BOROUGH OF BLOOMSBURY

COUNTY OF HUNTERDON

REPORT OF AUDIT

2015

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

BOROUGH OF BLOOMSBURY

COUNTY OF HUNTERDON

REPORT OF AUDIT

2015

BOROUGH OF BLOOMSBURY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2015

PART I – Financial Statements and Supplementary Data	Page
Independent Auditors' Report	1-3
Financial Statements	
Current Fund	Exhibit
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenue – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
Trust Funds	
Comparative Balance Sheet – Regulatory Basis	B
General Capital Fund	
Comparative Balance Sheet – Regulatory Basis	C
Statement of Fund Balance – Regulatory Basis	C-1
Water Utility Fund (Not Applicable)	D
Public Assistance Fund (Not Applicable)	E
General Fixed Assets Account Group (Unaudited)	
Comparative Balance Sheet (Unaudited)	F
	Page
Notes to Financial Statements	1-16
Supplementary Data	Schedule
Officials in Office and Surety Bonds	1
Current Fund	
Schedule of Cash	A-4
Schedule of Cash - Collector	A-5
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6
Schedule of Tax Title Liens	A-7
Schedule of Revenue Accounts Receivable	A-8
Statement of 2014 Appropriation Reserves	A-9
Schedule of Local School District Taxes Payable	A-10
Schedule of State and Federal Grants Receivable - Federal and State Grant Fund	A-11
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-12
Schedule of Unappropriated Reserves - Federal and State Grant Fund (Not Applicable)	A-13
Trust Funds	
Schedule of Cash - Treasurer	B-1
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund	B-2
General Capital Fund	
Schedule of Cash	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation – Unfunded (Not Applicable)	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable (Not Applicable)	C-7
Schedule of Bonds and Notes Authorized but not Issued (Not Applicable)	C-8

BOROUGH OF BLOOMSBURY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Page
PART II – Single Audit	
Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2
Notes to Schedules of Expenditures of Federal and State Awards	3
Independent Auditors' 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	4-5
Schedule of Findings and Responses	6
Summary Schedule of Prior Audit Findings	7
PART III – Comments and Recommendations	
Comments and Recommendations	8-11
Summary of Recommendations	12

BOROUGH OF BLOOMSBURY

PART I

REPORT ON AUDIT AND FINANCIAL STATEMENTS AND

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2015

NISIVOCCIA LLP
Certified Public Accountants & Advisors

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Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Bloomsbury
Bloomsbury, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* of the various funds of the Borough of Bloomsbury, in the County of Hunterdon (the "Borough") as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Borough as of December 31, 2015 and 2014, or the changes in financial position where applicable, thereof for the years then ended.

Basis for Qualified Opinion

The Borough's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2015 and 2014 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Bloomsbury as of December 31, 2015 and 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Emphasis of Matter

As discussed in Note 4 to the financial statements, the Borough implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the year ended December 31, 2015. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

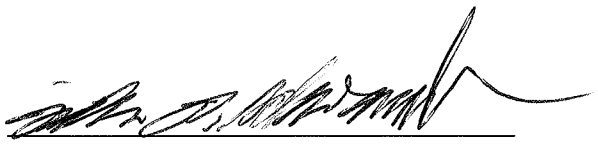
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2016 on our consideration of the Borough of Bloomsbury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Bloomsbury's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
April 25, 2016

NISIVOCCIA LLP



William F. Schroeder
Registered Municipal Accountant No. 452
Certified Public Accountant

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
CURRENT FUND

BOROUGH OF BLOOMSBURY
CURRENT FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS

	Ref.	December 31, 2015	2014
ASSETS			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	$ 919,760.13	$ 744,421.99
Change Funds		35.00	35.00
		919,795.13	744,456.99
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	37,133.41	35,195.27
Tax Title Liens Receivable	A-7	6,322.88	304,782.57
Property Acquired for Taxes At Assessed Valuation		462,800.00	121,100.00
Due from:			
General Capital Fund	C	0.25	0.25
Total Receivables and Other Assets With Full Reserves		506,256.54	461,078.09
Total Regular Fund		1,426,051.67	1,205,535.08
Federal and State Grant Fund:			
Grants Receivable	A-11	394,769.72	544,769.72
Due from Current Fund	A	3,880.40	3,880.40
Total Federal and State Grant Fund		398,650.12	548,650.12
TOTAL ASSETS		$ 1,824,701.79	$ 1,754,185.20

BOROUGH OF BLOOMSBURY
CURRENT FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
(Continued)

	Ref.	December 31, 2015	December 31, 2014
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves:			
Unencumbered	A-3;A-9	$ 145,944.76	$ 152,402.41
Encumbered	A-3;A-9	50,238.68	39,322.66
Total Appropriation Reserves		196,183.44	191,725.07
Prepaid Taxes		10,965.58	10,261.46
Tax Overpayments		3,114.71	458.27
County Taxes Payable		236.76	65.27
Due to Federal and State Grant Fund	A	3,880.40	3,880.40
Due to State of New Jersey:			
Marriage License Fees		34.00	59.00
Senior Citizens and Veterans Deductions		1,576.93	1,826.93
Reserve for Sale of Municipal Assets		162,118.64	162,118.64
		378,110.46	370,395.04
Reserve for Receivables and Other Assets	A	506,256.54	461,078.09
Fund Balance	A-1	541,684.67	374,061.95
Total Regular Fund		1,426,051.67	1,205,535.08
Federal and State Grant Fund:			
Appropriated Reserves	A-12	398,650.12	548,650.12
Total Federal and State Grant Fund		398,650.12	548,650.12
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 1,824,701.79	$ 1,754,185.20

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BLOOMSBURY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE-
REGULATORY BASIS

	Ref.	Year Ended December 31, 2015	2014
Revenue and Other Income Realized			
Fund Balance Utilized		$ 210,000.00	$ 186,900.00
Miscellaneous Revenue Anticipated		88,165.90	91,774.63
Receipts from:			
Delinquent Taxes		76,933.66	75,644.18
Current Taxes		2,480,114.78	2,368,563.86
Nonbudget Revenue		47,393.18	48,922.06
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		131,469.45	101,401.08
Increase in Deferred School Tax		7,942.50	
Cancellation of Federal and State Grant Fund Appropriated Reserves		2,220.40	11,697.71
Interfund Returned			6,190.25
Total Income		3,044,239.87	2,891,093.77
Expenditures			
Budget Appropriations		691,272.00	705,750.00
County Taxes		368,785.75	360,728.25
Local School District Taxes		1,604,339.00	1,572,881.00
Cancellation of Federal and State Grant Fund Receivables		2,220.40	11,697.71
Interfunds Advanced			0.25
		2,666,617.15	2,651,057.21
Statutory Excess to Fund Balance		377,622.72	240,036.56
Fund Balance			
Balance January 1		374,061.95	320,925.39
		751,684.67	560,961.95
Decreased by:			
Utilized as Anticipated Revenue		210,000.00	186,900.00
Balance December 31	A	$ 541,684.67	$ 374,061.95

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF REVENUE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Budget	Realized	Excess or Deficit*
Fund Balance Anticipated	$ 210,000.00	$ 210,000.00	
Miscellaneous Revenue:			
Fines and Costs:			
Municipal Court	12,000.00	12,836.17	$ 836.17
Interest and Costs on Taxes	9,000.00	13,492.73	4,492.73
Energy Receipts Tax	53,438.00	53,438.00	
Consolidated Municipal Property Tax Relief	4,399.00	4,399.00	
Clean Communities Program	4,000.00	4,000.00	
Total Miscellaneous Revenue	82,837.00	88,165.90	5,328.90
Receipts from Delinquent Taxes	36,000.00	76,933.66	40,933.66
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	541,835.00	686,390.03	144,555.03
Budget Totals	870,672.00	1,061,489.59	190,817.59
Nonbudget Revenue		47,393.18	47,393.18
	$ 870,672.00	$ 1,108,882.77	238,210.77

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF REVENUE-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(continued)

Analysis of Realized Revenue

Allocation of Current Tax Collections:		
Revenue from Collection of Current Taxes		$ 2,480,114.78
Allocated to School and County Taxes		1,973,124.75
Balance for Support of Municipal Budget		506,990.03
Add: Appropriation "Reserve for Uncollected Taxes"		179,400.00
Realized for Support of Municipal Budget		$ 686,390.03
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		$ 35,445.27
Tax Title Liens		41,488.39
		$ 76,933.66
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Cable TV Franchise Fee	$ 2,416.00	
Other Fees and Permits	5,123.00	
Administration Fees - Veteran and Senior Citizens Deductions	140.00	
Cell Tower Leases	38,989.70	
Miscellaneous	396.22	
Interest on Investments and Deposits	291.19	
		$ 47,356.11
Tax Collector		34.18
Due from General Capital Fund - Interest Income		2.89
		$ 47,393.18

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS":				
GENERAL GOVERNMENT:				
Municipal Clerk:				
Salaries & Wages	$ 49,500.00	$ 49,700.00	$ 49,478.84	$ 221.16
Other Expenses	26,000.00	28,000.00	22,602.05	5,397.95
Elections:				
Salaries and Wages	750.00	750.00	447.12	302.88
Financial Administration:				
Salaries & Wages	20,500.00	20,500.00	20,436.02	63.98
Other Expenses	6,000.00	6,000.00	5,404.00	596.00
Assessment of Taxes:				
Salaries & Wages	10,600.00	10,600.00	10,523.79	76.21
Other Expenses	1,000.00	1,000.00	150.00	850.00
Collection of Taxes:				
Salaries & Wages	10,750.00	10,750.00	9,803.29	946.71
Other Expenses	5,450.00	5,450.00	3,728.78	1,721.22
Legal Services and Costs:				
Other Expenses	30,000.00	30,000.00	21,297.98	8,702.02
Engineering Services:				
Other Expenses	10,000.00	10,000.00	3,680.00	6,320.00
Planning Board:				
Salaries & Wages	3,890.00	3,890.00	3,871.70	18.30
Other Expenses	3,000.00	8,000.00	4,026.50	3,973.50

A-3
1 of 7

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS" (Cont'd):				
GENERAL GOVERNMENT (continued):				
Public Buildings and Grounds:				
Salaries & Wages	$ 13,550.00	$ 13,550.00	$ 3,399.15	$ 10,150.85
Other Expenses	5,500.00	5,500.00	4,735.75	764.25
Municipal Court:				
Other Expenses	38,854.00	38,854.00	38,853.31	0.69
Audit Service	31,000.00	31,000.00	31,000.00	
PUBLIC SAFETY:				
Fire:				
Physical Firemen	1,500.00	1,500.00	1,134.00	366.00
Other Expenses	10,500.00	10,500.00	10,500.00	
Insurance	21,800.00	21,800.00	21,800.00	
Aid to Volunteer Fire Company	12,500.00	12,500.00	12,500.00	
Contribution for Emergency Vehicles	5,000.00	5,000.00		5,000.00
First Aid Organization Contribution	11,500.00	11,500.00	11,500.00	
Emergency Service:				
Salaries & Wages	3,025.00	3,025.00	1,999.79	1,025.21
Other Expenses	1,000.00	1,000.00		1,000.00
Hepatitis "B" Vaccines	500.00	500.00		500.00

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Within "CAPS" (Cont'd):				
STREETS AND ROADS:				
Road Repairs and Maintenance:				
Salaries & Wages	$ 43,700.00	$ 43,700.00	$ 37,005.91	$ 6,694.09
Other Expenses	22,500.00	24,500.00	17,194.85	7,305.15
HEALTH AND WELFARE:				
Board of Health:				
Other Expenses	1,600.00	1,600.00	1,000.00	600.00
Garbage and Trash Removal:				
Other Expenses	65,280.00	65,280.00	57,974.40	7,305.60
Dog Regulation:				
Other Expenses	1,400.00	1,400.00		1,400.00
Environmental Commission:				
Other Expenses	650.00	650.00	250.00	400.00
Insurance:				
Liability Insurance	38,900.00	38,900.00	35,660.21	3,239.79
Workers Compensation	15,520.00	15,520.00	6,059.00	9,461.00
Group Health Insurance Plan for Employees	15,818.00	15,818.00	15,818.00	
Recycling:				
Salaries & Wages	2,950.00	2,950.00	2,950.00	
Other Expenses	4,500.00	4,500.00	4,328.00	172.00
Code Enforcement Officer:				
Salaries & Wages	7,300.00	7,300.00	6,709.96	590.04
Shade Tree Commission:				
Other Expenses	250.00	250.00		250.00
Crossing Guard:				
Salaries & Wages	6,525.00	6,525.00	5,445.99	1,079.01

A-3
3 of 7

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
RECREATION AND EDUCATION:				
Recreation and Education:				
Other Expenses	$ 7,200.00	$ 7,200.00	$ 2,200.00	$ 5,000.00
UTILITIES:				
Electricity	11,000.00	11,000.00	8,267.92	2,732.08
Street Lighting	12,000.00	12,000.00	9,222.98	2,777.02
Telephone	4,250.00	4,250.00	3,458.32	791.68
Fuel Oil	3,100.00	3,100.00	2,261.10	838.90
Gasoline	6,000.00	6,000.00	2,241.71	3,758.29
Water - Aqua Charges	12,500.00	3,300.00	457.98	2,842.02
Total Operations Within "CAPS"	616,612.00	616,612.00	511,378.40	105,233.60
Contingent	100.00	100.00		100.00
Total Operations Including Contingent Within "CAPS"	616,712.00	616,712.00	511,378.40	105,333.60
Detail:				
Salaries and Wages	173,040.00	173,240.00	152,071.56	21,168.44
Other Expenses	443,672.00	443,472.00	359,306.84	84,165.16
Deferred Charges and Statutory Expenditures- Municipal within "CAPS":				
Statutory Expenditures:				
Contributions to:				
Public Employees' Retirement System	14,178.00	14,178.00	14,178.00	
Disability Insurance	650.00	650.00		650.00

A-3
4 of 7

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Statutory Expenditures (Cont'd):				
Contributions to (Cont'd):				
Social Security System (O.A.S.I.)	$ 13,100.00	$ 13,100.00	$ 11,650.80	$ 1,449.20
Unemployment Compensation	1,000.00	1,000.00	1,000.00	
Insurance	432.00	432.00	420.04	11.96
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	29,360.00	29,360.00	27,248.84	2,111.16
Total General Appropriations for Municipal Purposes Within "CAPS"	646,072.00	646,072.00	538,627.24	107,444.76
Operations Excluded from "CAPS":				
Public and Private Programs Offset by Revenue:				
Clean Communities Grant	4,000.00	4,000.00	4,000.00	
Local Match Grants	500.00	500.00		500.00
Total Operations Excluded from "CAPS"	4,500.00	4,500.00	4,000.00	500.00
Detail:				
Other Expenses	4,500.00	4,500.00	4,000.00	500.00

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Capital Improvements Excluded from "CAPS":				
Capital Improvement Fund	$ 500.00	$ 500.00	$ 500.00	
Purchase Playground Equipment	6,000.00	6,000.00		$ 6,000.00
Main Street Reconstruction	22,000.00	22,000.00		22,000.00
Ballfield Improvements	2,200.00	2,200.00	2,200.00	
Road Reconstruction	10,000.00	10,000.00		10,000.00
Total Capital Improvements Excluded from "CAPS"	40,700.00	40,700.00	2,700.00	38,000.00
Subtotal General Appropriations	691,272.00	691,272.00	545,327.24	145,944.76
Reserve for Uncollected Taxes	179,400.00	179,400.00	179,400.00	
Total General Appropriations	$ 870,672.00	$ 870,672.00	$ 724,727.24	$ 145,944.76
Ref.				A

A-3
6 of 7

BOROUGH OF BLOOMSBURY
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Ref.	Budget After Modification	Analysis of Paid or Charged
Adopted Budget		$ 870,672.00	
Reserve for Uncollected Taxes			$ 179,400.00
Cash Disbursed			500,491.58
Due to Federal and State Grant Fund:			
Public and Private Programs			4,000.00
Encumbrances	A		50,238.68
			734,130.26
Less: Refunds			9,403.02
			$ 724,727.24

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
TRUST FUNDS

BOROUGH OF BLOOMSBURY
COMPARATIVE BALANCE SHEET - TRUST FUNDS-REGULATORY BASIS

	Ref.	December 31, 2015	December 31, 2014
ASSETS			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	$ 3,347.27	$ 2,011.87
Other Trust Funds:			
Cash and Cash Equivalents	B-1	42,122.49	37,393.03
TOTAL ASSETS		$ 45,469.76	$ 39,404.90
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund:			
Due to State of New Jersey		$ 7.20	$ 7.20
Prepaid Licenses			55.60
Reserve for Animal Control Fund Expenditures	B-2	3,340.07	1,949.07
		3,347.27	2,011.87
Other Trust Funds:			
Reserve for:			
Unemployment Compensation Insurance		5,127.72	4,298.41
Recreation Trust Deposits		11,778.71	5,746.11
Recreation Commission			283.93
Park Donation Trust		364.00	364.00
Escrow Deposits		24,602.06	26,450.58
Fire Code Violation Penalties		250.00	250.00
		42,122.49	37,393.03
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 45,469.76	$ 39,404.90

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
GENERAL CAPITAL FUND

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS

	Ref.	December 31, 2015	2014
ASSETS			
Cash and Cash Equivalents	C-2	$ 29,413.23	$ 28,913.23
TOTAL ASSETS		$ 29,413.23	$ 28,913.23
LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations:			
Funded	C-5	$ 4,399.38	$ 4,399.38
Due to Current Fund	A	0.25	0.25
Capital Improvement Fund	C-6	22,404.77	21,904.77
Fund Balance	C-1	2,608.83	2,608.83
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 29,413.23	$ 28,913.23

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE-REGULATORY BASIS

	Ref.	
Balance December 31, 2014	C	$ 2,608.83
Balance December 31, 2015	C	$ 2,608.83

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
WATER UTILITY FUND
NOT APPLICABLE

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
PUBLIC ASSISTANCE FUND
NOT APPLICABLE

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

BOROUGH OF BLOOMSBURY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
(UNAUDITED)

	December 31, 2015	December 31, 2014
ASSETS		
Land and Buildings	$ 1,210,800.62	$ 2,399,300.62
Machinery and Equipment	193,763.36	197,663.36
TOTAL ASSETS	$ 1,404,563.98	$ 2,596,963.98
RESERVES		
Reserve for General Fixed Assets	$ 1,404,563.98	$ 2,596,963.98
TOTAL RESERVES	$ 1,404,563.98	$ 2,596,963.98

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Bloomsbury include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Bloomsbury, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Bloomsbury do not include the operations of the Volunteer Fire and First Aid Squads.

Governmental Accounting Standards Board ("GASB") *Codification of Government Accounting and Financial Reporting Standards*, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Bloomsbury conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 of Bloomsbury accounts for its financial transactions through the following separate funds:

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

Trust Fund - Receipt, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

General Fixed Assets Account Group (Unaudited) – estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1D – "Other Significant Accounting Policies".

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.

2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.

3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31, 2015 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase and the Borough's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

D. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments - Investments are stated at cost or amortized cost, which approximates market.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

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.

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

Grants Receivable - Grants receivable represent the total grant awards less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

General Fixed Assets (Unaudited) - In accordance with New Jersey Administrative Code accounting requirements, the Borough has developed a fixed assets accounting and reporting system based on the following:

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 1 - Summary of Significant Accounting Policies (Cont'd)

D. Other significant accounting policies include: (Cont'd)

General Fixed Assets (Unaudited) (Cont'd)

General fixed assets are recorded at cost, except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the current fund, and general capital fund. The values recorded in the general fixed assets account group and the current and capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

E. Budget/Budgetary Control – An annual appropriated budget is usually prepared in the first quarter for the Current Fund. The budget is submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2 - Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

The Borough had no outstanding debt as of December 31, 2015.

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0%.

Net Debt: $-0- divided by Average Equalized Valuations of $89,904,416 of Real Property = -0-%.

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 2 - Long-Term Debt (Cont'd)

Borrowing Power Under N.J.S. 40A:2-6 As Amended

3.5% Average Equalized Valuation of Real Property	$ 3,146,654.56
Net Debt	-0-
Remaining Borrowing Power	$ 3,146,654.56

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Analysis of Outstanding Debt at December 31, 2015 or 2014

The Borough of Bloomsbury had no outstanding debt as of December 31, 2015 or 2014.

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be $390,325 at June 30, 2015. See Note 4 for further information on PERS.

Note 3 - Fund Balances Appropriated

Fund balance at December 31, 2015, which was appropriated and included as anticipated revenue in the adopted budget for the year ending December 31, 2016 is as follows:

Current Fund	$ 242,400

Note 4 - Pension Plan

Borough employees participate in a contributory, defined benefit public employee retirement system: the State of New Jersey Public Employee's Retirement System (PERS).

A. Public Employees' Retirement System (PERS)

Plan Description

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

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4 - Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to $14,178 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4 - Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense

At June 30, 2015, the Borough's liability was $390,325 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0017%, which was an increase of 0.011% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized actual pension expense in the amount of $14,178.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4 - Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 4 - Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Year Ended December 31, 2015

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Borough's proportionate share of the Net Pension Liability	$ 485,127	$ 390,325	$ 310,845

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

Note 5 - Accrued Sick, Vacation, and Compensatory Time Off

The Borough of Bloomsbury does not permit the accrual of unused vacation, sick, and compensatory time off.

Note 6 - Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year maybe place in a lien at a tax sale held after December 10.

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 6 - Selected Tax Information (Cont'd)

	2015*	2014	2013
Tax Rate	$ 2.79	$ 2.27	$ 2.22
Apportionment of Tax Rate			
Municipal	.60	.49	.47
County	.41	.34	.34
Local School	1.78	1.44	1.41
Assessed Valuations			
2015	$ 89,904,416.00		
2014		$ 109,234,825.00	
2013			$ 109,428,003.00

*-Revaluation Year

Comparison of Tax Levies and Collections 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.

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
2015	$ 2,520,032.23	$ 2,480,114.78	98.42%
2014	2,465,875.29	2,368,563.86	96.05%
2013	2,423,291.23	2,289,140.04	94.45%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 7 - Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, Governmental Accounting Standards Board Deposit and Investment Risk Disclosures, requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered.

Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Note 7 - Cash and Cash Equivalents (Cont'd)

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed below and on the following page.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

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

(2) Government money market mutual funds;

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

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 7 - Cash and Cash Equivalents (Cont'd)

Investments (Cont'd)

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund; or

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;

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

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

(d) the underlying securities are purchased through a public depository as defined in statute; and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2015, cash and cash equivalents of the Borough of Bloomsbury consisted of the following:

Fund	Cash on Hand	Checking Accounts	Totals
Current	$ 35.00	$ 919,760.13	$ 919,795.13
Other Trust		42,122.49	42,122.49
Animal Trust		3,347.27	3,347.27
General Capital		29,413.23	29,413.23
	$ 35.00	$ 994,643.12	$ 994,678.12

During the period ending December 31, 2015, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at December 31, 2015, was $994,678.12 and the bank balance was $999,252.88.

Note 8 - Local District School Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

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

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 8 - Local District School Taxes (Cont'd)

	Local District School Tax	
	Balance Dec. 31, 2015	Balance Dec. 31, 2014
Balance of Tax	$ 771,329.00	$ 763,386.50
Amount Deferred	771,329.00	763,386.50
Taxes Payable	$ -0-	$ -0-

Note 9 - Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided to employees through the Public Alliance Insurance Coverage Fund.

The Borough of Bloomsbury is currently a member of the Public Alliance Insurance Coverage Fund (the "Fund"). The Fund is a risk-sharing public entity risk fund that is an insured and self-administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

The following coverages are offered by the Fund to its members:

a.) Worker's Compensation and Employers' Liability
b.) Liability Other than Motor Vehicles
c.) Property Damage Other Than Motor Vehicles
d.) Motor Vehicles
e.) Environmental

As a member of the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

The December 31, 2015 audit report of the Public Alliance Insurance Coverage Fund is not filed as of the date of this audit. Selected, summarized financial information for the Fund as of December 31, 2014 is as follows:

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 9 - Risk Management (Cont'd)

	Public Alliance Insurance Coverage Fund Dec. 31, 2014
Total Assets	$ 16,389,567
Net Position	$ 8,240,684
Total Revenue	$ 7,380,441
Total Expenses	$ 7,025,767
Change in Net Position	$ 354,674
Members Dividends	$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Directors:

Public Alliance Insurance Coverage Fund
Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550
(609) 275-1155

The Borough is also a member of Statewide Excess Liability Fund ("SELF"). SELF is an insurance purchasing pool in which participants seek to lower insurance costs through their combined joint purchasing power. Each participant receives their own insurance policies. SELF provides the Borough with commercial excess liability insurance. Risk transfers through the pool to the insurance company from which the commercial excess liability insurance policy is purchased.

New Jersey Unemployment Compensation Insurance

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 the Borough and employee contributions, interest earned and reimbursements to the state for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 9 - Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

Year	Borough Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2015	$ 1,000.00	$ 277.62	$ 0.25	$ 448.56	$ 5,127.72
2014	1,000.00	281.79	0.25	435.67	4,298.41
2013	4,096.20	258.58	0.35	3,028.86	3,452.04

Note 10 - Contingent Liabilities

Claims and Other Legal Proceedings

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Borough vigorously contests these lawsuits and believes the ultimate resolution would not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

Note 11 - Interfund Receivables and Payables

The interfund between the Current Fund and the General Capital Fund represents interest earned during 2015 in the General Capital Fund which is due to the Current Fund. The interfund between Current Fund and Federal and State Grant Fund represents the net amount of cash receipts and disbursements in Current Fund on behalf of the Federal and State Grant Fund in the prior year.

Fund	Interfund Receivables	Interfunds Payables
Current Fund	$ 0.25	$ 3,880.40
General Capital Fund		0.25
Federal and State Grant Fund	3,880.40	
	$ 3,880.65	$ 3,880.65

Note 12 - Economic Dependency

The Borough receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

BOROUGH OF BLOOMSBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 13 - Fixed Assets (Unaudited)

	Balance 12/31/2014	Adjustments/ Deletions	Balance 12/31/2015
Land and Buildings	$2,399,300.62	$ (1,188,500.00)	$1,210,800.62
Machinery and Equipment	197,663.36	(3,900.00)	193,763.36
	$2,596,963.98	$ (1,192,400.00)	$1,404,563.98

During the year 2015 there was a revaluation of property resulting in a decrease in the assessed value of foreclosed properties.

BOROUGH OF BLOOMSBURY

SUPPLEMENTARY DATA

BOROUGH OF BLOOMSBURY
OFFICALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2015

The following officials were in office during the period under audit:

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Martha Tersigni	Mayor		
Eric Weger	Council Member		
Chris James	Council Member		
Vicky Papics	Council Member		
Al Stieher	Council Member		
Chris Smith	Council Member		
Kathleen Jordan	Council Member		
Kim Francisco	Chief Financial Officer	$1,000,000	MELJIF
Lisa A. Burd	Clerk/Administrator, Dog Licensing Official, Registrar	1,000,000	MELJIF
Sharon Brown	Tax Collector, Tax Search Officer	1,000,000	MELJIF
Eloise Haggaman	Tax Assessor	1,000,000	MELJIF
William Edleston	Borough Attorney		

(A) All employees, who are not specifically bonded, are covered under $50,000 and $950,000 Faithful Performance Bonds provided by the Municipal Excess Liability Joint Insurance Fund.

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
CURRENT FUND

BOROUGH OF BLOOMSBURY
CURRENT FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2014	A		$ 744,421.99
Increased by Receipts:			
Tax Collector		$ 2,587,219.45	
Revenue Accounts Receivable		70,673.17	
Miscellaneous Revenue Not Anticipated		47,356.11	
2015 Appropriation Refunds		9,403.02	
Federal and State Grants Receivable		151,779.60	
Due from State of New Jersey:			
Veterans and Senior Citizens' Deductions		7,000.00	
Marriage License Fees		25.00	
Due from General Capital Fund		2.89	
			2,873,459.24
			3,617,881.23
Decreased by Disbursements:			
2015 Appropriation Expenditures		500,491.58	
2014 Appropriation Reserve Expenditures		60,255.62	
Federal and State Grant Expenditures		151,779.60	
Local School District Taxes		1,596,396.50	
County Taxes		368,614.26	
Tax Overpayments		1,593.43	
Third Party Liens		18,940.11	
Due State of New Jersey:			
Marriage License Fees		50.00	
			2,698,121.10
Balance December 31, 2015	A		$ 919,760.13

BOROUGH OF BLOOMSBURY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2015

Increased by Receipts:		
Taxes Receivable	$ 2,498,048.59	
Tax Overpayments	4,249.87	
2016 Prepaid Taxes	10,965.58	
Tax Title Liens Collected	41,488.39	
Miscellaneous	34.18	
Outside Liens Redeemed	18,940.11	
Interest and Costs on Taxes	13,492.73	
		$ 2,587,219.45
Decreased by:		
Payments to Treasurer		$ 2,587,219.45

BOROUGH OF BLOOMSBURY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2014	2015 Levy	Collections 2014	Collections 2015	State of NJ Veterans' and Senior Citizens' Deductions	Transferred to Tax Title Liens	Transferred to Foreclosed Properties	Cancelled	Balance Dec. 31, 2015
2014	$ 35,195.27			$ 35,445.27				$ 250.00	
2015		$ 2,520,032.23	$ 10,261.46	2,462,603.32	$ 7,250.00	$ 2,894.75	$ 3,874.27	3,763.56	$ 37,133.41
	$ 35,195.27	$ 2,520,032.23	$ 10,261.46	$ 2,498,048.59	$ 7,250.00	$ 2,894.75	$ 3,874.27	$ 4,013.56	$ 37,133.41
Ref.	A								A

Analysis of 2015 Property Tax Levy

Tax Yield:		
General Purpose Tax	$ 2,518,420.33	
Added Taxes (54:4-63.1 et seq.)	1,611.90	
		$ 2,520,032.23
Tax Levy:		
Local School District Taxes		$ 1,604,339.00
County Taxes:		
County Taxes	368,548.99	
Due County for Added and Omitted Taxes	236.76	
		368,785.75
		1,973,124.75
Local Tax for Municipal Purposes Levied	541,835.00	
Add: Additional Tax Levied	5,072.48	
		546,907.48
		$ 2,520,032.23

BOROUGH OF BLOOMSBURY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.		
Balance December 31, 2014	A		$ 304,782.57
Increased by:			
Transferred from Taxes Receivable			2,894.75
			307,677.32
Decreased by:			
Transferred to Foreclosed Property		$ 259,866.05	
Collections		41,488.39	
			301,354.44
Balance December 31, 2015	A		$ 6,322.88

BOROUGH OF BLOOMSBURY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015

	Accrued in 2015	Collected By: Collector	Collected By: Treasurer
Interest and Costs on Taxes	$ 13,492.73	$ 13,492.73	
Energy Receipts Tax	53,438.00		$ 53,438.00
Municipal Court:			
Fines and Costs	12,836.17		12,836.17
Consolidated Municipal Property Tax Relief Aid	4,399.00		4,399.00
	$ 84,165.90	$ 13,492.73	$ 70,673.17

BOROUGH OF BLOOMSBURY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
Municipal Clerk:				
Salaries and Wages	$ 300.55	$ 300.55		$ 300.55
Other Expenses	5,124.29	5,124.29	$ 2,220.39	2,903.90
Elections:				
Other Expenses	198.51	198.51		198.51
Financial Administration:				
Salaries and Wages	2.55	2.55		2.55
Assessment of Taxes:				
Salaries and Wages	32.93	32.93		32.93
Other Expenses	845.50	845.50	128.50	717.00
Reassessment-Other Expenses	6,209.51	6,209.51		6,209.51
Collection of Taxes:				
Salaries and Wages	225.84	225.84		225.84
Other Expenses	1,494.30	1,494.30	174.62	1,319.68
Legal Services and Costs:				
Other Expenses	11,677.00	11,677.00	1,392.00	10,285.00
Audit	30,500.00	30,500.00	30,500.00	
Engineering Services:				
Other Expenses	14,556.25	14,556.25	5,652.50	8,903.75
Planning Board				
Salaries and Wages	14.29	14.29		14.29
Other Expenses	2,670.00	2,670.00		2,670.00
Buildings and Grounds:				
Salaries and Wages	7,802.23	7,802.23		7,802.23
Other Expenses	1,964.07	1,964.07		1,964.07
Other Insurance Premiums:				
Liability Insurance	8,434.75	8,434.75		8,434.75
Workers Compensation	2,960.00	2,960.00		2,960.00
Group Health Insurance Plan for Employees	6.66	6.66		6.66
First Aid Organization Contribution	11,500.00	11,500.00		11,500.00
Emergency Services:				
Salaries and Wages	1,005.74	1,005.74		1,005.74
Other Expenses	1,000.00	1,000.00		1,000.00
Hepatitis B Vaccines	1,000.00	1,000.00		1,000.00
Streets and Roads:				
Salaries and Wages	432.04	432.04		432.04
Other Expenses	3,849.02	3,849.02	944.56	2,904.46
Garbage and Trash Removal:				
Other Expenses	8,187.90	8,187.90	4,737.60	3,450.30

BOROUGH OF BLOOMSBURY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
Board of Health:				
Other Expenses	$ 200.00	$ 200.00		$ 200.00
Dog Regulation:				
Other Expenses	1,400.00	1,400.00		1,400.00
Environmental Commission:				
Other Expenses	400.00	400.00		400.00
Recycling				
Other Expenses	3,372.00	3,372.00	$ 1,784.00	1,588.00
Code Enforcement:				
Salaries and Wages	561.79	561.79		561.79
Shade Tree Commission:				
Other Expenses	250.00	250.00		250.00
Crossing Guard:				
Salaries and Wages	738.70	738.70		738.70
Recreation:				
Other Expenses	5,300.00	5,300.00	2,200.00	3,100.00
Utilities:				
Electricity	2,601.56	2,601.56	575.07	2,026.49
Street Lighting	2,261.32	2,261.32		2,261.32
Telephone	845.37	845.37	18.10	827.27
Fuel Oil	785.15	785.15		785.15
Gasoline	1,820.77	1,820.77	1,007.92	812.85
Water - Aqua Charges	8,316.05	8,316.05		8,316.05
Municipal Court:				
Other Expenses	7,129.12	7,129.12		7,129.12
Social Security	331.30	331.30		331.30
Disability Insurance	650.00	650.00		650.00
Public Employees' Retirement System	1,368.01	1,368.01	120.36	1,247.65
Local Match Grants	500.00	500.00		500.00
Contingent	100.00	100.00		100.00
Capital Improvements:				
Main Street Reconstruction	22,000.00	22,000.00		22,000.00
Ballfield Improvements	8,800.00	8,800.00	8,800.00	
	$ 191,725.07	$ 191,725.07	$ 60,255.62	$ 131,469.45

	Ref.	
Balance December 31, 2014		
Unencumbered	A	$ 152,402.41
Encumbered	A	39,322.66
		$ 191,725.07

BOROUGH OF BLOOMSBURY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

Balance December 31, 2014	
School Tax Deferred	$ 763,386.50
Increased by:	
Levy - School Year July 1, 2014 through June 30, 2015	1,604,339.00
	2,367,725.50
Decreased by:	
Payments to Local School District	1,596,396.50
Balance December 31, 2015	
School Tax Deferred	$ 771,329.00

Analysis of Increase - Deferred School Tax:

Balance at December 31, 2015	$ 771,329.00
Balance at December 31, 2014	763,386.50
Net Increase Credited to Operations	$ 7,942.50

BOROUGH OF BLOOMSBURY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE

	Balance Dec. 31, 2014	2015 Budget Revenue Realized	Cash Received	Balance Cancelled	Balance Dec. 31, 2015
Clean Communities Program		$ 4,000.00	$ 4,000.00		
Highlands Initial Assessment	$ 82,765.60				$ 82,765.60
Highlands Conformance	19,004.12				19,004.12
Safe Routes to School Program Grant	293,000.00				293,000.00
New Jersey Department of Transportation-Phase 3	150,000.00		147,779.60	2,220.40	
	$ 544,769.72	$ 4,000.00	$ 151,779.60	$ 2,220.40	$ 394,769.72
Ref.	A				A

BOROUGH OF BLOOMSBURY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2014	Transferred from 2015 Budget	Cash Disbursed	Balance Cancelled	Balance Dec. 31, 2015
Clean Communities Program	$ 4,000.00	$ 4,000.00	$ 4,000.00		$ 4,000.00
Highlands Initial Assessment	82,646.00				82,646.00
Highlands Conformance	19,004.12				19,004.12
New Jersey Department of Transportation-Phase 3	150,000.00		147,779.60	$ 2,220.40	
Safe Routes to School Program Grant	293,000.00				293,000.00
	$ 548,650.12	$ 4,000.00	$ 151,779.60	$ 2,220.40	$ 398,650.12
Ref.	A				A

BOROUGH OF BLOOMSBURY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
TRUST FUNDS

BOROUGH OF BLOOMSBURY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control Fund		Other Trust Funds	
Balance December 31, 2014	B		$ 2,011.87		$ 37,393.03
Increased by Receipts:					
Animal Control License Fees		$ 2,312.20			
State Registration Fees		265.80			
Late Fees		1,190.00			
Unemployment Contributions and Interest				$ 1,277.87	
Recreation Trust Deposits				11,279.79	
Escrow Deposits				2,475.48	
			3,768.00		15,033.14
			5,779.87		52,426.17
Decreased by Disbursements:					
Expenditures under R.S. 4:19 - 15.11		2,166.80			
State Board of Health		265.80			
Recreation Trust Disbursements				5,247.19	
Recreation Commission Disbursements				283.93	
Unemployment Compensation Reserve Expenditures				448.56	
Return of Escrow Deposits				4,324.00	
			2,432.60		10,303.68
Balance December 31, 2015	B		$ 3,347.27		$ 42,122.49

BOROUGH OF BLOOMSBURY
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2014	B		$ 1,949.07
Increased by:			
Animal Control License Fees Collected		$ 2,312.20	
Late Fees		1,190.00	
Prepaid Licenses Applied		55.60	
			3,557.80
Decreased by:			5,506.87
Expenditures under R.S. 4:19-15.11:			
Cash Disbursements			2,166.80
Balance December 31, 2015	B		$ 3,340.07

License Fees Collected

Year	Amount
2013	$ 2,006.80
2014	1,647.60
Maximum Allowable Reserve	$ 3,654.40

BOROUGH OF BLOOMSBURY
COUNTY OF HUNTERDON
2015
GENERAL CAPITAL FUND

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2014	C		$ 28,913.23
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund		$ 500.00	
Interest on Deposits		2.89	
			502.89
			29,416.12
Decreased by Disbursements:			
Due to Current Fund			2.89
Balance December 31, 2015	C		$ 29,413.23

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Balance Dec. 31, 2014	Receipts: Miscellaneous	Receipts: Budget Appropriation	Disbursements: Miscellaneous	Balance Dec. 31, 2015
Fund Balance		$ 2,608.83				$ 2,608.83
Capital Improvement Fund		21,904.77		$ 500.00		22,404.77
Due Current Fund		0.25	$ 2.89		$ 2.89	0.25
Ord. Number	Ordinance Description					
103-14	Purchase of Stone Property	4,399.38				4,399.38
		$ 28,913.23	$ 2.89	$ 500.00	$ 2.89	$ 29,413.23

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2014 Funded	Balance December 31, 2015 Funded
103-14	Purchase of Stone Property	06/24/14	$ 25,000.00	$ 4,399.38	$ 4,399.38
				$ 4,399.38	$ 4,399.38
			Ref.	C	C

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2014	C	$ 21,904.77
Increased by:		
Current Fund Budget Appropriation		500.00
Balance December 31, 2015	C	$ 22,404.77

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

BOROUGH OF BLOOMSBURY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015

NOT APPLICABLE

BOROUGH OF BLOOMSBURY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2015

BOROUGH OF BLOOMSBURY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

Name of Federal Agency or Department	Name of Program	Pass-Through Entity ID#	C.F.D.A. Number	Grant Period From	Grant Period To	Grant Award Amount	Amount Received	Program Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
U.S. Department of Transportation (Passed Through New Jersey Department of Transportation)	Improvements to Main Street Phase III	N/A	20.205	1/1/2013	12/31/2015	150,000.00	$ 147,779.60	$ 147,779.60	$ 147,779.60	
Total Federal Awards							$ 147,779.60	$ 147,779.60	$ 147,779.60	$ -0-

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF BLOOMSBURY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2015

Name of State Agency or Department/Grant Name	State Grant Account #	Grant Award Amount	Grant Period From	Grant Period To	Received	Current Year Grant Expenditures	Cumulative Expenditures
Department of Environmental Protection:							
Clean Communities Program	100-022-8070-039-6120	$ 4,000.00	1/1/2014	12/31/2015		$ 4,000.00	$ 4,000.00
		4,000.00	1/1/2015	12/31/2016	$ 4,000.00		
Total State Awards					$ 4,000.00	$ 4,000.00	$ 4,000.00

SEE NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF BLOOMSBURY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2015

Note 1. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Borough of Bloomsbury under programs of the federal and state governments for the year ended December 31, 2015. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Borough has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NISIVOCCIA LLP
Certified Public Accountants & Advisors

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Bloomsbury
Bloomsbury, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Bloomsbury, in the County of Hunterdon (the "Borough") as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated April 25, 2016. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division, to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not

been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2015-1, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Borough's Response to the Finding

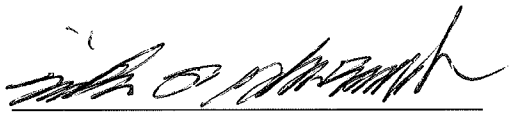
The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mount Arlington, New Jersey
April 25, 2016

NISIVOCCIA LLP



William F. Schroeder
Certified Public Accountant
Registered Municipal Accountant No. 452

BOROUGH OF BLOOMSBURY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2015

Summary of Auditors' Results:

- The Independent Auditor's Report expresses a qualified opinion of the Borough's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.

- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditor's 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.* No material weaknesses are reported..

- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

- The Borough was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2015 as grant expenditures were less than the single audit thresholds of $750,000 identified in the Uniform Guidance and New Jersey's OMB Circular 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

  Finding 2015-1

  The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, permit and license fees; and recording of collections. Also, the Chief Financial Officer disburses funds and reconciles the bank accounts for all the funds or accounts. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

  Management's Response:

  The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

Findings and Responses for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Responses for State Awards:

- Not Applicable since state expenditures were below the single audit threshold.

BOROUGH OF BLOOMSBURY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

The prior year finding with respect to the Borough not maintaining an adequate segregation of duties has not been resolved and is included on the Schedule of Findings and Responses.

BOROUGH OF BLOOMSBURY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

BOROUGH OF BLOOMSBURY
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1071, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A: 11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter, the bid threshold in accordance with N.J.S.A 40A:11-3 and 40A-4 (as amended) is $17,500, and with a qualified purchasing agent the threshold may be up to $36,000 thru June 30, 2015 and $40,000 thereafter.

The governing body of the Borough of Bloomsbury has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and 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 BLOOMSBURY
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 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. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The following resolution was adopted in 2015:

> BE IT RESOLVED by the Mayor and Council of the Borough of Bloomsbury, Hunterdon County, New Jersey, that the rate of interest charges on delinquent taxes in this Borough shall be as follows:
>
> > On all delinquents to and including December 31, 2015, at the rate or rates heretofore governing, and on all delinquents on and after January 1, 2015 at the rate of 8% per annum for and upon the first $1,500 of the delinquency, the rate of 18% per annum for and upon any amount of the delinquency in excess of $1,500, and the rate of 6% per annum for and upon any amount in excess of $10,000; and that a grace period of 10 days will be allowed on taxes due February 1, May 1, August 1, and November 1. If taxes are not paid by the 10th, interest shall be charged from the due date.
>
> BE IT RESOLVED, that the collector of the Borough be and hereby directed to collect interest on all taxes accordingly.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 4, 2015, and was complete with respect to all items eligible for sale.

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

Year	Number of Liens
2015	3
2014	9
2013	7

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

BOROUGH OF BLOOMSBURY
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

Type	Number Mailed
Payment of 2016 Taxes	20
Payment of 2015 Taxes	20
Delinquent Taxes	10
Tax Title Liens	2

Verification notices were mailed to confirm balances and payments as of December 31, 2015. The items that were returned were compared to and are in agreement with the Borough's records. For items not returned, alternative procedures were performed.

Municipal Court

The Borough of Bloomsbury is affiliated with Bethlehem Township Municipal Court. The Borough's share of municipal court fines and costs is anticipated in the current year budget. Budget appropriations are expended to reflect the Borough's share of costs. For the year ended December 31, 2015, realized revenue for the municipal court was $12,836 while budget expenditures amounted to $38,853.

N.J.A.C Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.

2. Fixed assets accounting and reporting system.

3. General ledger accounting system.

The Borough currently maintains a general ledger, fixed assets records and an encumbrance accounting system.

Status of Prior Year Recommendations

The Borough's prior year audit recommendation regarding the segregation of duties has not been resolved and is included as a current year recommendation.

Cyber Security

Cyber-crime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information ("PII"), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the Borough consider options to test and protect the Borough from cyber-crime.

BOROUGH OF BLOOMSBURY
COMMENTS AND RECOMMENDATIONS
(Continued)

Federal and State Grant Fund

There are certain older grant receivable and appropriated reserve balances in the Federal and State Grant Fund. It is suggested that these older grant balances be reviewed for possible cancellation.

BOROUGH OF BLOOMSBURY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.

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