

BOROUGH OF BLOOMINGDALE
PASSAIC COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2011

BOROUGH OF BLOOMINGDALE

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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, 2011

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INDEPENDENT AUDITOR'S REPORT

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

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, 2011 and the related statement of operations and changes in fund balance - regulatory basis statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year then ended. These financial statements are the responsibility of the Borough of Bloomingdale's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Borough of Bloomingdale as of and for the year ended December 31, 2010, were audited by other auditors whose report dated December 16, 2011 expressed an unqualified opinion on those financial statements prepared using regulatory accounting practices which differ from accounting principles generally accepted in the United States of America.

Except as discussed in the fourth paragraph, we conducted our audit 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 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bloomingdale's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Borough has prepared these financial statements using accounting 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 practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

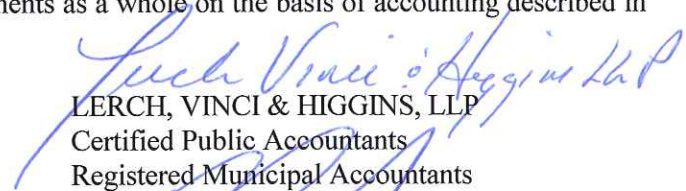
In addition, the financial statements of the Length of Service Awards Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 31.9 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2011.

In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Bloomingdale, as of December 31, 2011 or the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - regulatory basis referred to previously 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, 2011 and the results of operations and changes in fund balance - regulatory basis, and the revenues - regulatory basis and the expenditures - regulatory basis of the various funds for the year then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 22, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 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 and schedules of expenditures of federal awards and 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. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.


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


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
June 22, 2012

BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash	A-4	\$ 180,274	\$ 869,759
Change Fund	A-5	610	560
Grants Receivable	A-23	591,312	590,249
Due from State - Senior Citizens' and Veterans' Deductions	A-6	<u>1,590</u>	<u>622</u>
		<u>773,786</u>	<u>1,461,190</u>
Receivables and Other Assets with Full Reserves			
Delinquent Taxes Receivable	A-7	246,166	255,778
Tax Title Liens Receivable	A-8	132,890	116,219
Property Acquired for Taxes - Assessed Valuation	A-9	1,758,400	1,758,400
Due from Animal Control Fund	B-3	2	2
Due from Other Trust Fund - Payroll	B-11	449	410
Due from General Capital	C-14	37	6,264
Revenue Accounts Receivable	A-11	<u>14,924</u>	<u>45,925</u>
		<u>2,152,868</u>	<u>2,182,998</u>
Deferred Charges			
Special Emergency Authorizations	A-22	370,400	67,200
Emergency Authorization	A-20	50,000	
Operating Deficit	A-20	<u>38,820</u>	<u>-</u>
Total Assets		<u>\$ 3,385,874</u>	<u>\$ 3,711,388</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-11	\$ 169,122	\$ 337,365
Encumbrances Payable	A-13	163,477	162,691
County Taxes Payable	A-16	1	
School Taxes Payable	A-17	2	4
Prepaid Taxes	A-15	78,030	57,235
Tax Overpayments	A-12	9,798	185
Accounts Payable	A-25	5,522	
Due to State	A-14	1,371	1,162
Due to Other Trust Fund	B-5	2,311	125,896
Special Emergency Note Payable	A-19	50,400	67,200
Reserve for State Grants - Unappropriated	A-21	10,749	
Reserve for State Grants - Appropriated	A-24	578,848	596,873
Miscellaneous Reserves and Deposits	A-18	146,705	375
Due to Municipal Library	A-26	<u>7,266</u>	<u>-</u>
		1,223,602	1,348,986
Reserve for Receivables and Other Assets	A	2,152,868	2,182,998
Fund Balance	A-1	<u>9,404</u>	<u>179,404</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,385,874</u>	<u>\$ 3,711,388</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

REVENUE AND OTHER INCOME REALIZED	Reference	2011	2010
Fund Balance Utilized	A-2	\$ 170,000	\$ 160,000
Miscellaneous Revenue Anticipated	A-2	1,835,082	2,063,159
Receipts from Delinquent Taxes	A-2	228,967	187,658
Receipts from Current Taxes	A-2	26,613,541	25,903,779
Non-Budget Revenue	A-2	74,065	112,371
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-11	80,346	157,661
Liquidation of Reserve for Interfunds Receivable/	A	6,227	-
Total Income		<u>29,008,228</u>	<u>28,584,628</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	3,807,470	3,842,144
Other Expenses	A-3	3,639,508	3,431,759
Municipal Debt Service	A-3	1,171,470	1,125,202
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,039,806	618,757
County Taxes	A-16	5,417,426	5,376,592
County Taxes - Added	A-16	1,096	2,670
Local District School Taxes	A-17	14,216,081	13,856,343
Municipal Open Space Tax	B-18	105,131	106,052
Other Debits to Income			
Interfunds Established	A	39	5,664
Deductions Disallowed by Tax Collector	A-6	2,715	2,160
Refund of Prior Year Revenue	A-4	240	
Prior Year Taxes Cancelled	A-4	16,066	58,617
Total Expenditures		<u>29,417,048</u>	<u>28,425,960</u>
Excess in Revenue			158,668
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>370,000</u>	<u>-</u>
Statutory Excess to Fund Balance		-	158,668
Deficit in Operations to be Raised in Budget of Succeeding Years		<u>\$ (38,820)</u>	
Fund Balance, January 1	A	<u>\$ 179,404</u>	<u>180,736</u>
		179,404	339,404
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>170,000</u>	<u>160,000</u>
Fund Balance, December 31,	A	<u>\$ 9,404</u>	<u>\$ 179,404</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, 2011

	Reference	2011 Anticipated Budget	Added by NJS 40A:4-87	Realized in 2011	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 170,000	-	\$ 170,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-10	15,900		15,999	\$ 99
Other	A-2	4,800		2,993	(1,807)
Fees and Permits					
Other	A-2	32,400		28,417	(3,983)
Uniform Construction Code Fees	A-10	110,000		89,013	(20,987)
Fines and Costs					
Municipal Court	A-10	250,000		163,657	(86,343)
Interest and Costs on Taxes	A-10	33,000		40,097	7,097
Energy Receipts Tax	A-10	469,772		469,772	-
Consolidated Municipal Property Tax Relief	A-10	75,861		75,861	-
Garden State Trust Fund	A-10	6,516		6,516	-
Interest on Investments and Deposits	A-2	4,000		3,870	(130)
Interlocal Agreements					
Animal Control Services	A-10	150,000		153,516	3,516
West Milford Registrar Services	A-10	17,340		17,340	-
Butler Construction Services	A-10	83,000		83,000	-
Kinnelon Borough Construction Services	A-10	175,000		175,177	177
Pompton Lakes-Street Sweeping	A-10	39,900		39,913	13
Pompton Lakes-Vegetative Waste	A-10	21,100		21,200	100
Construction Livingston Township	A-10	92,167		92,167	-
Construction Boonton BOE	A-10	32,093		32,093	-
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	11,467		11,467	-
Police Body Armor	A-23	2,363		2,363	-
Reserve for Recycling Tonnage Grant	A-23	6,923		6,923	-
Over the Limit Under Arrest	A-23		\$ 4,400	4,400	-
Uniform Fire Safety Act	A-10	8,000		7,590	(410)
Cablevision	A-10	29,478		29,478	-
Senior Center Lease to County	A-10	10,000		10,800	800
Tower Rental	A-10	15,000		18,068	3,068
Soil Extract Permits	A-10	15,000		15,000	-
NJJIF Insurance Dividend	A-10	9,077		9,077	-
Hep B	A-10	1,035		1,035	-
Fund Balance - General Capital Fund	C-14	63,000		63,000	-
RER Veg Waste	A-10,D-1	30,000		30,000	-
FEMA Reimbursement	A-10	93,727	-	93,727	-
	A-1	1,929,472	4,400	1,835,082	(98,790)
Receipts from Delinquent Taxes	A-7,A-8	240,000	-	228,967	(11,033)
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	A-2	7,225,727	-	7,153,805	(71,922)
Budget Totals		\$ 9,565,199	\$ 4,400	9,387,854	\$ (181,745)
Non-Budget Revenue				74,065	

The Accompanying Notes are an Integral Part of these Financial Statements

\$ 9,461,919

**BOROUGH OF BLOOMINGDALE
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

Reference

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-7	\$ 26,613,541
Allocated to School, County and Open Space Taxes	A-16,A-17	<u>19,739,736</u>
		6,873,805
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>280,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 7,153,805</u>
Licenses - Other		
Borough Clerk	A-10	\$ 970
Board of Health	A-10	<u>2,023</u>
	A-2	<u>\$ 2,993</u>
Fees and Permits - Other		
Borough Clerk	A-10	\$ 505
Board of Health	A-10	2,000
Police	A-10	347
Tax Assessor	A-10	170
Construction Code Official	A-10	19,651
Board of Adjustment	A-10	2,780
Due from Other Trust	B-5	<u>2,964</u>
	A-2	<u>\$ 28,417</u>
Interest on Investments and Deposits		
Cash Received	A-10	\$ 2,780
Due from General Capital Fund	C-14	847
Due from Other Trust Fund	B-5	174
Due from Payroll	B-11	39
Due from Small Cities	B-19	8
Due from Animal Control Fund	B-3	<u>22</u>
	A-2	<u>\$ 3,870</u>
Analysis of Non-Budget Revenue		
Police Reports		\$ 538
Fire Department		10,079
Copies and Maps		1,176
Admin Fees		39,964
Duplicate Tax Bills		235
Returned Check Fees		220
LOSAP Refund		4,580
West Essex Interlocal		3,494
Miscellaneous		<u>13,779</u>
	A-2,A-4	<u>\$ 74,065</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, 2011

	<u>2011 Appropriated</u>		<u>2011 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	2,481	\$ 19	
General Administration					
Salaries & Wages	123,000	123,000	123,000		
Other Expenses	20,000	19,000	18,786	214	
Municipal Clerk					
Salaries and Wages	89,489	89,489	89,489	-	
Other Expenses	42,400	38,400	37,425	975	
Senior Citizen Center					
Salaries and Wages	15,000	15,000	13,616	1,384	
Other Expenses	8,400	8,400	8,400	-	
Municipal Court					
Salaries and Wages	88,840	84,840	83,612	1,228	
Other Expenses	6,630	6,630	6,200	430	
Financial Administration					
Salaries & Wages	84,941	84,941	84,941	-	
Other Expenses	8,540	8,540	8,288	252	
Annual Audit	25,000	25,000	25,000	-	
Miscellaneous Other Expenses	4,500	4,500	4,500	-	
Assessment of Taxes					
Salaries & Wages	23,716	23,716	23,716	-	
Other Expenses	9,700	9,700	8,826	874	
Revaluation		285,000	285,000		
Collection of Taxes					
Salaries & Wages	55,620	55,620	55,620	-	
Other Expenses	11,250	9,750	9,400	350	
Legal Services & Costs					
Salaries & Wages	60,000	62,400	62,308	92	
Other Expenses	90,000	90,000	89,183	817	

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011 Appropriated</u>		<u>2011 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	9,920	\$ 2,080	
Public Buildings and Grounds					
Other Expenses	39,000	27,000	19,474	7,526	
Municipal Land Use Law (NJS 40:55D-1)					
Planning Board					
Salaries & Wages	24,100	22,100	20,868	1,232	
Other Expenses	46,500	36,500	35,452	1,048	
Shade Tree					
Other Expenses	6,000	1,000	1,000	-	
Beautification Committee					
Other Expenses	6,000	6,000	5,918	82	
Environmental Commission (R.S. 40:56A-1)					
Other Expenses	400	400	280	120	
Zoning and Property Maintenance Official					
Salaries and Wages	26,321	26,321	8,397	17,924	
Other Expenses	500	500	500	-	
PUBLIC SAFETY					
Fire					
Other Expenses	52,400	52,400	51,383	1,017	
Fire Prevention					
Salaries and Wages	5,275	5,275	4,994	281	
Other Expenses	11,100	11,100	11,022	78	
Police					
Salaries & Wages	1,874,358	1,866,358	1,816,851	49,507	
Other Expenses	82,162	78,162	68,454	9,708	
Accumulated Sick/Vacation		35,000	35,000		
Emergency Dispatching					
Salaries & Wages	126,000	134,000	132,806	1,194	

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011 Appropriated</u>		<u>2011 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	\$ 35,000	-	
Emergency Management Services					
Other Expenses	8,900	8,900	8,683	\$ 217	
Public Defender					
Salaries & Wages	5,200	5,200	3,750	1,450	
STREETS AND ROADS					
Road Repairs and Maintenance					
Salaries & Wages	499,209	499,209	499,209	-	
Other Expenses	121,900	130,900	129,144	1,756	
HEALTH AND WELFARE					
Board of Health					
Salaries & Wages	30,315	30,315	30,284	31	
Other Expenses	6,550	4,050	2,817	1,233	
Animal Control Officer					
Salaries & Wages	6,465	6,465	6,423	42	
Other Expenses	100	5,100	5,000	100	
Garbage and Trash Removal					
Salaries & Wages	399,432	417,432	417,432	-	
Other Expenses	46,400	46,400	39,875	6,525	
Tipping Fees	250,000	250,000	238,140	11,860	
RECREATION AND EDUCATION					
Board of Recreation Commissioners					
Salaries & Wages	17,866	17,866	17,516	350	
Other Expenses	30,850	30,850	30,788	62	
Celebration of Public Events					
Other Expenses	16,600	4,600	4,179	421	
INSURANCE					
General Liability	92,978	92,978	92,978	-	
Workmen's Compensation	73,000	73,000	73,000	-	
Employee Group Health	655,982	655,982	655,982	-	
Other Insurance Premium	500	-	-	-	
Health Benefit Waiver	62,430	62,430	55,724	6,706	

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011 Appropriated</u>		<u>2011 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	\$ 58,178	\$ 58,178	\$ 58,178	-	
Other Expenses	49,425	49,425	49,060	\$ 365	
Unclassified:					
Utilities:					
Electric	65,000	71,100	71,100	-	
Natural Gas	20,000	20,000	15,830	4,170	
Telecommunication	27,000	27,000	26,778	222	
Gasoline	75,000	84,000	83,989	11	
Street Lighting	38,500	38,500	38,500	-	
Water and Sewer	14,000	14,000	13,553	447	
Salary and Wage Adjustment Account	43,610	43,610	43,610	-	
Webmaster	5,000	5,000	4,700	300	-
Total Operations Within "CAPS"	<u>5,860,332</u>	<u>6,171,332</u>	<u>6,036,632</u>	<u>134,700</u>	<u>-</u>
Contingent	<u>3,000</u>	<u>3,000</u>	<u>2,500</u>	<u>500</u>	<u>-</u>
Total Operations including Contingent - Within "CAPS"	<u>5,863,332</u>	<u>6,174,332</u>	<u>6,039,132</u>	<u>135,200</u>	<u>-</u>
Detail:					
Salaries & Wages	3,680,235	3,694,635	3,619,920	74,715	-
Other Expenses	<u>2,183,097</u>	<u>2,479,697</u>	<u>2,419,212</u>	<u>60,485</u>	<u>-</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Expenditures					
Contribution to Public Employees Retirement System	251,086	251,086	251,086	-	
Social Security System (O.A.S.I.)	296,000	305,000	305,000	-	
Social Security		50,000	44,568	5,432	
Police & Fireman's Retirement Sys. of NJ	406,920	406,920	406,920	-	
Unemployment Insurance	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>964,006</u>	<u>1,023,006</u>	<u>1,017,574</u>	<u>5,432</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>6,827,338</u>	<u>7,197,338</u>	<u>7,056,706</u>	<u>140,632</u>	<u>-</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011 Appropriated</u>		<u>2011 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	\$ 373,000	\$ 373,000	\$ 373,000		
Length of Service Awards Program	30,000	30,000	30,000		
Employee Group Health	79,940	79,940	51,520	\$ 28,420	-
Total Other Operations Excluded from "CAPS"	482,940	482,940	454,520	28,420	-
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	112,835	112,835	112,835		
Other Expenses	37,165	37,165	37,122	43	
Health Services					
Pequannock Township	75,400	75,400	75,392	8	
911 Dispatching Services - Pompton Lakes	24,000	24,000	24,000		
West Milford - Registrar	17,340	17,340	17,321	19	
Borough of Butler - Construction	83,000	83,000	83,000		
Borough of Kinnelon - Construction	175,000	175,000	175,000		
Borough of Pompton Lakes - Vegetative Waste Serv.	39,900	39,900	39,900		
West Essex Regional School District - Construction	21,100	21,100	21,100		
Livingston Township - Construction	92,167	92,167	92,167		
Boonton BOE - Construction	32,093	32,093	32,093	-	-
Total Interlocal Municipal Service Agreements	743,000	743,000	742,930	70	-
Public and Private Programs Offset by Revenues					
Clean Communities Grant Program	11,467	11,467	11,467	-	
County of Passaic - Municipal Alliance					
County Funds	17,243	17,243	17,243		
Matching Funds	4,310	4,310	4,310		
Police Body Armor Fund	2,363	2,363	2,363	-	
Recycling Tonnage Grant	6,923	6,923	6,923	-	-
Over the Limit Under Arrest	-	4,400	4,400	-	-
Total Public and Private Programs Offset by Revenues	42,306	46,706	46,706	-	-
Total Operations Excluded from "CAPS"	1,268,246	1,272,646	1,244,156	28,490	-
Detail:					
Salaries and Wages	112,835	112,835	112,835	-	-
Other Expenses	1,155,411	1,159,811	1,131,321	28,490	-

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011 Appropriated</u>		<u>2011 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" (Cont'd)					
MUNICIPAL DEBT SERVICE -					
EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 870,000	\$ 870,000	\$ 870,000		
Payment of Bond Anticipation Notes and Capital Notes					
Interest on Bonds	285,765	285,765	285,765		
Interest on Notes	<u>17,050</u>	<u>17,050</u>	<u>15,705</u>	<u>-</u>	<u>\$ 1,345</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,172,815</u>	<u>1,172,815</u>	<u>1,171,470</u>	<u>-</u>	<u>1,345</u>
DEFERRED CHARGES MUNICIPAL -					
EXCLUDED FROM "CAPS"					
Deferred Charges					
Special Emergency Authorizations - 5 years (N.J.S. 40A4-55)	<u>16,800</u>	<u>16,800</u>	<u>16,800</u>	<u>-</u>	<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>16,800</u>	<u>16,800</u>	<u>16,800</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,457,861</u>	<u>2,462,261</u>	<u>2,432,426</u>	<u>28,490</u>	<u>1,345</u>
Subtotal General Appropriations	9,285,199	9,659,599	9,489,132	169,122	1,345
Reserve for Uncollected Taxes	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 9,565,199</u>	<u>\$ 9,939,599</u>	<u>\$ 9,769,132</u>	<u>\$ 169,122</u>	<u>\$ 1,345</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 9,565,199	
Added by NJS 40A:4-87		4,400	
Emergency Authorizations		50,000	
Special Emergency Authorizations		<u>320,000</u>	
		\$ <u>9,939,599</u>	
Cash Disbursed	A-4		\$ 8,934,883
Deferred Charges	A-22		16,800
Special Emergency	A-18		320,000
Appropriated Reserves, Federal, State and Other Grants	A-24		46,706
Due to Municipal Library	A-26		7,266
Encumbrances Payable	A-13		163,477
Reserve for Uncollected Taxes	A-2		<u>280,000</u>
			\$ <u>9,769,132</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-2	\$ 27,992	\$ 13,172
OTHER TRUST FUND			
Cash	B-2	520,911	514,861
Due from Plan Administrator-Payroll	B-10		79,724
Due from Current Fund	B-5	2,311	125,896
Due from Municipal Court	B-9		106
Other Receivables	B-8	-	397
		<u>523,222</u>	<u>720,984</u>
SMALL CITIES TRUST FUND			
Cash	B-2	<u>8,079</u>	<u>8,079</u>
LENGTH OF SERVICE AWARD PROGRAM FUND - (UNAUDITED)			
Investments	B	231,924	212,991
Contributions Receivable	B	<u>30,000</u>	<u>25,992</u>
		<u>261,924</u>	<u>238,983</u>
Total Assets		<u>\$ 821,217</u>	<u>\$ 981,218</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Due to Current Fund	B-3	\$ 2	\$ 1
Due to State of NJ	B-6	131	2
Reserve for Animal Control Expenditures	B-4	<u>27,859</u>	<u>13,169</u>
		<u>27,992</u>	<u>13,172</u>
OTHER TRUST FUND			
Reserve for State Unemployment	B-7	35,723	24,925
Reserved for Municipal Alliance on Alcoholism and Drug Abuse-Program Income	B-15	1,179	1,179
Due to General Capital Fund	B-17	103,000	
Due to Current Fund-Payroll	B-11	449	410
Reserved for Open Space Expenditures	B-18	211,260	286,343
Due to Water and Sewer Operating Fund	B-16		360
Payroll Deposits Payable	B-12	(751)	79,805
Special Deposits	B-13	109,562	238,261
Premium on Tax Sale	B-14	<u>62,800</u>	<u>89,701</u>
		<u>523,222</u>	<u>720,984</u>
SMALL CITIES TRUST FUND			
Reserve for Revolving Loan Trust	B-8	<u>8,079</u>	<u>8,079</u>
LENGTH OF SERVICE AWARD PROGRAM FUND - (UNAUDITED)			
Reserve for Length of Service Awards Program	B	<u>261,924</u>	<u>238,983</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 821,217</u>	<u>\$ 981,218</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash	C-2, C-3	\$ 1,388,328	\$ 1,466,277
Note Receivable	C-6	50,400	67,200
Grants Receivable	C-4	1,179,035	994,701
Loans Receivable	C-7		500,000
Deferred Charges to Future Taxation			
Funded	C-5	6,612,000	7,482,000
Unfunded	C-8	4,406,631	1,951,250
Due from Open Space Trust Fund	B-17	<u>103,000</u>	<u>-</u>
Total Assets		<u>\$ 13,739,394</u>	<u>\$ 12,461,428</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 6,612,000	\$ 7,482,000
Improvement Authorizations			
Funded	C-9	1,301,987	1,324,413
Unfunded	C-9	3,835,767	1,646,033
Encumbrances Payable	C-15	303,029	
Bond Anticipation Notes	C-11	1,047,000	1,047,000
Due to Current Fund	C-14	37	6,264
Reserve for Grants Receivable	C-16	567,289	371,758
Reserve for Loans Receivable	C-7		500,000
Capital Improvement Fund	C-12	4,623	23,973
Reserve for Other Contributions	C-13	30,000	30,000
Fund Balance	C-1	<u>37,662</u>	<u>29,987</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 13,739,394</u>	<u>\$ 12,461,428</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2011 and 2010 of \$3,359,631 and \$904,250 (See Exhibit C-17).

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	C	\$ 29,987	\$ 29,259
Increased by:			
Premium on Notes Issued	C-1	3,252	728
Funded Improvement Authorizations Cancelled	C-1	<u>67,423</u>	<u>-</u>
		<u>70,675</u>	<u>728</u>
		100,662	29,987
Decreased by:			
2011 Anticipated Revenue - Current Fund	A-2	<u>63,000</u>	<u>-</u>
Balance, December 31	C	<u>\$ 37,662</u>	<u>\$ 29,987</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER AND SEWER UTILITY FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 327,625	\$ 404,210
Change Fund	D-8	100	100
Due from Water/Sewer Utility Assessment Fund	D-17	10	
Due from General Trust Fund	B-16		360
Due from Water/Sewer Utility Capital Fund	D-11	-	22
		<u>327,735</u>	<u>404,692</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-13	58,809	38,635
Inventory	D-9	<u>25,631</u>	<u>9,429</u>
		<u>84,440</u>	<u>48,064</u>
Total Operating Fund		<u>412,175</u>	<u>452,756</u>
ASSESSMENT TRUST FUND			
Cash	D-5, D-6	116,214	135,193
Due from Water/Sewer Operating Utility Fund	D-17		903
Assessments Receivable	D-15	118,624	151,732
Deferred Charge - Cancelled Assessments	D-16	<u>110,041</u>	<u>139,041</u>
Total Assessment Trust Fund		<u>344,879</u>	<u>426,869</u>
CAPITAL FUND			
Cash	D-5, D-7	367,614	405,450
Grants Receivable	D-10		306,872
Fixed Capital	D-12	8,054,807	6,817,600
Fixed Capital Authorized and Uncompleted	D-14	<u>872,556</u>	<u>1,988,797</u>
Total Capital Fund		<u>9,294,977</u>	<u>9,518,719</u>
Total Assets		<u>\$ 9,707,152</u>	<u>\$ 10,398,344</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER AND SEWER UTILITY FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCES			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-18	\$ 51,217	\$ 237,103
Encumbrances Payable	D-19	115,054	-
Accounts Payable	D-20	5,631	
Accrued Interest on Bonds, Notes and Loans	D-21	21,745	25,668
Water/Sewer Rent Overpayments	D-22	3,452	2,802
Due to Water/Sewer Utility Assessment Trust Fund	D-17	-	903
		<u>197,099</u>	<u>266,476</u>
Reserve for Receivables	D	84,440	48,064
Fund Balance	D-1	<u>130,636</u>	<u>138,216</u>
Total Operating Fund		<u>412,175</u>	<u>452,756</u>
ASSESSMENT TRUST FUND			
Assessment Serial Bonds	D-26	300,000	376,000
Assessment Bond Anticipation Notes	D-28	42,162	48,162
Due to Water/Sewer Utility Operating Fund	D-17	10	
Fund Balance	D-6	<u>2,707</u>	<u>2,707</u>
Total Assessment Trust Fund		<u>344,879</u>	<u>426,869</u>
CAPITAL FUND			
Capital Improvement Fund	D-31	30,050	30,050
Due to Water Utility Operating Fund	D-11		22
Serial Bonds	D-25	843,000	988,000
Bond Anticipation Notes	D-27	422,838	728,838
Contracts Payable	D-29	10,584	
Improvement Authorizations			
Funded	D-23	146,948	147,992
Unfunded	D-23	548,143	617,722
Reserve for Amortization	D-24	6,967,969	5,871,482
Reserve for Deferred Amortization	D-30	303,556	827,027
Reserve for Grants Receivable	D-10		306,872
Reserve for Payment of Debt	D-33	21,175	
Fund Balance	D-2	<u>714</u>	<u>714</u>
Total Capital Fund		<u>9,294,977</u>	<u>9,518,719</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 9,707,152</u>	<u>\$ 10,398,344</u>

There were Bonds and Notes Authorized But Not Issued of \$390,000 and \$391,050 on December 31, 2011 and 2010 (See Exhibit D-32).

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, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
REVENUE AND OTHER INCOME REALIZED			
Surplus Anticipated	D-3	\$ 100,000	\$ 130,000
Rents	D-3	3,015,564	3,065,630
Miscellaneous	D-3	29,553	22,228
Other Credits			
Unexpended Balance of Appropriation Reserves	D-18	<u>101,535</u>	<u>56,956</u>
Total Income		<u>3,246,652</u>	<u>3,274,814</u>
EXPENDITURES			
Budget and Emergency Appropriations			
Operating	D-4	2,752,965	2,717,438
Capital Improvements	D-4	105,000	105,000
Debt Service	D-4	215,193	229,808
Deferred Charges and Statutory Expenditures	D-4	81,000	95,000
Refund of Prior Year Revenue	D-5	<u>74</u>	<u>368</u>
Total Expenditures		<u>3,154,232</u>	<u>3,147,614</u>
Excess in Revenue		92,420	127,200
Fund Balance, January 1	D	<u>138,216</u>	<u>141,016</u>
		230,636	268,216
Fund Balance Utilized by Anticipated Revenue		<u>100,000</u>	<u>130,000</u>
Fund Balance, December 31	D	<u>\$ 130,636</u>	<u>\$ 138,216</u>

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE -
REGULATORY BASIS - WATER AND SEWER CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	D	\$ 714	\$ 165
Increased by:			
Premium on Sale of Notes		-	549
Balance, December 31	D	\$ 714	\$ 714

STATEMENT OF REVENUES - REGULATORY BASIS -
WATER AND SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Reference</u>	<u>2011</u> <u>Anticipated</u>	<u>2011</u> <u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Surplus Anticipated		\$ 100,000	\$ 100,000	
Rents	D-3,D-7	3,038,000	3,015,564	\$ (22,436)
Miscellaneous	D-1	22,000	29,553	7,553
	D-4	<u>\$ 3,160,000</u>	<u>\$ 3,145,117</u>	<u>\$ (14,883)</u>

Analysis of Miscellaneous

Interest on Investments	\$ 2,711
Water and Sewer Capital Interest	300
Interest on Water and Sewer Assessments and Deposits	6,606
Other Fees	<u>19,936</u>
	<u>\$ 29,553</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS -
WATER AND SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011 Appropriated</u>		<u>2011 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	\$ 363,015	\$ 329,748	\$ 33,267	
Other Expenses	2,363,950	2,389,950	2,382,460	7,490	
CAPITAL IMPROVEMENTS					
Capital Outlay	105,000	105,000	97,906	7,094	
DEBT SERVICE					
Payment of Bond Principal	145,000	145,000	145,000		
Payment of Bond Anticipation Notes and Capital Notes	6,000	6,000	6,000		
Interest on Bonds	55,045	55,045	52,070		\$ 2,975
Interest on Notes	14,990	14,990	12,123		2,867
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	21,634	3,366	
Unemployment Compensation	2,000	2,000	2,000	-	-
Total Utility Appropriations	<u>\$ 3,160,000</u>	<u>\$ 3,160,000</u>	<u>\$ 3,102,941</u>	<u>\$ 51,217</u>	<u>\$ 5,842</u>

Referenc

D-3

D

Cash Disbursed	D-5	\$ 2,923,694
Encumbrances Payable	D-19	115,054
Accrued Interest on Bonds, Loans and Notes	D-21	<u>64,193</u>
		<u>\$ 3,102,941</u>

**BOROUGH OF BLOOMINGDALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS -
FREE PUBLIC LIBRARY FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash			
Checking Account	E-2	\$ 285,024	\$ 285,705
New Jersey Cash Management Fund	E-3	1,317	1,316
Change Fund	E-4	250	200
Due from Borough	A-26	<u>7,266</u>	<u>-</u>
		<u>\$ 293,857</u>	<u>\$ 287,221</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Accounts Payable	E-5	\$ 4,202	\$ -
Reserved for Maintenance of Free Public Library with State Aid	E-6	137,293	140,295
Fund Balance	E-1	<u>152,362</u>	<u>146,926</u>
		<u>\$ 293,857</u>	<u>\$ 287,221</u>

BOROUGH OF BLOOMINGDALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
FREE PUBLIC LIBRARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Revenues:			
Library Fines, Book Sales, Photo Copier, Donations and Video	E-2	\$ 9,112	\$ 8,722
Change Fund		50	
Grant Receipts	E-2	1,807	575
Interest Earned			
Checking	E-2	2,852	2,478
Certificate of Deposit	E-3		635
NJ Cash Management	E-4	1	15
Budget Appropriation Balance	A-26	<u>7,266</u>	<u>28,780</u>
		<u>21,088</u>	<u>41,205</u>
Expenditures:			
Library Supplies and Programs	D-2	<u>15,652</u>	<u>6,633</u>
Excess in Revenues		5,436	34,572
Balance, January 1,	E	<u>146,926</u>	<u>112,354</u>
Balance, December 31,	E	<u>\$ 152,362</u>	<u>\$ 146,926</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>2011</u>	<u>2010</u>
ASSETS		
Land	\$ 2,641,400	\$ 2,641,400
Buildings and Building Improvements	1,430,700	1,430,700
Machinery and Equipment	<u>3,421,020</u>	<u>3,476,020</u>
 Total Assets	 <u>\$ 7,493,120</u>	 <u>\$ 7,548,120</u>
 FUND BALANCE		
 Investment in General Fixed Assets	 <u>\$ 7,493,120</u>	 <u>\$ 7,548,120</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

A. 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 the 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.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 licenses 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. The Trust Fund also accounts for the open space tax and unemployment.

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/sewer utility fund. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of 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 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 2011 and 2010 the Borough Council increased the original budget by \$374,400 and \$60,365. 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 2011. In 2010, the increase was funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2011 and 2010.

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.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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. The Borough did incur an operating deficit of \$38,820 in 2011. This amount has been budgeted in 2012. 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.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 funds 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 Fund 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, 2010 balances to conform to the December 31, 2011 presentation.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

C. Basic Financial Statements

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 financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from 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 are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2011 and 2010, the book value of the Borough's deposits were \$3,224,338 and \$4,104,882 and bank and brokerage firm balances of the Borough's deposits amounted to \$3,626,867 and \$4,130,502, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2011</u>	<u>2010</u>
Insured	\$ 3,625,550	\$ 4,129,186
Uninsured and Collateralized	<u>1,317</u>	<u>1,316</u>
	<u>\$ 3,626,867</u>	<u>\$ 4,130,502</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 2 DEPOSITS AND INVESTMENTS (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, 2011 and 2010, the Borough's bank balances of \$1,317 and \$1,316 were exposed to custodial credit risk as follows:

	<u>2011</u>	<u>2010</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust		
department but not in the Borough's name	\$ 1,317	\$ 1,316

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, 2011 and 2010, the Borough had the following investments:

	Fair Value (<u>LOSAP</u>) (<u>Unaudited</u>)
<u>2011</u>	
Investment:	
Lincoln Financial LOSAP Investment	
Fund (Unaudited)	\$ 231,924
	<u>\$ 231,924</u>
	Fair Value (<u>LOSAP</u>) (<u>Unaudited</u>)
<u>2010</u>	
Investment:	
Lincoln Financial LOSAP Investment	
Fund (Unaudited)	\$ 212,991
	<u>\$ 212,991</u>

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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, 2011 and 2010, \$231,924 and \$212,991 of the Borough's investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP) (Unaudited)	Book Value
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name.	\$ 231,924	\$ 212,991
	<u>\$ 231,924</u>	<u>\$ 212,991</u>

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, 2011 and 2010, the Borough's investments 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 provided 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.

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2011 consisted of the following:

	<u>Current</u>	<u>Water and Sewer Utility</u>	<u>Total</u>
<u>2011</u>			
Property Taxes	\$ 246,166		\$ 246,166
Tax Title Liens	132,890		132,890
Utility Charges	<u>-</u>	<u>\$ 58,809</u>	<u>58,809</u>
	<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.

Receivables at December 31, 2010 consisted of the following:

	<u>Current</u>	<u>Water and Sewer Utility</u>	<u>Total</u>
<u>2010</u>			
Property Taxes	\$ 255,778		\$ 255,778
Tax Title Liens	116,219		116,219
Utility Charges	<u>-</u>	<u>\$ 38,635</u>	<u>38,635</u>
	<u>\$ 371,997</u>	<u>\$ 38,635</u>	<u>\$ 410,632</u>

In 2010, the Borough collected \$187,658 and \$40,466 from delinquent taxes and utility rents, which represented 65% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2009.

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 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, 2011 AND 2010

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's debt is summarized as follows:

	<u>2011</u>	<u>2010</u>
Issued		
General		
Bonds, Loans and Notes	\$ 7,659,000	\$ 8,529,000
Water/Sewer Utility		
Bonds and Notes	1,265,838	1,716,838
Sewer Utility Assessment		
Bonds and Notes	<u>342,162</u>	<u>424,162</u>
	9,267,000	10,670,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>21,175</u>	<u>-</u>
Net Debt Issued	9,245,825	10,670,000
Authorized But Not Issued		
General		
Bonds and Notes	3,359,631	904,250
Water/Sewer Utility		
Bonds and Notes	<u>390,000</u>	<u>391,050</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 12,995,456</u>	<u>\$ 11,965,300</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

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 1.16% and .920% at December 31, 2011 and 2010, respectively.

	<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>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2010</u>			
General Debt	\$ 9,433,250	\$ 371,758	\$ 9,061,492
School Debt			
Utility Debt	<u>2,532,050</u>	<u>2,532,050</u>	<u>-</u>
Total	<u>\$ 11,965,300</u>	<u>\$ 2,903,808</u>	<u>\$ 9,061,492</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>2011</u>	<u>2010</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 33,110,214	\$ 34,465,800
Net Debt	<u>11,018,631</u>	<u>9,061,492</u>
Remaining Borrowing Power	<u>\$ 22,091,583</u>	<u>\$ 25,404,308</u>

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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>2011</u>	<u>2010</u>
\$3,599,000, 2001 Bonds, due in annual installments of \$224,000 to \$350,000 through March 1, 2014, interest at 4.35%	\$ 849,000	\$ 1,199,000
 \$3,733,000, 2004 Bonds, due in annual installments of \$330,000 to \$403,000 through August 1, 2017, interest at 3.7%	 2,213,000	 2,533,000
 \$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>3,550,000</u>	 <u>3,750,000</u>
	<u>\$ 6,612,000</u>	<u>\$ 7,482,000</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

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>2011</u>	<u>2010</u>
\$520,000, 1999 Water System Improvement Bonds, due due in installments of \$40,000 to \$50,000 through March 1, 2014, interest at 4.500% to 4.650%	\$ 130,000	\$ 170,000
\$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%	359,000	404,000
\$599,000, 2001 Water System Improvement Bonds, due due in installments of \$40,000 to \$50,000 through March 1, 2016, interest at 4.350%	229,000	274,000
\$230,000, 2004 Water System Improvement Bonds, due due in installments of \$15,000 to \$20,000 through March 1, 2019, interest at 3.700%	<u>125,000</u>	<u>140,000</u>
	<u>\$ 843,000</u>	<u>\$ 988,000</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

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>2011</u>	<u>2010</u>
\$85,000, 1991 Assessment Bonds, due in annual installments of \$1,000 through May 2011, interest at 6.90%	\$ -	\$ 1,000
\$1,130,000, 1999 Assessment Bonds, due in annual installments of \$75,000 through March 1, 2015, interest at 4.50% to 4.70%	<u>300,000</u>	<u>375,000</u>
	<u>\$ 300,000</u>	<u>\$ 376,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2011 is as follows:

Calendar <u>Year</u>	<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>	
2012	\$ 955,000	\$ 251,450	\$ 145,000	\$ 34,601	\$ 75,000	\$ 12,113	\$ 1,473,164
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
2017-2021	1,903,000	314,911	184,000	13,738	-	-	2,415,649
2022-2024	<u>600,000</u>	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>636,000</u>
	<u>\$ 6,612,000</u>	<u>\$ 1,277,505</u>	<u>\$ 843,000</u>	<u>\$ 125,276</u>	<u>\$ 300,000</u>	<u>\$ 27,864</u>	<u>\$ 9,185,645</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2011 and 2010 were as follows:

	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, 2011 AND 2010

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within One Year
<u>2010</u>					
General Capital Fund					
Bonds Payable	\$ 8,282,000	\$ -	\$ 800,000	\$ 7,482,000	\$ 870,000
General Capital Fund Long-Term Liabilities	\$ 8,282,000	\$ -	\$ 800,000	\$ 7,482,000	\$ 870,000
Water and Sewer Utility Capital Fund					
Bonds Payable	\$ 1,133,000	-	\$ 145,000	\$ 988,000	\$ 145,000
Water and Sewer Utility Capital Fund Long-Term Liabilities	\$ 1,133,000	\$ -	\$ 145,000	\$ 988,000	\$ 145,000
Water and Sewer Utility Assessment Fund					
Bonds Payable	\$ 452,000	\$ -	\$ 76,000	\$ 376,000	\$ 76,000
Water and Sewer Utility Assessment Fund Long-Term Liabilities	\$ 452,000	\$ -	\$ 76,000	\$ 376,000	\$ 76,000

Short-Term Debt

The Borough's short-term capital debt activity for the years 2011 and 2010 was as follows:

	Balance December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 1,047,000	\$ 1,047,000	\$ 1,047,000	\$ 1,047,000
Water and Sewer Capital Fund	728,838	422,838	728,838	422,838
Water and Sewer Assessment Fund	48,162	42,162	48,162	42,162
	\$ 1,824,000	\$ 1,512,000	\$ 1,824,000	\$ 1,512,000

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

	Balance December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 307,000	\$ 1,047,000	\$ 307,000	\$ 1,047,000
Water and Sewer Capital Fund	734,838	728,838	734,838	728,838
Water and Sewer Assessment Fund	<u>54,162</u>	<u>48,162</u>	<u>54,162</u>	<u>48,162</u>
	<u>\$ 1,096,000</u>	<u>\$ 1,824,000</u>	<u>\$ 1,096,000</u>	<u>\$ 1,824,000</u>

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 2011 and 2010 as follows:

	Balance December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
<u>2011</u>				
Special Emergency Notes	<u>\$ 67,200</u>	<u>\$ -</u>	<u>\$ 16,800</u>	<u>\$ 50,400</u>
<u>2010</u>				
Special Emergency Notes	<u>\$ 84,000</u>	<u>\$ -</u>	<u>\$ 16,800</u>	<u>\$ 67,200</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2011 and 2010.

	December 31, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	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>
	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Land	\$ 2,641,400			\$ 2,641,400
Buildings and Building Improvement	1,430,700			1,430,700
Machinery and Equipment	<u>3,309,773</u>	<u>\$ 166,247</u>	<u>-</u>	<u>3,476,020</u>
	<u>\$ 7,381,873</u>	<u>\$ 166,247</u>	<u>\$ -</u>	<u>\$ 7,548,120</u>

Water/Sewer Utility Fund Fixed Assets

The following is a summary of changes in the utility fund fixed assets for the year 2011.

	Balance December 31, <u>2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Fixed Capital	<u>\$ 6,817,600</u>	<u>\$ 1,237,207</u>	<u>\$ -</u>	<u>\$ 8,054,807</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

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>2011</u>		<u>2010</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	\$ 488	\$ 2,311	\$ 6,676	\$ 125,896
Trust Funds:				
Animal Control Fund		2		1
General Trust Fund	2,311	103,449	125,896	771
General Capital Fund	103,000	37	-	6,264
Water and Sewer Utility Fund:				
Operating Fund	10	-	381	903
Capital Fund				21
Assessment Trust Fund	-	10	903	-
Total	<u>\$ 105,809</u>	<u>\$ 105,809</u>	<u>\$ 133,856</u>	<u>\$ 133,856</u>

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

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

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Water and Sewer 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>2011</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2010</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ -	\$ -	\$ 170,000	\$ 170,000
Non-Cash Surplus	<u>9,404</u>	<u>-</u>	<u>9,404</u>	<u>-</u>
	<u>\$ 9,404</u>	<u>\$ -</u>	<u>\$ 179,404</u>	<u>\$ 170,000</u>
Water and Sewer Utility Operating Fund				
Cash Surplus	<u>\$ 130,636</u>	<u>\$ 100,000</u>	<u>\$ 138,216</u>	<u>\$ 100,000</u>

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 7 FUND BALANCES APPROPRIATED (Continued)

The above fund balance amounts appropriated represents the surplus anticipated in the 2012 introduced municipal budget. The 2012 municipal budget has not been legally adopted as of the date of audit.

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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:

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2011</u>			
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>
<u>2010</u>			
Current Fund			
Special Emergency Authorizations (40A:4-53)	<u>84,000</u>	<u>16,800</u>	<u>\$ 67,200</u>
	<u>\$ 84,000</u>	<u>\$ 16,800</u>	<u>\$ 67,200</u>

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 \$384,936 and \$727,013 at December 31, 2011 and 2010, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2011 and 2010, the Borough has reserved in the Other Trust Fund \$19,849, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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.

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 and are considered in the annual actuarial calculation of the required contributions for the system.

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.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

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.

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:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and to attain age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is 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), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. 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 and PERS Prosecutors Part 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.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 78.5 percent and \$10.7 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, 2010 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 (1) 8.25 percent for investment rate of return for all the retirement systems and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

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, 8.50% for PFRS and 5.50% for DCRP of employees' annual compensation.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 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, 2011, 2010 and 2009, the Borough, except for the amounts deferred during the year ended December 31, 2009 was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2011	\$ 406,920	\$ 251,086
2010	338,602	207,991
2009	174,360	102,773

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 liability including accrued interest (at 8.25%) at December 31, 2011 and 2010 is \$247,000 and \$227,670, 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.

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 547 state and local participating employers and contributing entities for Fiscal Year 2011.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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.

Investment Valuation

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

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.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$21.1 billion for state active and retired members and \$38.2 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, 2010 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, 2011, there were 93,323 retirees receiving post-retirement medical benefits. 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.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

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 \$108.1 million for 8,161 eligible retired members for Fiscal Year 2011. This benefit covers the PFRS.

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 \$34.2 million in Fiscal Year 2011 to provide benefits under Chapter 330 to qualified retirees.

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, 2011, 2010 and 2009 were \$227,346, \$171,253 and \$155,473, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2011 was \$12,150.

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 funds are 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 and MEL coverage amounts are on file with the Borough.

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

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 12 RISK MANAGEMENT (Continued)

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.

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>
2011	\$ 12,000	\$ 5,883	\$ 5,001	\$ 35,723
2010	11,000	6,496	24,662	24,925
2009	-	6,356	24,039	34,226

NOTE 13 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.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 13 DEFERRED COMPENSATION PLAN

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.

NOTE 14 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, 2011 and 2010. 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, 2011 and 2010, 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.

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, 2011 and 2010, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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 four years and thereafter of eligibility for 2011 and 2010, 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.

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.

BOROUGH OF BLOOMINGDALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 16 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>2011</u>		
Woodward Avenue Improvements	\$132,361	2012

NOTE 17 DEFICIT FUND BALANCES

The Borough has an accumulated deficit of \$38,820 in the Current Fund. The Fund anticipated funding this deficit through a budget contribution in 2012.

NOTE 18 RESTATEMENTS AND PRIOR PERIOD ADJUSTMENTS

The LOSAP Trust Fund was omitted from the December 31, 2010 financial statements. The balances at December 31, 2010 were:

Assets:	
Investments	\$212,991
Contributions Receivable	<u>25,992</u>
	<u>\$238,983</u>
Liabilities, Reserves and Fund Balance	
Reserve for Length of Service Awards program	<u>\$238,983</u>

CURRENT FUND

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

Balance, December 31, 2010		\$	869,759
Increased by Receipts:			
Taxes Receivable	\$	26,696,461	
Non-Budget Revenues		74,065	
State of NJ - Senior Citizens' and Veterans Deductions		85,130	
Revenue Accounts Receivable		1,721,322	
Receipts from Animal Control		22	
Receipts from Small Cities		8	
Receipts from General Capital Fund		1,045,101	
Receipts from Other Trust Fund		3,139	
Change Fund		50	
Fees Payable		4,017	
Reserve for Unappropriated Grants		10,749	
Grants Receivable		45,643	
Prepaid Taxes		78,030	
Tax Overpayments		62,842	
			<u>29,826,579</u>
			30,696,338
Decreased by Disbursements:			
2011 Budget Appropriations		8,934,883	
2010 Appropriation Reserves		256,068	
Miscellaneous Reserves and Deposits		173,670	
Encumbrances Payable		158,119	
Fees Payable		3,808	
County Taxes Payable		5,418,521	
Local District School Taxes Payable		14,216,083	
Municipal Open Space Taxes Payable		105,110	
Tax Overpayments		53,229	
Other Trust Expenditure paid by Current Fund		123,631	
Refund of prior year revenue		240	
Payments to Other Trust Fund		105	
Payments to General Capital Fund		991,800	
Refund of prior year taxes		16,066	
Appropriated Reserves for Grants		64,731	
			<u>30,516,064</u>
Balance, December 31, 2011		\$	<u>180,274</u>

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

	Balance, December 31, <u>2010</u>	Increased by Cash <u>Given</u>	Balance, December 31, <u>2011</u>
Tax Collector	\$ 560	\$ 50	\$ 610

EXHIBIT A-6

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

Balance, December 31, 2010		\$ 622
Increased by:		
Veterans Deductions Per Tax Billings	\$ 66,000	
Senior Citizen Deductions Per Tax Billings	23,500	
Senior Citizen Deductions Allowed by Tax Collector	<u>1,000</u>	
		<u>90,500</u>
		91,122
Decreased by:		
Cash Received	85,130	
Senior Citizen Deductions Disallowed by Tax Collector-2011	1,687	
Senior Citizen Deductions Disallowed by Tax Collector-2010	<u>2,715</u>	
		<u>89,532</u>
Balance, December 31, 2011		<u>\$ 1,590</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF TAXES RECEIVABLE**

<u>Year</u>	<u>Balance, December 31, 2010</u>	<u>2011 Levy</u>	<u>2011 Added</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collections 2010</u>	<u>2011</u>	<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance, December 31, 2011</u>
2010	\$ 255,778	-	\$ -	\$ 2,715	-	228,967	-	29,091	399	36
2011	255,778	-	-	-	-	228,967	-	29,091	399	36
	-	\$ 26,967,147	5,448	1,688	\$ 57,235	26,467,494	\$ 90,500	\$ 96,736	\$ 16,188	246,130
	\$ 255,778	\$ 26,967,147	\$ 5,448	\$ 4,403	\$ 57,235	\$ 26,696,461	\$ 90,500	\$ 125,827	\$ 16,587	\$ 246,166

Analysis of 2011 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 26,967,147
Added Taxes	5,448
	<u>\$ 26,972,595</u>
Tax Levy	
County Taxes (Abstract)	\$ 5,417,426
Due County for Added and Omitted Taxes	1,096
Municipal Open Space	105,110
Due to Municipal Open Space for Added and Omitted Taxes	<u>21</u>
	\$ 5,523,653
Local District School Tax (Abstract)	14,216,081
Local Tax for Municipal Purposes	6,912,538
Minimum Library Tax	313,189
Add Additional Tax Levied	<u>7,134</u>
	21,448,942
	<u>\$ 26,972,595</u>

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

Balance, December 31, 2010		\$ 116,219
Increased by:		
Interest and Costs - 2011 Tax Sale	\$ 84	
Tax-2011 Tax Sale	399	
Transfers from Taxes Receivable	<u>16,188</u>	
		<u>16,671</u>
Balance, December 31, 2011		<u>\$ 132,890</u>

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

Balance, December 31, 2010	<u>\$ 1,758,400</u>
Balance, December 31, 2011	<u>\$ 1,758,400</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2010</u>	Accrued in <u>2011</u>	<u>Collected</u>	Balance, December 31, <u>2011</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 15,999	\$ 15,999	-
Other		970	970	-
Fees and Permits		505	505	-
Board of Health				-
Fees and Permits		2,000	2,000	-
Licenses - Other		2,023	2,023	-
Police Department				-
Fees and Permits		347	347	-
Board of Adjustment				-
Fees and Permits		2,780	2,780	-
Tax Assessor				-
Fees and Permits		170	170	
Construction Code Official				
Fees and Permits		19,651	19,651	
Uniform Construction Code Fees		89,013	89,013	-
Municipal Court				-
Fines and Costs	\$ 16,447	162,134	163,657	\$ 14,924
Interest and Costs on Taxes		40,097	40,097	-
Interest on Investments and Deposits		2,780	2,780	-
Energy Receipts Tax		469,772	469,772	-
Garden State Trust Fund		6,516	6,516	-
Consolidated Municipal Property Tax Relief		75,861	75,861	-
Interlocal Agreement - Animal Control		153,516	153,516	-
West Milford Registrar Service		17,340	17,340	-
Butler Construction Service		83,000	83,000	-
Kinnelon Borough Construction Services		175,177	175,177	-
Pompton Lakes-Street Sweeping		39,913	39,913	-
Pompton Lakes-Vegetative Waste		21,200	21,200	-
Construction Livingston Township		92,167	92,167	-
Construction Boonton		32,093	32,093	-
Uniform Fire Safety Act		7,590	7,590	-
Cablevision	29,478	-	29,478	-
Senior Center Lease to County		10,800	10,800	
Tower Rental		18,068	18,068	
Soil Extract Permits		15,000	15,000	
NJIF Insurance Dividend		9,077	9,077	
Hep B		1,035	1,035	
RER Veg Waste		30,000	30,000	
FEMA Reimbursement	-	93,727	93,727	-
	<u>\$ 45,925</u>	<u>\$ 1,690,321</u>	<u>\$ 1,721,322</u>	<u>\$ 14,924</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF 2010 APPROPRIATION RESERVES

	Balance, December 31, <u>2010</u>	Prior Year Encumbrances <u>Cancelled</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES					
Senior Citizen	\$ 840		\$ 840	\$ 544	\$ 296
Assessment of Taxes	800		800	800	
Collection of Taxes	1,254		1,254	1,254	
Legal Services and Costs	4,543		4,543		4,543
Public Safety					
Fire Prevention Bureau	1,427		1,427		1,427
Police	52,867		52,867	52,867	
Emergency Dispatching	16,387		16,387	16,387	
Public Defender	3,950		3,950	2,500	1,450
Streets and Roads					
Road Repairs and Maintenance	17,371		7,371	6,842	529
Health and Welfare					
Animal Control Officer	1,654		1,654		1,654
Garbage and Trash Removal	10,217		1,217	828	389
Municipal Court	8,855		8,855	386	8,469
OTHER EXPENSES					
Mayor and Council	1,368		1,368	536	832
General Administration	2,030		2,030	2,000	30
Municipal Clerk	9,492		9,492	1,440	8,052
Senior Citizen	29	\$ 358	387		387
Financial Administration	1,918		1,918	1,918	
Annual Audit	25,700		25,700	25,000	700
Miscellaneous	2,500		2,500		2,500
Assessment of Taxes	915		915	455	460
Collection of Taxes	2,299		2,299		2,299
Legal Services & Costs	3,876		3,876	3,177	699
Engineering Services and Costs	1,380		1,380	1,380	
Public Buildings and Grounds	7,058		7,058	1,171	5,887
Planning Board	5,267		5,267	5,200	67
Board of Adjustment					
Shade Trees	3,600		3,600		3,600
Beautification Committee	657		657		657
Environmental Commission	260		260		260
Insurance					
Group Insurance Plan for Employees	513		513	513	
Public Safety					
Fire	4,137		4,137	2,635	1,502
Police	19,297		19,297	12,853	6,444
Emergency Dispatch		984	984		984
First Aid Organization-Contribution	35,000		35,000	34,684	316
Emergency Management Services	2,772		2,772	90	2,682
Streets and Roads					
Road Repairs and Maintenance	29		19,029	19,000	29
Health and Welfare					
Board of Health	4,395		4,395	4,380	15
Animal Control	100		100		100
Buildings and Grounds		1,732	1,732		1,732
Garbage and Trash Removal					
Other Expenses	90	749	839		839

Cash Disbursed	\$ 256,068
Accounts Payable	<u>5,522</u>
	\$ 261,590

**BOROUGH OF BLOOMINGDALE
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2010	\$ 185
Increased by:	
Cash Receipts	<u>62,842</u>
	63,027
Decreased by:	
Overpayments Refunded	<u>53,229</u>
Balance, December 31, 2011	<u>\$ 9,798</u>

EXHIBIT A-13

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2010	\$ 162,691
Increased by:	
Charges to 2011 Appropriations	<u>163,477</u>
	326,168
Decreased by:	
Payments	\$ 158,119
Cancelled to Appropriation Reserves	<u>4,572</u>
	<u>162,691</u>
Balance, December 31, 2011	<u>\$ 163,477</u>

EXHIBIT A-14

STATEMENT OF FEES PAYABLE

	State Training Fees	Marriage License Fees	Total
Balance, December 31, 2010	\$ 962	\$ 200	\$ 1,162
Increased by:			
Collections	<u>3,367</u>	<u>650</u>	<u>4,017</u>
	4,329	850	5,179
Decreased by:			
Payments	<u>3,183</u>	<u>625</u>	<u>3,808</u>
Balance, December 31, 2011	<u>\$ 1,146</u>	<u>\$ 225</u>	<u>\$ 1,371</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2010	\$ 57,235
Increased by:	
Collection of 2012 Taxes	<u>78,030</u>
	135,265
Decreased by:	
Application to 2011 Taxes Receivable	<u>57,235</u>
Balance, December 31, 2011	<u>\$ 78,030</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2010	
Increased by:	
2011 Tax Levy	\$ 5,417,426
2011 Added Taxes (54:4-63.1 et seq.)	<u>1,096</u>
	\$ 5,418,522
	5,418,522
Decreased by:	
Payments	<u>5,418,521</u>
Balance, December 31, 2011	<u>\$ 1</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance, December 31, 2010	\$ 4
Increased by:	
Levy - Calendar Year 2011	<u>14,216,081</u>
	14,216,085
Decreased by:	
Payments	<u>14,216,083</u>
Balance, December 31, 2011	<u>\$ 2</u>

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

	Balance, December 31, <u>2010</u>	Authorized in <u>2012</u>	Decreased by <u>Disbursements</u>	Balance, December 31, <u>2011</u>
Reserve for Revaluation		\$ 285,000	\$ 138,670	\$ 146,330
Reserve for Accumulated Sick		35,000	35,000	
Reserve for Codification of Ordinances	\$ 375	-	-	375
	<u>\$ 375</u>	<u>\$ 320,000</u>	<u>\$ 173,670</u>	<u>\$ 146,705</u>

EXHIBIT A-19

STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE

Balance, December 31, 2010	\$ 67,200
Decreased by:	
Paydown of Note	<u>16,800</u>
Balance, December 31, 2011	<u>\$ 50,400</u>

EXHIBIT A-20

**STATEMENT OF DEFERRED CHARGES
EMERGENCY AUTHORIZATIONS**

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

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

	Balance, December 31, <u>2010</u>	Cash Receipts	Appropriated to 2011 Budget	Balance, December 31, <u>2011</u>
Recycling Tonnage Grant		\$ 6,870		\$ 6,870
Drunk Driving Enforcement Fund		2,016		2,016
Body Armor	-	1,863	-	1,863
	<u>\$ -</u>	<u>\$ 10,749</u>	<u>\$ -</u>	<u>\$ 10,749</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>2010</u>	Authorized in <u>2011</u>	Raised in 2011 <u>Budget</u>	Balance, December 31, <u>2011</u>
9/27/2011	Accumulated Absences	\$ 35,000	\$ 7,000		\$ 35,000		\$ 35,000
6/14/2011	Revaluation	285,000	57,000		285,000		285,000
4/14/2009	Preparation of Tax Maps	84,000	16,800	\$ 67,200	-	\$ 16,800	50,400
				<u>\$ 67,200</u>	<u>\$ 320,000</u>	<u>\$ 16,800</u>	<u>\$ 370,400</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2010</u>	Revenue <u>Accrued</u>	Cash <u>Received</u>	Balance, December 31, <u>2011</u>
NJ Transportation Trust Fund-Paterson-Hamburg Turnpike	\$ 5,053			\$ 5,053
Clean Communities		\$ 11,467	\$ 11,467	
Recycling Tonnage Grant		6,923	6,923	
Body Armor Grant	1,697	2,363	2,363	1,697
Municipal Alliance	12,064	21,553	20,490	13,127
Green Acres Program-Planning Incentive Grant	410,524			410,524
Child Passenger Safety Grant	8,196			8,196
Click It or Ticket	54			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			28,113
Passaic County Cultural and Heritage Council-Art Classes	503			503
Passaic County Cultural and Heritage Council-Cultural Festival	611			611
Over the Limit/Under Arrest	<u>-</u>	<u>4,400</u>	<u>4,400</u>	<u>-</u>
	<u>\$ 590,249</u>	<u>\$ 46,706</u>	<u>\$ 45,643</u>	<u>\$ 591,312</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF APPROPRIATED RESERVES FOR GRANTS

<u>Grant</u>	Balance, December 31, <u>2010</u>	Realized 2011 <u>Budget</u>	<u>Expended</u>	Balance, December 31, <u>2011</u>
Clean Communities Grant	\$ 10	\$ 11,467	\$ 10,884	\$ 593
Drunk Driving Enforcement Fund	3,016		2,098	918
Recycling Tonnage Grant	439	6,923	7,362	
Body Armor Grant	4,896	2,363	4,680	2,579
Alcohol Education and Rehabilitation	322		322	
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			58
Safe Routes to School	22,000			22,000
Over the Limit/Under Arrest		4,400	2,950	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	22,216		9,222	12,994
Municipal Stormwater Regulation	8,586			8,586
FEMA Grant	2,983		2,209	774
Assistance to Firefighters Grant	19,850			19,850
Bulletproof Vest Partnership	3,811			3,811
County of Passaic-Sloan Park Improvements	48,852			48,852
County of Passaic-Oakwood Park	6,546		3,451	3,095
Passaic County Cultural-Art Classes	397			397
Passaic County Cultural-Cultural Festival	986			986
Passaic County Cultural-Senior Citizen	593	-	-	593
	<u>\$ 596,873</u>	<u>\$ 46,706</u>	<u>\$ 64,731</u>	<u>\$ 578,848</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2010

Increased by

Transferred from Appropriation Reserves

\$ 5,522

Balance, December 31, 2011

\$ 5,522

EXHIBIT A-26

STATEMENT OF DUE TO MUNICIPAL LIBRARY

Increased by:

Balance of 2011 Appropriation Due Library

\$ 7,266

Balance, December 31, 2011

\$ 7,266

TRUST FUNDS

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

	Animal Control Fund	Other Trust Fund	Small Cities Trust Fund
Balance, December 31, 2010	\$ 13,172	\$ 514,861	\$ 8,079
Increased by Receipts:			
Payroll Deposits		\$ 6,244,294	
Payroll Deposits-Unemployment		5,883	
Other Accounts Receivable		397	
Receipts from FEMA		20,430	
Receipts from Current Fund		105	
Receipts from Current Fund-Open Space Levy		105,110	
Interest on Investments	\$ 23		\$ 8
and Deposits		208	
Interest on Investments-Payroll		39	
Interest-Open Space Trust Fund		269	
Interest-Unemployment		26	
Receipts from Municipal Court		106	
Interlocal Construction Receipts		213,083	
Zoning Permits		2,800	
Special Deposits		503,843	
Tax Sale Premiums		65,200	
Budget Appropriation-Unemployment	1,772	12,000	
Due to State of NJ	24,904		
Miscellaneous Fees	11,739		
Animal License Fees		-	
	38,438	7,173,793	8
Decreased by Disbursements:			
Payroll Expenditures			
Payroll Expenditures-Unemployment		6,245,126	
Payments to Current Fund	22	2,110	8
Expenditures Under		3,138	
R.S. 4:19-15.11			
Special Deposits	21,953	508,911	
Due to State of New Jersey			
Tax Sale Premiums	1,643	92,101	
Interlocal Construction Disbursements		213,083	
Open Space Expenditures		97,913	
Unemployment Ins. Claims		5,001	
Payments to Water/Sewer Operating Fund	-	360	
	23,618	7,167,743	8
Balance, December 31, 2011	\$ 27,992	\$ 520,911	\$ 8,079

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

Balance, December 31, 2010	\$ 1
Increased by:	
Interest on Investments and Deposits	<u>23</u>
	24
Decreased by:	
Payments to Current	<u>22</u>
Balance, December 31, 2011	<u>\$ 2</u>

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance, December 31, 2010	\$ 13,169
Increased by:	
License Fees Collected	\$ 11,739
Miscellaneous Fees	<u>24,904</u>
	<u>36,643</u>
	49,812
Decreased by:	
Expenditures Under R.S. 4:19-15-11	<u>21,953</u>
Balance, December 31, 2011	<u>\$ 27,859</u>

Analysis of Fund Balance

Reserve for Dog Expenditures	\$ 6,165
Reserve for Cat Licenses	2,169
Reserve for Dogs	<u>19,525</u>
	<u>\$ 27,859</u>

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

Balance, December 31, 2010 (Due From)		\$ 125,896
Increased by:		
Payments to Current Fund - Zoning	\$ 2,964	
Payments to Current Fund - Interest	174	
Added Assessment-Open Space	<u>21</u>	
		<u>3,159</u>
		129,055
Decreased by:		
Other Trust Expenditures Paid by Current Fund	123,631	
Interest on Investments	208	
Receipts from Current Fund	105	
Zoning Receipts	<u>2,800</u>	
		<u>126,744</u>
Balance, December 31, 2011		<u>\$ 2,311</u>

EXHIBIT B-6

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

Balance, December 31, 2010		\$ 2
Increased by:		
Dog License Fees Collected		<u>1,772</u>
		1,774
Decreased by:		
Disbursements - Animal Control		<u>1,643</u>
Balance, December 31, 2011		<u>\$ 131</u>

EXHIBIT B-7

STATEMENT OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE CLAIMS

Balance, December 31, 2010		\$ 24,925
Increased by Revenues:		
Interest on Investments and Deposits	\$ 26	
Employee Contributions	5,883	
2011 Budget Appropriation	<u>12,000</u>	
		<u>17,909</u>
		42,834
Decreased by Expenditures:		
Employer's Share	2,110	
Unemployment Insurance Claims	<u>5,001</u>	
		<u>7,111</u>
Balance, December 31, 2011		<u>\$ 35,723</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF OTHER ACCOUNTS RECEIVABLE**

Balance, December 31, 2010	\$ 397
Decreased by:	
Cash Receipt	<u>397</u>
Balance, December 31, 2011	<u>\$ -</u>

STATEMENT OF DUE FROM MUNICIPAL COURT

Balance, December 31, 2010	\$ 106
Decreased by:	
Cash Receipt	<u>106</u>
Balance, December 31, 2011	<u>\$ -</u>

STATEMENT OF DUE FROM PLAN ADMINISTRATOR

Balance, December 31, 2010	\$ 79,724
Decreased by:	
Prepayment Applied	<u>79,724</u>
Balance, December 31, 2011	<u>\$ -</u>

STATEMENT OF DUE TO CURRENT FUND - PAYROLL

Balance, December 31, 2010	\$ 410
Increased by:	
Interest on Investments and Deposits	<u>39</u>
Balance, December 31, 2011	<u>\$ 449</u>

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

Balance, December 31, 2010		\$	79,805
Increased by:			
Receipts			<u>6,244,294</u>
			6,324,099
Decreased by:			
Disbursements	\$	6,245,126	
Prepayment Applied		<u>79,724</u>	
			<u>6,324,850</u>
Balance, December 31, 2011		\$	<u>(751)</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF SPECIAL DEPOSITS**

	Balance, December 31, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
Escrow Deposits	\$ 25,556	\$ 22,191	\$ 20,877	\$ 26,870
Recycling Trust	13,958	35,520	29,536	19,942
Recreation Trust	35,991	33,346	40,226	29,111
POAA	199	208		407
Public Defender Application Fees	1,303	3,317	400	4,220
Outside Police Detail	6,978	9,097	12,807	3,268
Fire Prevention Penalties	2,620			2,620
Senior Citizen Activities	6,884	37,138	41,087	2,935
Accumulated Compensated Absences	19,849			19,849
Reserve for Snow Removal	1,292	100	1,052	340
Third Party Tax Redemptions	123,631	362,926	486,557	-
	<u>\$ 238,261</u>	<u>\$ 503,843</u>	<u>\$ 632,542</u>	<u>\$ 109,562</u>
Cash Receipts		\$ 503,843		
Cash Disbursements			\$ 508,911	
Paid by Current Fund		-	123,631	
		<u>\$ 503,843</u>	<u>\$ 632,542</u>	

STATEMENT OF PREMIUMS ON TAX SALE

Balance, December 31, 2010	\$ 89,701
Increased by:	
Cash Receipts	<u>65,200</u>
	154,901
Decreased by:	
Cash Disbursements	<u>92,101</u>
Balance, December 31, 2011	<u>\$ 62,800</u>

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

Balance, December 31, 2010	\$ <u>1,179</u>
Balance, December 31, 2011	\$ <u>1,179</u>

STATEMENT OF DUE TO WATER AND SEWER OPERATING FUND

Balance, December 31, 2010	\$ 360
Decreased by:	
Payment to Water and Sewer Operating Fund	<u>360</u>
Balance, December 31, 2011	\$ <u>-</u>

STATEMENT OF DUE TO GENERAL CAPITAL FUND

Increased by:	
Authorized to Fund Improvement Authorization - Open Space	\$ <u>103,000</u>
Balance, December 31, 2011	\$ <u>103,000</u>

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

Balance, December 31, 2010		\$ 286,343
Increased by:		
2011 Tax Levy	\$ 105,110	
2011 Added Taxes	21	
Interest Earned	269	
Receipts from FEMA	<u>20,430</u>	
		<u>125,830</u>
		412,173
Decreased by:		
Appropriated to Fund Ordinance	103,000	
Cash Disbursements	<u>97,913</u>	
		<u>200,913</u>
Balance, December 31, 2011		<u>\$ 211,260</u>

EXHIBIT B-19

STATEMENT OF RESERVE FOR SMALL CITIES REVOLVING LOAN TRUST

Balance, December 31, 2010		\$ 8,079
Increased by:		
Interest Earned		<u>8</u>
		<u>8,087</u>
Decreased by:		
Payments to Current		<u>8</u>
Balance, December 31, 2011		<u>\$ 8,079</u>

EXHIBIT B-20

STATEMENT OF RESERVE FOR INTERLOCAL CONSTRUCTION

Increased by:		
Fees Collected		<u>\$ 213,083</u>
Decreased by:		
Fees Remitted		<u>\$ 213,083</u>

GENERAL CAPITAL FUND

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

Balance, December 31, 2010		\$ 1,466,277
Increased by Receipts:		
Interest on Investments and Deposits	\$ 874	
Premium on Sale of Bond Anticipation Notes	3,252	
Receipts from Current Fund	991,800	
Grant Proceeds	<u>110,466</u>	
		<u>1,106,392</u>
		2,572,669
Decreased by Disbursements:		
Improvement Authorizations	139,240	
Payments to Current Fund	<u>1,045,101</u>	
		<u>1,184,341</u>
Balance, December 31, 2011		<u>\$ 1,388,328</u>

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

		Balance, December 31, <u>2011</u>
Capital Improvement Fund		\$ 4,623
Fund Balance		37,662
Encumbrances Payable		303,029
Due to Current Fund		37
Grants Receivable		(611,746)
Notes Receivable		(50,400)
Reserve for Other Contributions		30,000
Due from Open Space Trust Fund		(103,000)
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	442,425
17-2005	Rehabilitation Costs of Substandard Housing Units	-
22-2005	Rehabilitation of Sports Fields and Open Space	(114,596)
27-2006	Various Capital Improvements	426,189
31-2006	Bloomingtondale Town Center	200,000
32-2006	Walter T. Bergen School Field Project	58,927
27-2007	Construction of New Public Works Service Operations Garage and Acquisition of Property for Use as New Police Headquarters	16,047
15-2008	Various Capital Improvements	(47,000)
22-2008	Various Capital Improvements	127,550
17-2009	Various Capital Improvements	193,652
11-2010	Sloan Park Bridge Project	231,000
15-2010	Reconstruction of Woodward Avenue	(49,092)
16-2010	Oakwood Lake Park Project	100,000
10-2011	Various Road and Drainage Improvements	(96,755)
18-2011	Various Capital Improvements	84,100
20-2011	Installation of Lighting at Walter T. Bergen School	22,750
		<u>\$ 1,388,328</u>

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

	Balance, December 31, <u>2010</u>	Grant <u>Award</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2011</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		230,000
Passaic Community Development Block Grant Ord. 10-2011		64,800		64,800
<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	150,000		\$ 99,269	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	51,942		11,197	40,745
Oakwood Lake Park Project Ord. 16-2010	100,000	-	-	100,000
	<u>\$ 994,701</u>	<u>\$ 294,800</u>	<u>\$ 110,466</u>	<u>\$ 1,179,035</u>

EXHIBIT C-5

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2010	\$ 7,482,000
Decreased by:	
2011 Budget Appropriation	
Payment of Bond Principal	<u>870,000</u>
Balance, December 31, 2011	<u>\$ 6,612,000</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF NOTES RECEIVABLE**

Balance, December 31, 2010	\$ 67,200
Decreased by:	
2011 Budget Appropriation	<u>16,800</u>
Balance, December 31, 2011	<u>\$ 50,400</u>

STATEMENT OF LOANS RECEIVABLE

Balance, December 31, 2010	\$ 500,000
Decreased by:	
Loan Cancelled	<u>500,000</u>
Balance, December 31, 2011	<u>\$ -</u>

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

Ord. No.	Improvement Description	Analysis of Balance, December 31, 2011						Unexpended Improvement Authori- zations
		Balance, December 31, 2010	2011 Authori- zations	Grant Proceeds/ Reimbursements	Notes Paid by Budget Appropriation	Balance, December 31, 2011	Bond Anticipation Notes	
17-2005	Housing Rehabilitation Costs	\$ 250				\$ 250		\$ 250
22-2005	Rehabilitation of Sports Fields and Open Space	500,000				500,000		385,404
15-2008	Multi-Purpose	357,000				357,000	\$ 307,000	3,000
17-2009	Multi-Purpose	928,000				928,000	740,000	188,000
15-2010	Reconstruction of Woodward Avenue	166,000		\$ 99,269		66,731		17,639
10-2011	Various Road and Drainage Improvements	-	\$ 412,400			412,400		315,645
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	-	432,250
		<u>\$ 1,951,250</u>	<u>\$ 2,554,650</u>	<u>\$ 99,269</u>	<u>\$ -</u>	<u>\$ 4,406,631</u>	<u>\$ 1,047,000</u>	<u>\$ 3,052,188</u>

Improvement Authorizations-Unfunded \$ 3,835,767

Less: Unexpended Proceeds on Bond Anticipation Notes

Ord. #31-2006	\$ 200,000
Ord. #32-2006	58,927
Ord. #17-2009	193,652
Ord. #11-2010	231,000
Ord. #16-2010	100,000

783,579

\$ 3,052,188

**BOROUGH OF BLOOMINGDALE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Amount	Balance, December 31, 2010		Capital Improvement Fund	Deferred Charges to Future Taxation		Authorizations Cancelled	Expended	Balance, December 31, 2011	
			Funded	Unfunded		Unfunded	Unfunded			Funded	Unfunded
11-1993/2-1995/21-1995											
1-1999	Low Income Housing	\$ 90,000	\$ 266				\$ 266				
8-1999	Acquisition of Computer Equipment	118,000	131				131				
17-2000	Various Capital Improvements	500,945	210					\$ 210			
6-2003	Various Capital Improvements	12,000	8,742				1,451	\$ 7,291		182,716	
8-2004	Various Capital Improvements	225,000	182,716				996			442,425	
12-2004	Various Capital Improvements	111,123	996								
1-2005	Various Capital Improvements	360,570	340,057					(102,368)			
36-2006	Various Capital Improvements	289,000	146,330	\$ 40,000			25,000	161,330			
17-2005	Rehabilitation Costs of Substandard Housing Units	15,000	12,076	250			12,076			\$ 250	
22-2005	Rehabilitation of Sports Fields and Open Space	500,000		385,404			25,000			385,404	
27-2006	Various Capital Improvements	705,000	451,189							426,189	
31-2006	Bloomingtondale Town Center	200,000		200,000				11,596		200,000	
32-2006	Walter T. Bergen School Field Project	150,000		70,523						58,927	
27-2007	Construction of New Public Works Service										
	Operations Garage and Acquisition of Property for	1,000,000	21,241								
	Use as New Police Headquarters	215,000	2,503				2,503	5,194	16,047		
1-2008	Various Capital Improvements	375,000		42,538				39,538		3,000	
15-2008	Various Capital Improvements	285,575	136,956					9,406	127,550		
22-2008	Various Capital Improvements	975,000	12,000	410,318				40,666		381,652	
17-2009	Various Capital Improvements	231,000		231,000						231,000	
11-2010	Sloan Park Bridge Project	175,000	9,000	166,000				157,361		17,639	
15-2010	Reconstruction of Woodward Avenue	100,000		100,000						100,000	
16-2010	Oakwood Lake Park Project	422,000			\$ 9,600	\$ 412,400		106,355		315,645	
10-2011	Various Road and Drainage Improvements	1,800,000			90,000	1,710,000		5,900	84,100	1,710,000	
18-2011	Various Capital Improvements				22,750	432,250		-	22,750	432,250	
20-2011	Installation of Lighting at Walter T. Bergen School	455,000	-								
			1,324,413	1,646,033	122,350	2,554,650	67,423	442,269	1,301,987	3,835,767	
					Cash Disbursements						
					Encumbrances Payable						
									</		

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
			<u>Outstanding December 31, 2011</u>	<u>Amount</u>				
General Improvement Bonds	3/1/2001	\$ 3,599,000	3/1/2012	\$ 350,000				
			3/1/2013	275,000				
			3/1/2014	224,000	4.35%	\$ 1,199,000	\$ 350,000	\$ 849,000
General Improvement Bonds	8/1/2004	3,733,000	8/1/2012	330,000				
			8/1/2013-14	340,000				
			8/1/2015-16	400,000				
			8/1/2017	403,000	3.7%	2,533,000	320,000	2,213,000
General Improvement Bonds	7/15/2008	4,050,000	7/15/2012-13	275,000	3.75%			
			7/15/2014	300,000	3.88%			
			7/15/2015-23	300,000	4.00%	3,750,000	200,000	3,550,000
						\$ 7,482,000	\$ 870,000	\$ 6,612,000
					Paid by Budget Appropriation		\$ 870,000	

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
15-2008	Multi-Purpose	7/20/2009	7/19/2010 7/14/2011	1.5% 2.0%	\$ 307,000	\$ 307,000	\$ 307,000	\$ 307,000
17-2009	Multi-Purpose	7/19/2010	7/19/2011 7/14/2011	1.5% 2.0%	740,000 -	740,000	740,000	740,000
					<u>\$ 1,047,000</u>	<u>\$ 1,047,000</u>	<u>\$ 1,047,000</u>	<u>\$ 1,047,000</u>
			Renewals			<u>\$ 1,047,000</u>	<u>\$ 1,047,000</u>	

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

Balance, December 31, 2010	\$ 23,973
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>19,350</u>
Balance, December 31, 2011	<u>\$ 4,623</u>

STATEMENT OF RESERVE FOR OTHER CONTRIBUTIONS

	Balance, December 31, 2010	Balance, December 31, 2011
Reserve for:		
Other Contributions	<u>\$ 30,000</u>	<u>\$ 30,000</u>
	<u>\$ 30,000</u>	<u>\$ 30,000</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF DUE TO CURRENT FUND**

Balance, December 31, 2010	\$ 6,264
Increased by:	
Interest on Investments and Deposits	\$ 874
Anticipated Current Fund Revenue	63,000
Receipts from Current Fund	<u>991,800</u>
	<u>1,055,674</u>
	1,061,938
Decreased by:	
Payments to Current Fund	1,045,101
2011 Budget Appropriation - Special Emergency Notes	<u>16,800</u>
	<u>1,061,901</u>
Balance, December 31, 2011	<u>\$ 37</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Increased by:	
Charges to Improvement Authorizations	<u>\$ 303,029</u>
Balance, December 31, 2011	<u>\$ 303,029</u>

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

	Ordinance Number	Balance December 31, 2010	2011 Grants	Grant Receipts	Balance, December 31, 2011
<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		230,000
Passaic County Community Development Block Grant	10-2011	-	64,800	-	- 64,800
		200,000	294,800	-	- 494,800
<u>State Grants</u>					
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	150,000	-	\$ 99,269	50,731
		\$ 371,758	\$ 294,800	\$ 99,269	\$ - 567,289

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2010	<u>Authorized</u>	<u>Grant Proceeds</u>	Balance, December 31, 2011
17-2005	Rehabilitation Costs for Substandard Housing Units	\$ 250			\$ 250
22-2005	Rehabilitation of Sports Fields and Open Space	500,000			500,000
15-2008	Multi-Purpose	50,000			50,000
17-2009	Multi-Purpose	188,000			188,000
15-2010	Reconstruction of Woodward Avenue	166,000		\$ 99,269	66,731
10-2011	Various Road and Drainage Improvements		\$ 412,400		412,400
18-2011	Various Capital Improvements		1,710,000		1,710,000
20-2011	Installation of Lighting at Walter T. Bergen School	-	432,250	-	432,250
		<u>\$ 904,250</u>	<u>\$ 2,554,650</u>	<u>\$ 99,269</u>	<u>\$ 3,359,631</u>

WATER AND SEWER UTILITY FUNDS

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

	<u>Operating</u>	<u>Capital</u>	<u>Assessment Trust</u>
Balance, December 31, 2010	\$ 404,210	\$ 405,450	\$ 135,193
Increased by Receipts:			
Consumer Accounts Receivable	\$ 3,012,762		
Overpayments	3,452		
Interest on Investments and Deposits	2,711	\$ 300	\$ 99
Assessments Receivable			33,108
Grant Receipts		301,050	
Reserve for Payment of Debt		21,175	
Other Fees	19,936		
Receipts from Water and Sewer Assessment Fund	5,693		
Receipts from General Trust Fund	360		
Receipts from Water Capital Fund	322	-	
Interest on Assessments Receivable			6,507
Due from Sewer Operating - Budget	-	-	29,000
	<u>3,045,236</u>	<u>322,525</u>	<u>68,714</u>
	3,449,446	727,975	203,907
Decreased by Disbursements:			
2011 Budget Appropriations	2,923,694		
2010 Appropriation Reserves	129,937		
Accrued Interest on Bonds and Notes	68,116		
Refund of Prior Year Revenue	74		
Due to Sewer Operating Fund		60,039	5,693
Improvement Authorizations		300,000	6,000
Bond Anticipation Notes			76,000
General Serial Bonds		322	-
Payments to Water Utility Operating Fund	-		
	<u>3,121,821</u>	<u>360,361</u>	<u>87,693</u>
Balance, December 31, 2011	<u>\$ 327,625</u>	<u>\$ 367,614</u>	<u>\$ 116,214</u>

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

	Balance, December 31, <u>2010</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance, December 31, <u>2011</u>
Assessment Serial Bonds				
Sanitary Sewer System (Ord. No. 4-1998/ 19-1988)	\$ 1,000		\$ 1,000	
Sanitary Sewer System (Ord. No. 16-1994/ 1-1997)	125,823	\$ 56,399	75,000	\$ 107,222
Assessment Bond Anticipation Notes Issues:				
#16-2006, 26-2006	6,566	5,709	6,000	6,275
Due to Sewer Utility Operating/Capital Funds	(903)	6,606	5,693	10
Trust Surplus	<u>2,707</u>	<u>-</u>	<u>-</u>	<u>2,707</u>
	<u>\$ 135,193</u>	<u>\$ 68,714</u>	<u>\$ 87,693</u>	<u>\$ 116,214</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF WATER AND SEWER UTILITY CAPITAL CASH

		Balance, December 31, <u>2011</u>
Fund Balance		\$ 714
Reserve for Payment of Debt		21,175
Contracts Payable		10,584
Capital Improvement Fund		30,050
Ord.		
<u>No.</u>	<u>Improvement Description</u>	
18-2000	Refurbishment of the Star Lake Water Tank	103,047
2-2002	Refurbishment of the Star Lake Water Tank	32,000
11-2004	Water and Sewer Upgrades and Repairs Road Improvement Program	2,759
15-2005	Purchase of Water Utility Box Truck	18
20-2005	Various Capital Improvements	654
11-2008	Installation of Water Lines-Upper Morse Lake Area	117,634
12-2009	Repairs, Upgrades and Supplies to the Municipal Utility System	8,488
21-2009	Rehabilitation and Improvements to a Water Tank	(12,098)
14-2010	Purchase of Water Meter and Hydrants for Water Department	(12,880)
16-2006/26-		
2006	Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	<u>65,469</u>
		<u>\$ 367,614</u>

EXHIBIT D-8

STATEMENT OF CHANGE FUND

Balance, December 31, 2010	<u>\$ 100</u>
Balance, December 31, 2011	<u>\$ 100</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF INVENTORY - MATERIAL AND SUPPLIES**

Balance, December 31, 2010	\$ 9,429
Increased by:	
Adjustments to Actual Inventory	<u>16,202</u>
Balance, December 31, 2011	<u><u>\$ 25,631</u></u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF WATER AND SEWER UTILITY CAPITAL FUND
GRANTS RECEIVABLE**

Ordinance Number	Grant Amount	Balance December 31, 2010	Decreased		Balance, December 31, 2011
			by:	Decreased by:	
			Balance Cancelled	Cash Receipts	
17-2007	\$ 815,822	\$ 306,872	\$ 5,822	\$ 301,050	\$ -

State Grant
Department of Environmental Protection
Installation of Water Lines
Upper Moose Lake Area

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

Balance, December 31, 2010	\$ 22
Increased by:	
Interest Earned in Water Capital Fund	<u>300</u>
	322
Decreased by:	
Payments to Water Operating Fund	<u>322</u>
Balance, December 31, 2011	<u>\$ -</u>

STATEMENT OF FIXED CAPITAL

Balance, December 31, 2010	\$ 6,817,600
Increased by:	
Capital Outlay Additions - Current Year	\$ 97,906
Capital Outlay Additions - Appropriation Reserves	23,060
Transfer from Fixed Capital - Authorized and Uncompleted	<u>1,116,241</u>
	<u>1,237,207</u>
Balance, December 31, 2011	<u>\$ 8,054,807</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE**

Balance, December 31, 2010		\$ 38,635
Increased by:		
Water Rents Levied		<u>3,035,738</u>
		3,074,373
Decreased by:		
Cash Collections	\$ 3,012,762	
Overpayments Applied	<u>2,802</u>	
		<u>3,015,564</u>
Balance, December 31, 2011		<u>\$ 58,809</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2010	Costs to Fixed Capital	Balance, December 31, 2011
18-2000	Refurbishment of Star Lake Water Tank	\$ 120,491		\$ 120,491
2-2002	Refurbishment of Star Lake Water Tank	32,000		32,000
11-2004	Water and Sewer Upgrades and Repairs: Road Improvement Projects	28,306	\$ 25,547	- 2,759
15-2005	Purchase of Water Utility Box Truck	41,000	40,982	18
20-2005	Various Capital Improvements	58,000	57,346	654
17-2007/ 11-2008	Installation of Water Lines-Upper Morse Lake Area	1,110,000		1,110,000
12-2009	Repairs, Upgrades, and Supplies to the Municipal Utility System	16,000	992,366	(992,366) 16,000
21-2009	Rehabilitation and Improvements to a Water Tank	350,000		350,000
16-2006/ 26. 2006	Installation of Sanitary Sewer Lines	193,000		193,000
14-2010	Purchase of Water Meter and Hydrants for Water Dept.	40,000	-	40,000
		<u>\$ 1,988,797</u>	<u>\$ 1,116,241</u>	<u>\$ 872,556</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF ASSESSMENTS RECEIVABLE**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2010	<u>Collected</u>	Balance, December 31, 2011	<u>Pledged To</u>	
					<u>Reserve</u>	<u>Bonds</u>
16-1994/ 1-1997	Hillside Drive Sewer Project	\$ 110,136	\$ 27,399	\$ 82,737	\$	\$ 82,737
16-2006/ 26-2006	Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	41,596	5,709	35,887	-	35,887
		<u>\$ 151,732</u>	<u>\$ 33,108</u>	<u>\$ 118,624</u>	<u>\$ -</u>	<u>\$ 118,624</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF DEFERRED CHARGES**

	Balance, December 31, <u>2010</u>	Raised by Budget <u>Appropriation</u>	Balance, December 31, <u>2011</u>
Amount to be Raised for Cancelled Assessment - Ord. 16-1994, 1-1997	\$ 139,041	\$ 29,000	\$ 110,041

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

Balance, December 31, 2010 (Due from)	\$ 903
Increased by:	
Payments to Water/Sewer Operating Fund	\$ 5,693
2011 Budget Appropriation	<u>29,000</u>
	<u>34,693</u>
	35,596
Decreased by:	
Interest on Investments and Deposits	\$ 99
Current Year Interest on Assessments	6,507
Receipts from Water and Sewer Operating Fund	<u>29,000</u>
	<u>35,606</u>
Balance, December 31, 2011 (Due to)	\$ <u>(10)</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance, December 31, <u>2010</u>	Balance After Modification and <u>Adjustments</u>	<u>Expended</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 58,649	\$ 58,649	\$ 39,082	\$ 19,567
Other Expenses	96,474	96,474	73,426	23,048
CAPITAL IMPROVEMENTS				
Capital Outlay	30,500	30,500	23,060	7,440
STATUTORY EXPENDITURES				
Public Employees' Retirement System	25,000	25,000	-	25,000
Social Security System	<u>26,480</u>	<u>26,480</u>	<u>-</u>	<u>26,480</u>
	<u>\$ 237,103</u>	<u>\$ 237,103</u>	<u>\$ 135,568</u>	<u>\$ 101,535</u>
Transferred to Accounts Payable			\$ 5,631	
Cash Disbursements			<u>129,937</u>	
			<u>\$ 135,568</u>	

EXHIBIT D-19

STATEMENT OF ENCUMBRANCES PAYABLE - WATER AND SEWER UTILITY OPERATING FUND

Increased by:	
Charges to 2011 Appropriations	<u>\$ 115,054</u>
Balance, December 31, 2011	<u>\$ 115,054</u>

EXHIBIT D-20

STATEMENT OF ACCOUNTS PAYABLE

Increased by:	
Transferred from 2010 Appropriation Reserves	<u>\$ 5,631</u>
Balance, December 31, 2011	<u>\$ 5,631</u>

BOROUGH OF BLOOMINGDALE
STATEMENT OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

Balance, December 31, 2010	\$ 25,668
Increased by:	
Interest Accrued-Budget	<u>64,193</u>
	89,861
Decreased by:	
Interest Paid	<u>68,116</u>
Balance, December 31, 2011	<u>\$ 21,745</u>

Analysis of Balance, December 31, 2011

Serial Bonds	\$ 17,482
Bond Anticipation Notes	<u>4,263</u>
	<u>\$ 21,745</u>

STATEMENT OF WATER AND SEWER RENT OVERPAYMENTS

Balance, December 31, 2010	\$ 2,802
Increased by:	
Overpayments Received	<u>3,452</u>
	6,254
Decreased by:	
Overpayments Applied	<u>2,802</u>
Balance, December 31, 2011	<u>\$ 3,452</u>

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**BOROUGH OF BLOOMINGDALE
STATEMENT OF RESERVE FOR AMORTIZATION**

Balance, December 31, 2010		\$ 5,871,482
Increased by:		
Capital Outlay Expenditures	\$ 120,966	
Serial Bonds Paid by Operating Budget	145,000	
Transfer from Deferred Reserve	<u>830,521</u>	
		<u>1,096,487</u>
Balance, December 31, 2011		<u>\$ 6,967,969</u>

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance, December 31, 2010	Increased	Decreased	Balance, December 31, 2011
			Date	Outstanding December 31, 2011 Amount						
Water System Improvements	3/1/1999	\$ 520,000	3/1/2012	\$ 40,000	4.500%					
			3/1/2013	40,000	4.550					
			3/1/2014	50,000	4.650	\$ 170,000	\$ 40,000	\$ 130,000		
Sewer System Improvements	3/1/1999	\$ 849,000	3/1/2012	45,000	4.550					
			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	404,000	45,000	359,000		
Water System Improvements	3/1/2001	\$ 599,000	3/1/2012-13	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	274,000	45,000	229,000		
Water System Improvements	8/1/2004	\$ 230,000	8/1/2012-18	15,000	3.700					
			8/1/2019	20,000	3.700	140,000	15,000	125,000		
							<u>\$ 988,000</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ 843,000</u>
Paid by Budget Appropriation							<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
							<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**BOROUGH OF BLOOMINGDALE
STATEMENT OF WATER AND SEWER ASSESSMENT BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
Sewer System Improvements	5/30/1991	\$ 85,000	5/30/2011	\$ 1,000	6.90%	\$ 1,000		\$ 1,000	
Sewer System Improvements	3/1/1999	1,130,000	3/1/2012	75,000	4.50%				
			3/1/2013	75,000	4.55%				
			3/1/2014	75,000	4.65%				
			3/1/2015	75,000	4.70%	375,000	-	75,000	\$ 300,000
						\$ 376,000	\$ -	\$ 76,000	\$ 300,000
Paid by Assessment Cash									\$ 76,000

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

<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, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
Purchase of Water Utility Box Truck	15-2005	7/27/2005	7/19/2010	7/19/2011	1.5%	\$ 31,500	\$ 27,000	\$ 31,500	\$ 27,000
Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	16-2006/ 26-2006	7/25/2007	7/19/2010	7/19/2011	1.5	97,338	95,838	97,338	95,838
Installation of Water Lines to the Upper Morse Lake Area	17-2007	2/12/2009	7/19/2010	7/19/2011	1.5	600,000	300,000	600,000	300,000
						<u>\$ 728,838</u>	<u>\$ 422,838</u>	<u>\$ 728,838</u>	<u>\$ 422,838</u>
Paid by Budget Appropriation									
							\$ 6,000		
Paid by Capital Cash							300,000		
Renewals							<u>\$ 422,838</u>	<u>\$ 422,838</u>	
							<u>\$ 422,838</u>	<u>\$ 728,838</u>	<u>\$ 728,838</u>

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

Increased by:

Contracts Awarded

\$ 10,584

Balance, December 31, 2011

\$ 10,584

EXHIBIT D-30

STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance, December 31, 2010	Notes Paid by Operating Budget	Grant Proceeds Received	Transfer to Reserve	Balance, December 31, 2011
18-2000	Refurbishment of the Star Lake Water Tank	7/25/2000	\$ 161,772			\$ 41,281	\$ 120,491
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	28,306			25,547	2,759
15-2005	Purchase of Water Utility Box Truck	6/21/2005	9,500	\$ 4,500		13,982	18
20-2005	Various Capital Improvements	9/13/2005	58,000			57,346	654
17-2007/ 11-2008	Installation of Water Lines to the Upper Morse Lake Area	5/27/2008	508,949		\$ 301,050	692,365	117,634
12-2009	Repairs, Upgrades and Supplies to the Municipal Utility System	9/22/2009	16,000				16,000
16-2006/ 26-2006	Installation of Sanitary Sewer Lines Along a Portion of Elizabeth Street and William Street	7/18/2006	12,500	1,500	-	-	14,000
			<u>\$ 827,027</u>	<u>\$ 6,000</u>	<u>\$ 301,050</u>	<u>\$ 830,521</u>	<u>\$ 303,556</u>

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

Balance, December 31, 2010	<u>\$ 30,050</u>
Balance, December 31, 2011	<u>\$ 30,050</u>

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2010</u>	<u>Notes (Issued)/ Not Renewed</u>	<u>Grant Proceeds</u>	<u>Balance, December 31, 2011</u>
17-2007/ 11-2008	Installation of Water Lines to the Upper Morse Lake Area	\$ 1,050	\$ 300,000	\$ 301,050	
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	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
		<u>\$ 391,050</u>	<u>\$ 300,000</u>	<u>\$ 301,050</u>	<u>\$ 390,000</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Increased by:	
Excess Grant Proceeds	<u>\$ 21,175</u>
Balance, December 31, 2011	<u>\$ 21,175</u>

FREE PUBLIC LIBRARY

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

Balance, December 31, 2010		\$ 285,705
Increased by Receipts:		
Library Fines, Book Sales, Photo Copier, Donations and Video	\$ 9,112	
State Aid	3,528	
Grant Receipts	1,807	
Interest Earned	<u>2,852</u>	
		<u>17,299</u>
		303,004
Decreased by Disbursements:		
Library Supplies and Program		
Checking Account	15,652	
State Aid Account	<u>2,328</u>	
		<u>17,980</u>
Balance, December 31, 2011		<u>\$ 285,024</u>

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

Balance, December 31, 2010	\$ 1,316
Increased by:	
Interest Earned on Investments	<u>\$ 1</u>
Balance, December 31, 2011	<u>\$ 1,317</u>

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

Balance, December 31, 2010	\$ 200
Increased by:	
Increased Approval Amount	<u>50</u>
Balance, December 31, 2011	<u>250</u>

STATEMENT OF ACCOUNTS PAYABLE

Increased by:	
Charged to Maintenance Reserve for State Aid	<u>\$ 4,202</u>
Balance, December 31, 2011	<u>\$ 4,202</u>

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

Balance, December 31, 2010	\$ 140,295
Increased by:	
State Aid	<u>3,528</u>
	143,823
Decreased by:	
Cash Disbursements	2,328
Accounts Payable	<u>4,202</u>
	<u>6,530</u>
Balance, December 31, 2011	<u>\$ 137,293</u>

BOROUGH OF BLOOMINGDALE
PART II
GOVERNMENTAL AUDITING STANDARDS

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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

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

We have audited the financial statements – regulatory basis of the Borough of Bloomingdale as of and for the year ended December 31, 2011, and have issued our report thereon dated June 22, 2012 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified because of the presentation of the unaudited LOSAP Fund financial statements. Except as discussed in the preceding sentence, we conducted our audit 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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, we considered the Borough of Bloomingdale's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and responses as item 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. 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.

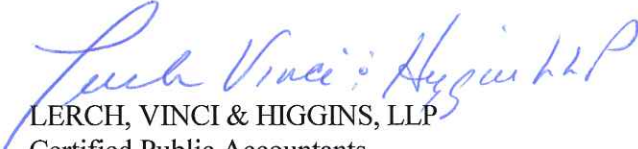
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Bloomingdale's financial statements are free of 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 2011-02 and 2011-03.

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".

The Borough of Bloomingdale's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Borough's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the governing body, others within the Borough, New Jersey Department of Community Affairs and is not intended to be and should not be used by anyone other than these specified parties.


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


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
June 22, 2012

BOROUGH OF BLOOMINGDALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2011

	Grant Year	Federal CFDA Number	Grant Award Amount	Balance, December 31, 2010	Revenue Realized	Expenditures	Balance, December 31, 2011
Office of Emergency Management	2004			\$ 2,406			\$ 2,406
FEMA Grant	2008			2,983		\$ 2,209	774
Federal Transportation Enhancement Grant:							
Improvements to Main Street Ord. 1-2005a	2005	20.205		200,000			200,000
Department of Transportation Ord. 10-2011	2011	20.205	\$ 230,000		\$ 230,000	230,000	
Passaic Community Development Block Grant Ord. 10-2011	2011	20.205	64,800	-	64,800	64,800	-
				<u>\$ 205,389</u>	<u>\$ 294,800</u>	<u>\$ 297,009</u>	<u>\$ 203,180</u>

SCHEDULE B

**BOROUGH OF BLOOMINGDALE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Amount Received</u>	<u>Balance, December 31, 2010</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2011</u>	<u>Memo Cumulative Expenditures</u>
Clean Communities Act	4900-765-004	2010	\$ 11,467	\$ 10	\$ 11,467	\$ 10	\$ 593	\$ 10,874
		2011						
Drunk Driving Enforcement Program	1110-448-013020-22	2010		3,016		2,098	918	2,098
Recycling Tonnage Grant	4900-752-001	2009		10		10		10
		2010		429		429		429
		2011	6,923		6,923	6,923		6,923
Body Armor Grant	1020-718-001	2008		2,141		2,141		2,141
		2010		2,756		2,539	217	2,539
		2011	2,363		2,363		2,363	
Alcohol Education Rehab.	760-046-4240-001	1996		147		147		147
		2000		175		175		175
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	
		2011	20,490		21,553	21,553		21,553
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	
Occupant Protection Program: Click It or Ticket		2005		58			58	
Safe Routes to School		2009		22,000			22,000	
Over the Limit/Under Arrest	1160-100-057				4,400	2,950	1,450	2,950
NJ DEP - Recreation Trails Program		2004		14,275			14,275	
		2007		5,000			5,000	

This Schedule was not Subject to Audit Requirements of OMB 98-07.

SCHEDULE B

BOROUGH OF BLOOMINGDALE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Amount Received</u>	<u>Balance, December 31, 2010</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2011</u>	<u>Memo Cumulative Expenditures</u>
Domestic Violence Training Program		2008		\$ 629			\$ 629	
Highlands COAH Grant		2006		2,991		\$ 2,991		\$ 2,991
		2009		19,225		6,231	12,994	6,231
Municipal Stormwater Regulation		2004		118			118	
		2007		6,351			6,351	
		2009		2,117			2,117	
Bulletproof Vest Partnership		2010		3,811			3,811	
NJ Transportation Trust Fund		2000		11,130			11,130	
Reconstruction of Ella Street Ord. 17-2000b		2001		5,196			5,196	
Reconstruction of Paving of Clark Street Ord. 11-2001b								
Crosswalk Improvements to Main Street/		2001		5,433			5,433	
Hamburg Turnpike Ord. 11-2001c		2006		200,000			200,000	
Improvements to Main Street Projects Ord. 31-2006		2010		231,000			231,000	
Sloan Park Bridge Project Ord. 11-2010		2010		150,000			-	150,000
Reconstruction of Woodward Avenue Ord. 15-2010						150,000		
				\$ 1,117,020	\$ 46,706	\$ 209,071	\$ 954,655	

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**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, 2011**

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 presented using the regulatory basis of accounting as prescribed or permitted 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(B) 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		\$ 46,706	\$ 46,706
General Capital Fund	<u>\$ 294,800</u>	<u>-</u>	<u>294,800</u>
	<u>\$ 294,800</u>	<u>\$ 46,706</u>	<u>\$ 341,506</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, 2011**

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? yes X 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, 2011**

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 2011-01

Our audit revealed that certain outstanding purchase orders were deemed invalid and cancelled by audit adjustment in the General Capital Fund.

Criteria or specific requirement:

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

Condition:

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

Effect:

Commitments may be awarded in the financial statements that are deemed invalid. Audit adjustments have been made to cancel invalid balances.

Recommendation:

Internal controls be enhanced to ensure only valid contracts be encumbered in the General Capital Fund.

Management's Response:

**BOROUGH OF BLOOMINGDALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 2011-02

Purchases relating to field maintenance, plumbing and drainage repairs exceeded the quote threshold; however, quotes were not obtained prior to purchasing the goods and services.

Criteria or specific requirement

NJ Local Public Contracts Law – NJSA 40A:11.

Condition

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

Effect

The Borough is not in compliance with NJ Local Public Contracts Law.

Recommendation

Quotes be obtained for all goods and services in excess of \$2,625.

Management's Response:

Management will develop a corrective action plan to address this finding.

**BOROUGH OF BLOOMINGDALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 2011-03

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, 2011**

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

There are none.

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 170,000	0.59%	\$ 160,000	0.56%
Miscellaneous - From Other Than Local				
Property Tax Levies	1,909,147	6.58%	2,175,530	7.61%
Collection of Delinquent Taxes and Tax Title Liens	228,967	0.79%	187,658	0.66%
Collection of Current Tax Levy	26,613,541	91.74%	25,903,779	90.62%
Other Credits to Income	<u>86,573</u>	<u>0.30%</u>	<u>157,661</u>	<u>0.55%</u>
Total Income	<u>29,008,228</u>	<u>100.00%</u>	<u>28,584,628</u>	<u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	9,658,254	32.83%	9,017,862	31.72%
County Taxes	5,418,522	18.42%	5,379,262	18.92%
Local and Regional School Taxes	14,216,081	48.33%	13,856,343	48.75%
Municipal Open Space Tax	105,131	0.36%	106,052	0.37%
Other Expenditures	<u>19,060</u>	<u>0.06%</u>	<u>66,441</u>	<u>0.23%</u>
Total Expenditures	<u>29,417,048</u>	<u>100.00%</u>	<u>28,425,960</u>	<u>100.00%</u>
Excess in Revenue			158,668	
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>370,000</u>		<u>-</u>	
Statutory Excess to Fund Balance			158,668	
Deficit in Operations to be Raised in Budget of Succeeding Years	<u>\$ (38,820)</u>			
Fund Balance, January 1	<u>\$ 179,404</u>		<u>180,736</u>	
	179,404		339,404	
Less Utilization as Anticipated Revenue	<u>170,000</u>		<u>160,000</u>	
Fund Balance, December 31	<u>\$ 9,404</u>		<u>\$ 179,404</u>	

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 100,000	3.08%	\$ 130,000	3.97%
Collection of Water and Sewer User Fees	3,015,564	92.88%	3,065,630	93.61%
Miscellaneous - From Other Than				
Water and Sewer User Fees	29,553	0.91%	22,228	0.68%
Other Credits to Income	<u>101,535</u>	<u>3.13%</u>	<u>56,956</u>	<u>1.74%</u>
 Total Income	 <u>3,246,652</u>	 <u>100.00%</u>	 <u>3,274,814</u>	 <u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Operating	2,752,965	87.28%	2,717,438	86.33%
Capital Improvements	105,000	3.33%	105,000	3.34%
Debt Service	215,193	6.81%	229,808	7.29%
Deferred Charges and Statutory				
Expenditures	81,000	2.57%	95,000	3.02%
Other Expenditures	<u>74</u>	<u>0.00%</u>	<u>368</u>	<u>0.01%</u>
 Total Expenditures	 <u>3,154,232</u>	 <u>100.00%</u>	 <u>3,147,614</u>	 <u>100.00%</u>
 Excess in Revenue	 92,420		 127,200	
 Fund Balance, January 1	 <u>138,216</u>		 <u>141,016</u>	
	230,636		268,216	
 Less Utilization as Anticipated Revenue				
Sewer Utility Operating Fund	<u>100,000</u>		<u>130,000</u>	
 Fund Balance, December 31	 <u>\$ 130,636</u>		 <u>\$ 138,216</u>	

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

Comparative Schedule Of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Tax Rate</u>	<u>\$6.414</u>	<u>\$6.231</u>	<u>\$5.852</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.719	1.633	1.485
Municipal Open Space	.025	.025	.025
County	1.266	1.255	1.190
County Open Space	.022	.025	.025
School	3.382	3.294	3.127

Assessed Valuation

2011	<u>\$420,441,964</u>	
2010		<u>\$422,725,812</u>
2009		<u>\$422,072,824</u>

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>
2011	\$ 26,972,595	\$ 26,613,541	98.66%
2010	26,228,435	25,903,779	98.76%
2009	24,712,004	24,481,161	99.07%

**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>
2011	\$ 132,890	\$ 246,166	\$ 379,056	1.41%
2010	116,219	255,778	371,997	1.42%
2009	93,488	195,614	289,102	1.17%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2011 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>
2011	\$1,758,400
2010	1,758,400
2009	1,758,400

Schedule of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections (1)</u>	<u>Percentage of Collection</u>
2011	\$ 3,035,738	\$ 3,015,564	99.33%
2010	3,063,812	3,065,630	100.06%
2009	3,036,637	3,036,018	99.98%

(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	2011	\$ 9,404	
	2010	179,404	\$170,000
	2009	180,736	160,000
	2008	406,085	350,000
	2007	981,062	850,000
Sewer Utility Fund	2011	130,636	100,000 *
	2010	138,216	100,000
	2009	141,016	130,000
	2008	446,350	395,000
	2007	195,381	153,700

* 2012 budget has not been adopted as of audit date.

**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	
Linda Huntley	Council President	
Linda Shortman	Councilwoman	
Mark Conklin	Councilman	
Jo Ann Pituch	Councilwoman	
Glenn Schiffman	Councilman	
Bernard H. Vroom	Councilman	
Ted Ehrenburg	Business Administrator	
Jane McCarthy	Borough Clerk Assessment Search Officer	
Donna M. Mollineaux	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

Current Year Comments

FINANCE

Finding- Numerous grant receivable balances were noted which significantly exceeded reserve balances.

Recommendation- Grant receivable balances be reviewed and cleared of record.

Finding- Only gasoline expenditures were charged to the Hurricane Irene emergency appropriation.

Recommendation- A detailed analysis be made for expenditures related to the emergency appropriation for Hurricane Irene and these expenditures be charged out accordingly.

Finding- Our audit revealed that the January 2012 health benefit payment was charged to the 2011 budget year when paid.

Recommendation- Internal controls be enhanced to ensure health benefits are charged to the proper budget year.

Finding- The Health Benefit 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.

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- The administrative fee charged to vendors for off duty police is not in accordance with fee stated in ordinance.

Recommendation- The administrative fee charged for off duty police be made in accordance with Borough ordinance.

Finding- Certain general capital ordinances were not recorded in the Borough's budget reporting system.

Recommendation- General capital ordinances #2011-18 and #2011-20 be recorded in the Borough's budget reporting system.

Finding- A balance of \$8,079 exists in the Small Cities Trust fund as of December 31, 2011.

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

BOROUGH OF BLOOMINGDALE
LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Current Year Comments (Continued)

FIXED ASSETS

Finding- No formal fixed asset appraisal report was made available for audit.

Recommendation-A fixed asset inventory appraisal report be completed and/or updated.

WATER AND SEWER UTILITY

Finding- The water and sewer general ledger does not maintain control accounts for consumer accounts receivable.

Recommendation-The water and sewer utility general ledger establish and maintain control accounts for consumer accounts receivable.

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.

PURCHASING

Finding-Our audit indicated a contract was entered into through a County Cooperative Purchasing Agreement for road salt however this agreement was not formally approved in the official minutes of the meetings of the governing body.

Recommendation-Contracts awarded through the County Cooperative Purchasing Agreement for Road Salt be approved by resolution.

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)

Current Year Comments (Continued)

DEPARTMENTS

Finding- Our audit revealed that funds were not turned over to the Borough Treasurer within 48 hours for the Construction Code, 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 NJS 40A:5-15.

PAYROLL

Finding-The Borough is not enrolled in the IRS Electronic Federal Tax Payment System (EFTPS) and therefore is not verifying that payroll taxes are properly being remitted.

Recommendation-The Borough enroll in the IRS Electronic Federal Tax Payment System (EFTPS) to verify payment of all employee payroll taxes.

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.

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, 2011. The Borough does not have a qualified purchasing agent.

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.

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

Woodward Avenue Improvements
High Street Drainage Repairs

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 4, 2011 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 2011, 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 February 3, 2011.

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>
2011	11
2010	10
2009	9

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 the Borough Administrator, Chief Financial Officer, and other Borough staff who assisted us during the course of our audit.

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

- * 1. Grant receivable balances be reviewed and cleared of record.
- 2. A detailed analysis be made for expenditures related to the emergency appropriation for Hurricane Irene and these expenditures be charged out accordingly.
- 3. Internal controls be enhanced to ensure health benefits are charged to the proper budget year.
- 4. Budget appropriations report reflect a separate line item for Health Benefit Waiver in accordance with the adopted budget.
- * 5. Efforts be made to restore foreclosed properties to the tax rolls.
- 6. The administrative fee charged to vendors for off duty police be made in accordance with Borough ordinance.
- 7. General capital ordinance #2011-18 and #2011-20 be recorded in the Borough's budget reporting system.
- 8. Internal controls be enhanced to ensure only valid contracts be encumbered in the General Capital Fund.
- 9. The Small Cities Trust Fund be cleared of record.
- 10. A review report be made of the Borough's Length of Service Award Program (LOSAP) account in accordance with NJAC 5:30-14.49.
- 11. A fixed asset inventory appraisal report be completed and/or updated.
- * 12. The water and sewer utility general ledger establish and maintain control accounts for consumer accounts receivable.
- 13. An allocation study be made to support administrative salaries and benefits allocated to the water and sewer utility.
- 14. Contracts awarded through the County Cooperative Purchasing Agreement for Road Salt be approved by resolution.
- 15. Quotes be obtained for all goods and services in excess of \$2,625.
- 16. With respect to the Municipal Court, two signatures be required on all checks.
- * 17. All municipal departments turn over funds collected within 48 hours to the Borough Treasurer in accordance with NJSA 40A:5-15.

**BOROUGH OF BLOOMINGDALE
SUPPLEMENTARY DATA**

RECOMMENDATIONS (Continued)

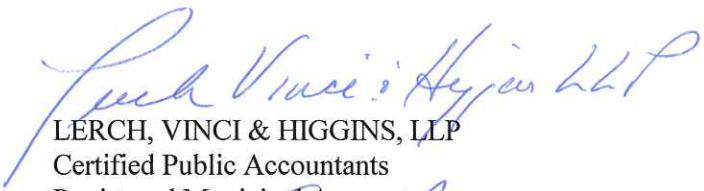
18. The Borough enroll in the IRS Electronic Federal Tax Payment System (EFTPS) to verify payment of all employee payroll taxes.
19. The payroll service provider be directed to change the address on all payroll tax returns to that of the Borough Hall.

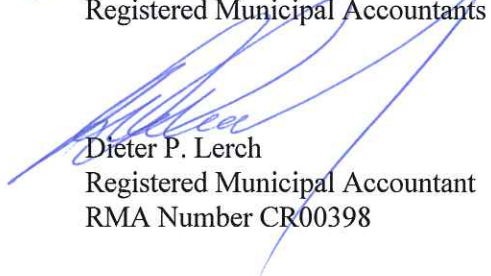
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A review was performed on all prior year's recommendations. Corrective action was taken on all prior year's recommendations, except those denoted with an asterisk above.

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