill. If not so paid, interest from the expiration of the thirty (30) day period shall be at the rate set forth in N.J.S.A. 40:14B-41.

Interest penalties at a rate of 1.5% a month were generally collected on water and sewer billings in accordance with the provisions of the foregoing ordinances.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolutions.

**BOROUGH OF BLOOMINGDALE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

Delinquent Taxes And Tax Title Liens

The Borough's last tax sale was held on December 28, 2012.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2012	11
2011	11
2010	10

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

APPRECIATION

We desire to express our appreciation to all the Borough staff who assisted us during the course of our audit.

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

1. The general ledgers be reconciled to the respective subsidiary ledgers and financial records on a monthly basis.
- * 2. Continued efforts be made to review grant receivable balances and clear of record of record, as appropriate.
3. Appropriated grant reserve balances be reviewed for possible disposition.
4. The encumbrance system be enhanced to ensure that outstanding purchase orders are reviewed to determine their validity and that all contracts awarded are properly encumbered.
- * 5. Budget appropriations report reflect a separate line item for Health Benefit Waiver in accordance with the adopted budget.
- * 6. Efforts be made to restore foreclosed properties to the tax rolls.
- * 7. The Small Cities Trust Fund be cleared of record.
- * 8. A review report be made of the Borough's Length of Service Award Program (LOSAP) account in accordance with N.J.A.C. 5:30-14.49.
- * 9. An allocation study be made to support administrative salaries and benefits allocated to the water and sewer utility.
- * 10. With respect to the Municipal Court, two signatures be required on all checks.
- * 11. All municipal departments turn over funds collected within 48 hours to the Borough Treasurer in accordance with NJSA 40A:5-15.
- * 12. The payroll service provider be directed to change the address on all payroll tax returns to that of the Borough Hall.
13. State contract vendor files be maintained, supporting and documenting information related to the applicable contract utilized by the Borough. In addition, purchases from a State contract vendor in excess of the bid threshold be approved by resolution.
14. The Recreation Department's internal control procedures for revenue collection and accounting be enhanced to ensure that transactions are properly documented and recorded.

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

RECOMMENDATIONS (Continued)

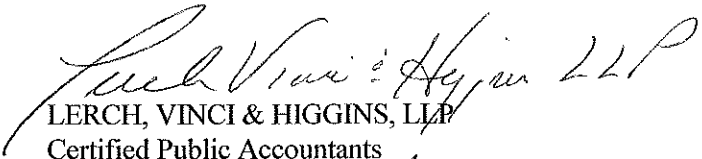
15. The Borough obtain a current report on internal controls ("SSAE No. 16") from their payroll service provider.
16. All designated officials file the required Ethics Disclosure Forms as required by the New Jersey Division of Local Government Services.
17. The Borough's fixed asset accounting and reporting system be currently maintained.

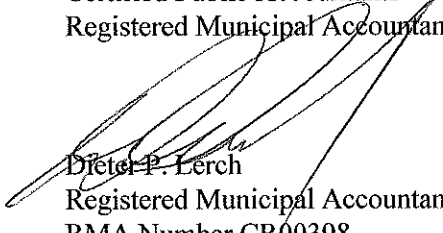
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A review was performed on all prior year's recommendations. Corrective action was taken on all prior year's recommendations, except those denoted with an asterisk above.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398