

BOROUGH OF BERGENFIELD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

**BOROUGH OF BERGENFIELD
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<u>PART I – Report on Audit of Financial Statements and Supplementary Schedules</u>		
Independent Auditor’s Report		1-3
Financial Statements		
A	Comparative Balance Sheets – Regulatory Basis - Current Fund	4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	6
A-2	Statement of Revenues – Regulatory Basis – Current Fund	7-9
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	10-15
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds	16-17
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	18
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis – General Capital Fund	19
D	Comparative Balance Sheets – Regulatory Basis - General Fixed Assets Account Group	20
	Notes to Financial Statements	21-62
Supplementary Schedules		
<u>Current Fund</u>		
A-4	Statement of Current Cash - Treasurer	63
A-5	Statement of Change Fund	64
A-6	Statement of Petty Cash Fund	64
A-7	Statement of Due from State of New Jersey Senior Citizens' and Veterans' Deductions	64
A-8	Statement of Taxes Receivable and Analysis of Property Tax Levy	65
A-9	Statement of Tax Title Liens	66
A-10	Statement of Property Acquired for Taxes (At Assessed Valuation)	66
A-11	Statement of Revenue Accounts Receivable	67
A-12	Statement of 2022 Appropriation Reserves	68-69
A-13	Statement of Encumbrances Payable	70
A-14	Statement of Encumbrances Payable – Reserve for Grants	70
A-15	Statement of Reserve for Tax Appeals	70
A-16	Statement of Tax Overpayments	71
A-17	Statement of Other Liens Receivable	71
A-18	Statement of County Taxes Payable	71
A-19	Statement of Local District School Taxes	72
A-20	Statement of Prepaid Taxes	72
A-21	Statement of Appropriated Reserves	73
A-22	Statement of Unappropriated Reserves	74
A-23	Statement of Reserve for Master Plan	74
A-24	Statement of Accounts Payable	74
A-25	Statement of Reserve for Municipal Relief Fund	75
A-26	Statement of Reserve for Police Evidence	75
A-27	Statement of Due to the State of New Jersey – DCA Training Fees	75
A-28	Statement of Grants Receivable	76

BOROUGH OF BERGENFIELD
TABLE OF CONTENTS
(Continued)

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Trust Fund</u>		
B-1	Statement of Trust Cash and Investments	77
B-2	Statement of Reserve for Animal Control Expenditures – Animal Control Fund	78
B-3	Statement of Due to State of New Jersey Dog License Fees – Animal Control Fund	79
B-4	Statement of Due to Current Fund – Animal Control Fund	79
B-5	Statement of Due to State of New Jersey Unemployment Claims – Unemployment Trust Fund	80
B-6	Statement of Reserve for Unemployment Insurance Benefits - Unemployment Trust Fund	80
B-7	Statement of Miscellaneous Reserves - Other Trust Fund	81
B-8	Statement of Due to Current Fund – Flexible Spending Account – Other Trust Fund	82
B-9	Statement of Due to Current Fund – Police Outside Duty – Other Trust Fund	82
B-10	Statement of Due to Current Fund – Escrow Trust – Other Trust Fund	83
B-11	Statement of Salary and Wages Payable – Other Trust Fund	83
B-12	Statement of Payroll Deductions Payable - Other Trust Fund	83
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash - Treasurer	84
C-3	Analysis of General Capital Cash	85
C-4	Statement of Deferred Charges to Future Taxation - Funded	85
C-5	Statement of Deferred Charges to Future Taxation - Unfunded	86
C-6	Statement of Improvement Authorizations	87
C-7	Statement of Capital Improvement Fund	88
C-8	Statement of Contracts Payable	88
C-9	Statement of Reserve for Payment of Bonds	88
C-10	Statement of Reserve for Preliminary Costs	89
C-11	Statement of Due from Current Fund	89
C-12	Statement of Green Trust Loan Payable	90
C-13	Statement of General Serial Bonds	91
C-14	Statement of Bonds and Notes Authorized But Not Issued	92

BOROUGH OF BERGENFIELD
TABLE OF CONTENTS
(Continued)

		<u>Page</u>
<u>PART II – Government Auditing Standards</u>		
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	93-94
	Report on Compliance for each Major Federal Program; Report on Internal Control Over Compliance; And Report on The Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance - Independent Auditor’s Report	95-97
Sch. A	Schedule of Expenditures of Federal Awards	98
Sch. B	Schedule of Expenditures of State Financial Assistance	99-100
	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	101-102
	Schedule of Findings and Responses	103-105
	Summary Schedule of Prior Year Audit Findings and Responses	106
<u>PART III - Supporting Data and Letter of Comments and Recommendations</u>		
	Comparative Statements of Operations and Changes in Fund Balance - Current Fund	107
	Comparative Schedule of Calendar Year Tax Rate Information	108
	Comparison of Tax Levies and Collection Currently	108
	Delinquent Taxes and Tax Title Liens	109
	Property Acquired by Tax Title Lien Liquidation	109
	Comparative Schedule of Fund Balances	109
	Officials in Office and Surety Bonds	110
	General Comments	111-112
	Recommendations	113

BOROUGH OF BERGENFIELD
BERGEN COUNTY, NEW JERSEY

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Bergenfield, as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2023, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Bergenfield as of December 31, 2023 and 2022, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2023 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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 section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Bergenfield as of December 31, 2023 and 2022, or changes in financial position for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Bergenfield and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 16 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2023 and 2022. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 42 percent and 36 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2023 and 2022, respectively.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Bergenfield on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Bergenfield’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of Bergenfield’s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Bergenfield's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Bergenfield as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Bergenfield. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

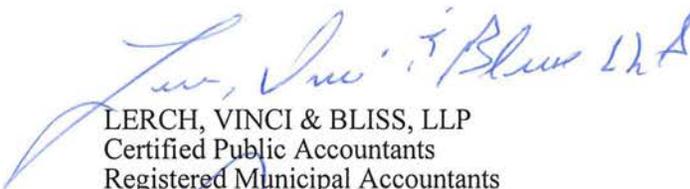
Other Information

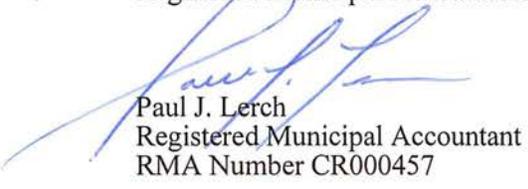
Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 16, 2024 on our consideration of the Borough of Bergenfield'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Bergenfield's 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 Bergenfield's internal control over financial reporting and compliance.


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


 Paul J. Lerch
 Registered Municipal Accountant
 RMA Number CR000457

Fair Lawn, New Jersey
 July 16, 2024

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2023 AND 2022

ASSETS	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Cash	A-4	\$15,601,519	\$21,454,127
Cash - Change Funds	A-5	<u>3,850</u>	<u>3,850</u>
		<u>15,605,369</u>	<u>21,457,977</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	914,419	824,668
Tax Title Liens	A-9	1,055	209
Property Acquired for Taxes (at Assessed Valuation)	A-10	1,698,373	1,698,373
Other Liens Receivable	A-17	2,500	2,500
Due from Animal Control Fund	B-4	5	5,763
Due from Other Trust Fund- FSA	B-8	2,500	2,500
Due from Other Trust Fund-Escrow	B-10	-	95
Due from Federal and State Grant Fund	A	<u>2,211,292</u>	<u>-</u>
		<u>4,830,144</u>	<u>2,534,108</u>
Total Regular Fund		<u>20,435,513</u>	<u>23,992,085</u>
Federal and State Grant Fund:			
Grants Receivable	A-28	7,690,652	4,797,145
Due from Current Fund	A	<u>-</u>	<u>3,222,304</u>
Total Federal and State Grant Fund		<u>7,690,652</u>	<u>8,019,449</u>
Total		<u>\$28,126,165</u>	<u>\$32,011,534</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves	A-3,A-12	\$ 2,202,172	\$ 1,364,793
Encumbrances Payable	A-13	1,863,615	2,271,708
Accounts Payable	A-24	259,045	351,729
Reserve for Tax Appeals	A-15	2,560,238	2,743,347
Tax Overpayments	A-16	66,981	20,483
Prepaid Taxes	A-20	553,246	469,131
Due to the State of New Jersey Senior and Veteran's Discounts	A-7	9,240	8,324
Due to the State of New Jersey DCA Training Fees	A-27	6,797	-
Due to County for Added & Omitted Taxes	A-18	43,488	62,961
Reserve for:			
Master Plan	A-23	2,570	2,570
Municipal Relief Fund	A-25	206,698	103,371
Police Evidence	A-26	4,373	-
Due to General Capital Fund	C-11		32,564
Due to Federal and State Grant Fund	A	-	3,222,304
		<u>7,778,463</u>	<u>10,653,285</u>
Reserve for Receivables and Other Assets	A	4,830,144	2,534,108
Fund Balance	A-1	<u>7,826,906</u>	<u>10,804,692</u>
Regular Fund		<u>20,435,513</u>	<u>23,992,085</u>
Federal and State Grant Fund:			
Due to Current Fund	A	2,211,292	
Appropriated Reserve for Grants	A-21	3,847,364	2,461,127
Unappropriated Reserve for Grants	A-22	22,747	1,445,972
Encumbrances Payable	A-14	<u>1,609,249</u>	<u>4,112,350</u>
Total Federal and State Grant Fund		<u>7,690,652</u>	<u>8,019,449</u>
Total		<u>\$28,126,165</u>	<u>\$32,011,534</u>

BOROUGH OF BERGENFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022

EXHIBIT A-1

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 6,178,682	\$ 5,000,000
Miscellaneous Revenue Anticipated	A-2	11,096,554	8,341,555
Receipts from Delinquent Taxes	A-2	799,608	922,737
Receipts from Current Taxes	A-2	92,599,614	90,967,439
Non-Budget Revenue	A-2	642,651	603,380
Other Credits to Income			
Interfunds Returned	A	8,358	8,723
Cancel SID Balance	A-1	-	21,658
Cancel Appropriated Grant Reserves	A-21	6,421	-
Statutory Excess - Animal Control	A-1	-	5,763
Unexpended Balances of Appropriation Reserves	A-12	<u>1,468,005</u>	<u>3,167,334</u>
		<u>112,799,893</u>	<u>109,038,589</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	13,386,586	14,243,249
Other Expenses	A-3	24,564,955	21,527,005
Deferred Charges and Statutory Expenditures	A-3	3,843,050	5,079,329
Capital Improvements	A-3	1,430,139	500,000
Debt Service	A-3	3,321,147	1,433,147
County Taxes Payable	A-18	9,089,279	8,488,006
Local District School Taxes Payable	A-19	51,747,354	51,457,799
Other Debits to Income			
Senior and Veteran's Discounts Disallowed Prior Year	A-7	2,690	3,997
Interfunds Advanced	A	<u>2,213,797</u>	<u>8,358</u>
Total Expenditures		<u>109,598,997</u>	<u>102,740,890</u>
Excess in Revenue		3,200,896	6,297,699
Fund Balance, Beginning of Year	A-1	<u>10,804,692</u>	<u>9,506,993</u>
		14,005,588	15,804,692
Decreased by			
Utilization as Anticipated Revenue	A-1	<u>6,178,682</u>	<u>5,000,000</u>
Fund Balance, End of Year	A	<u>\$ 7,826,906</u>	<u>\$ 10,804,692</u>

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF BERGENFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Reference	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 6,178,682	-	\$ 6,178,682	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	30,000		33,574	\$ 3,574
Other	A-2	5,000		6,781	1,781
Fees and Permits	A-2	47,000		70,740	23,740
Fines and Costs					
Municipal Court	A-11	75,000		198,105	123,105
Interest and Costs on Taxes	A-11	150,000		180,065	30,065
Interest on Investments and Deposits	A-2	404,000		1,755,868	1,351,868
PILOT Senior Citizen Complex	A-11	90,000		98,981	8,981
Site Rental - Crown Castle	A-11	90,000		98,864	8,864
Franchise Fees - Cablevision	A-11	138,703		138,703	-
Franchise Fees - Verizon	A-11	121,224		121,224	-
Cell Tower Rental Fee	A-11	32,000		37,905	5,905
Recreation Summer Program	A-11	10,000		29,515	19,515
Rental - Tennis Courts	A-11	20,000		20,000	-
Energy Receipts Tax	A-11	1,995,355		1,995,355	-
Municipal Relief Fund	A-25	103,371		103,371	-
Uniform Construction Code	A-11	600,000		507,070	(92,930)
Uniform Fire Safety Act	A-11	90,000		100,176	10,176
Interlocal - Bergenfield Board of Education	A-11	158,000		152,661	(5,339)
Reserve for Payment of Debt	A-11	100,000		100,000	-
Municipal Alliance	A-28	5,754		5,754	-
Body Armour Grant	A-22	3,132		3,132	-
Recycling Tonnage Grant	A-28	32,434		32,434	-
National Opioid Settlement	A-22	12,701		12,701	-
Bergen County OSTF 2021 - Cooper Pond Phase II	A-28	117,592		117,592	-
Bergen County OSTF 2022 - Thomas Roos Park	A-28	87,038		87,038	-
Bergen County CDBG - North Taylor Street	A-28	134,164		134,164	-
US Department of HUD - CDBG Coopers Pond	A-28	750,000		750,000	-
DCA - Improvements to Clover Park	A-28	60,000		60,000	-
American Rescue Plan	A-22	1,430,139		1,430,139	-
NJ DOT - Roosevelt Ave Improvements	A-28		234,072	234,072	-
FEMA - Building Resilient Infrastructure & Communities	A-28		142,584	142,584	-
Clean Communities	A-28		48,576	48,576	-
Bergen County Open Space - East Church Road Improvements	A-28		118,390	118,390	-
DCA Lead Grant Assistance Program	A-28		30,800	30,800	-
DCA American Rescue Plan - Firefighter Grant	A-28		39,000	39,000	-
Green Acres - PAL Field Lighting Improvement	A-28		455,000	455,000	-
Green Acres - Urban Parks Grant	A-28		500,000	500,000	-
Local Recreation Improvement Grant - Coopers Pond Improvements	A-28		60,000	60,000	-
Mid-Bergen Regional Health Commission Grant	A-28		35,600	35,600	-
FY 2023 Local Efficiency Achievement Program Implementation Grant	A-28		300,000	300,000	-
NJ DOT - Twin Boro Park Improvements	A-28		724,000	724,000	-
DMHAS Youth Leadership Grant	A-28		4,620	4,620	-
Distracted Driving	A-28		7,000	7,000	-
Stormwater Assistance Grant	A-28		15,000	15,000	-
Total Miscellaneous Revenues	A-1	6,892,607	2,714,642	11,096,554	1,489,305
Receipts from Delinquent Taxes	A-1, A-8	700,000	-	799,608	99,608
Amount to be Raised by Taxes to Support Municipal Budget		30,850,783		32,553,764	1,702,981
Minimum Library Tax		1,259,217	-	1,259,217	-
Total Amount to be Raised by Taxes for Support Municipal Budget	A-2	32,110,000	-	33,812,981	1,702,981
Total General Revenues		\$ 45,881,289	\$ 2,714,642	\$ 51,887,825	\$ 3,291,894
Non-Budget Revenue	A-2,A-1			642,651	
				\$ 52,530,476	

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF BERGENFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-1,A-8	\$ 92,599,614
Less: Allocated to School and County Taxes	A-18,A-19	<u>60,836,633</u>
Balance for Support of Municipal Budget Appropriations		31,762,981
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,050,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 33,812,981</u>
Licenses- Other		
Borough Clerk	A-11	\$ 6,070
Board of Health	A-11	<u>711</u>
	A-2	<u>\$ 6,781</u>
Fees and Permits - Other		
Board of Health Registrar	A-11	\$ 44,424
Fire Department	A-11	8,546
Police Department	A-11	<u>17,770</u>
	A-2	<u>\$ 70,740</u>
Interest on Investments and Deposits		
Due from Other Trust Fund- Escrow	B-10	1,971
Due from Animal Control Trust	B-4	5
Cash Receipts	A-11	<u>1,753,892</u>
	A-2	<u>\$ 1,755,868</u>

BOROUGH OF BERGENFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

Reference

ANALYSIS OF NON-BUDGET REVENUES

Police Alarms		\$	15,250
Seasonal Field Fees/Park Rentals			8,405
Recycling Fees			9,123
Zoning & Planning Board Applications			4,850
Towing			2,400
Insurance Refund - Prior Year			185,458
Cost of Sales - Taxes			2,589
Rental/Resale			7,990
Transaction Fee - Tax Collection			24,331
Advertising Fee			1,457
Proceeds from Sale of Assets			50
Police Admin			134,416
Dwelling Inspections			60,092
Board of Ed Gas - Refund			31,628
Miscellaneous			<u>154,612</u>
	A-1	\$	<u>642,651</u>
Cash Receipts	A-4	\$	<u>642,651</u>

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

OPERATIONS - WITHIN "CAPS"	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT					
General Administration (Administrative Executive)					
Salaries and Wages	\$ 276,000	\$ 286,000	\$ 279,565	\$ 6,435	
Other Expenses	336,950	299,950	264,379	35,571	
Grant Consultant	39,600	39,600	39,600	-	
Mayor & Council					
Salaries and Wages	96,000	96,000	88,160	7,840	
Other Expenses	1,000	1,000	70	930	
Municipal Clerk					
Salaries and Wages	282,000	282,000	266,139	15,861	
Other Expenses	73,500	73,500	54,715	18,785	
Financial Administration (Treasury)					
Salaries and Wages	287,500	287,500	285,554	1,946	
Other Expenses	63,200	88,200	71,161	17,039	
Audit Services					
Other Expenses	75,000	75,000	75,000	-	
Revenue Administration (Tax Collection)					
Salaries and Wages	143,000	143,000	141,808	1,192	
Other Expenses	40,000	40,000	40,000	-	
Tax Assessment Administration					
Salaries and Wages	31,100	29,100	28,050	1,050	
Other Expenses	32,530	32,530	26,826	5,704	
Legal Services (Legal Department)					
Other Expenses	425,000	368,000	252,432	115,568	
Engineering Services - Other Expenses	215,000	165,000	78,163	86,837	
Insurance					
Workers Compensation Insurance	648,495	648,495	648,495	-	
Liability Insurance	666,475	691,475	684,056	7,419	
Group Insurance Plan for Employees	6,498,147	6,498,147	5,813,454	684,693	
Health Benefit Waivers	40,000	40,000	38,626	1,374	
Planning Board					
Salaries and Wages	3,600	3,600	3,600	-	
Other Expenses	20,400	20,400	9,245	11,155	
Site Plan					
Salaries and Wages	1,250	1,250	1,200	50	
LAND USE ADMINISTRATION					
Zoning Board of Adjustment					
Salaries and Wages	4,200	4,800	4,800	-	
Other Expenses	20,300	20,300	13,867	6,433	

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
PUBLIC SAFETY					
Police Department					
Salaries and Wages	\$ 6,719,661	\$ 6,634,661	\$ 6,534,079	\$ 100,582	
Salaries and Wages-American Rescue Plan	1,430,139	1,430,139	1,430,139		
Other Expenses	226,750	226,750	199,540		27,210
Other Expenses - Acquisition of Police Vehicles	72,000	72,000	72,000		-
Office of Emergency Management					
Salaries and Wages	10,000	10,000	7,500		2,500
Other Expenses	8,800	8,800	301		8,499
First Aid Organization					
Other Expenses	91,500	91,500	90,159		1,341
Fire Official					
Salaries and Wages	113,025	117,025	114,032		2,993
Other Expenses	16,050	16,050	10,912		5,138
Fire Department					
Salaries and Wages	838,500	823,500	797,496		26,004
Other Expenses	247,150	247,150	177,434		69,716
Fire Hydrant Service	235,000	235,000	234,487		513
Municipal Prosecutors Office					
Other Expenses	27,000	27,000	22,700		4,300
Municipal Court					
Salaries and Wages	121,500	121,500	119,638		1,862
Other Expenses	49,225	49,225	47,040		2,185
Public Defender (P.L. 1997, C. 256)					
Other Expenses	7,000	7,000	4,575		2,425
PUBLIC WORKS					
Streets and Roads Maintenance					
Salaries and Wages	400,000	402,400	394,436		7,964
Other Expenses	234,000	234,000	186,040		47,960
Building and Grounds					
Other Expenses	329,000	329,000	300,206		28,794
Solid Waste Collection					
Salaries and Wages	3,116,000	3,104,000	3,059,445		44,555
Other Expenses	537,000	627,000	616,317		10,683
Vehicle Maintenance (Including Police)					
Other Expenses	202,500	252,500	216,900		35,600
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	240,000	230,000	226,628		3,372
Other Expenses	169,030	150,030	97,241		52,789

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
Environmental Committee					
Other Expenses	\$ 500	\$ 500	-	\$ 500	
Stigma Free Initiative	3,000	3,000	\$ 2,955	45	
Welfare/Administration of Public Assistance					
Salaries and Wages	8,000	8,000	4,442	3,558	
Other Expenses	250	250	-	250	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	135,000	155,000	153,724	1,276	
Other Expenses	130,868	130,868	88,103	42,765	
Community Affairs - Senior Citizens					
Salaries and Wages	40,000	12,000	11,795	205	
Other Expenses	27,000	27,000	12,000	15,000	
Maintenance of Parks					
Salaries and Wages	183,000	173,000	145,987	27,013	
Other Expenses	111,500	111,500	71,032	40,468	
OTHER COMMON OPERATING FUNCTIONS (Unclassified)					
Celebration of Public Events					
Other Expenses	87,000	87,000	60,531	26,469	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED REVENUES					
(N.J.A.C. 5:23-4-17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Building Inspector					
Salaries and Wages	486,500	493,500	489,339	4,161	
Other Expenses	17,050	17,050	7,651	9,399	
Other Code Enforcement Functions					
Rent Leveling Board					
Salaries and Wages	1,250	1,250	1,000	250	
Barrier-Free					
Salaries and Wages	1,250	1,250	600	650	
Other Expenses	50	50	-	50	
Shade Tree Board					
Salaries and Wages	1,250	1,250	1,200	50	
Other Expenses	600	600	95	505	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity and Gas	260,000	290,000	275,910	14,090	
Street Lighting	255,000	255,000	247,676	7,324	
Telephone	160,000	160,000	144,530	15,470	
Water	90,000	102,000	91,456	10,544	
Gasoline	500,000	500,000	401,159	98,841	

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill - Tipping Fees	\$ 1,150,000	\$ 1,150,000	\$ 1,014,176	\$ 135,824	-
Total Operations Within "CAPS"	29,410,145	29,361,145	27,393,571	1,967,574	-
Total Operations Including Contingent Within "CAPS"	<u>29,410,145</u>	<u>29,361,145</u>	<u>27,393,571</u>	<u>1,967,574</u>	<u>-</u>
Detail:					
Salaries and Wages	13,339,586	13,231,586	12,972,215	259,371	
Other Expenses (Including Contingent)	<u>16,070,559</u>	<u>16,129,559</u>	<u>14,421,356</u>	<u>1,708,203</u>	<u>-</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
STATUTORY EXPENDITURES					
Contribution to:					
Defined Contribution Retirement Plan	40,000	41,000	39,630	1,370	
Social Security Syst. (O.A.S.I.)	630,000	678,000	643,373	34,627	
Police and Fireman's Retirement System	2,174,518	2,174,518	2,174,518	-	
Public Employees Retirement System	<u>947,469</u>	<u>947,469</u>	<u>947,469</u>	<u>-</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>3,791,987</u>	<u>3,840,987</u>	<u>3,804,990</u>	<u>35,997</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>33,202,132</u>	<u>33,202,132</u>	<u>31,198,561</u>	<u>2,003,571</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
EDUCATIONAL FUNCTIONS					
Public Library	1,550,000	1,550,000	1,486,183	63,817	
UTILITY EXPENSES AND BULK PURCHASES					
Sewerage Processing and Disposal - BCUA					
Operation and Maintenance and Debt Service Costs	2,800,000	2,800,000	2,796,579	3,421	
Sewerage Processing and Disposal - Tenafly	8,500	8,500	8,500	-	
PUBLIC SAFETY					
Fire Department					
LOSAP - Other Expenses	115,000	115,000	-	115,000	
LANDFILL/SOLID WASTE DISPOSAL					
Recycling Tax	40,000	40,000	32,397	7,603	
INTERLOCAL - BERGENFIELD BOARD OF EDUCATION - SLEO					
Salaries and Wages	155,000	155,000	149,240	5,760	
Other Expenses	3,000	3,000	-	3,000	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Municipal Alliance - State Share	5,754	5,754	5,754	-	
Municipal Alliance - Local Share	1,439	1,439	1,439	-	
Body Armour Grant	3,132	3,132	3,132	-	
Recycling Tonnage Grant	32,434	32,434	32,434	-	
National Opioid Settlement	12,701	12,701	12,701	-	
BC OSTF 2021 - Cooper Pond Phase II	117,592	117,592	117,592	-	
BC OSTF 2022 - Thomas Roos Park	87,038	87,038	87,038	-	
BC CDBG - North Taylor Street	134,164	134,164	134,164	-	

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES (Cont'd)					
US Department of HUD - CDBG Coopers Pond	\$ 750,000	\$ 750,000	\$ 750,000	-	-
DCA - Improvements to Clover Park	60,000	60,000	60,000	-	-
NJ DOT - Roosevelt Ave Improvements		234,072	234,072	-	-
FEMA - Building Resilient Infrastructure & Communities		142,584	142,584	-	-
Clean Communities		48,576	48,576	-	-
BC OSTF - East Church Road Improvements		118,390	118,390	-	-
DCA Lead Grant Assistance Program		30,800	30,800	-	-
DCA American Rescue Plan - Firefighter Grant		39,000	39,000	-	-
Green Acres - PAL Field Lighting Improvement		455,000	455,000	-	-
Green Acres - Urban Parks Grant		500,000	500,000	-	-
Local Recreation Improvement Grant - Coopers Pond Improvements		60,000	60,000	-	-
Mid-Bergen Regional Health Commission Grant		35,600	35,600	-	-
FY 2023 Local Efficiency Achievement Program Implementation Grant		300,000	300,000	-	-
NJ DOT - Twin Boro Park Improvements		724,000	724,000	-	-
DMHAS Youth Leadership Grant		4,620	4,620	-	-
Distracted Driving		7,000	7,000	-	-
Stormwater Assistance Grant	-	15,000	15,000	-	-
	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
 Total Operations - Excluded from "CAPS"	 <u>5,875,754</u>	 <u>8,590,396</u>	 <u>8,391,795</u>	 <u>\$ 198,601</u>	 <u>-</u>
 Detail:					
Salaries and Wages	155,000	155,000	149,240	5,760	-
Other Expenses	5,720,754	8,435,396	8,242,555	192,841	-
	<u>5,720,754</u>	<u>8,435,396</u>	<u>8,242,555</u>	<u>192,841</u>	<u>-</u>
 CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	1,430,139	1,430,139	1,430,139	-	-
	<u>1,430,139</u>	<u>1,430,139</u>	<u>1,430,139</u>	<u>-</u>	<u>-</u>
 Total Capital Improvement Excluded from "CAPS"	 <u>1,430,139</u>	 <u>1,430,139</u>	 <u>1,430,139</u>	 <u>-</u>	 <u>-</u>
 MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,025,000	2,025,000	2,025,000	-	-
Interest on Bonds	1,282,000	1,282,000	1,282,000	-	-
Loan Repayments for Principal and Interest	14,200	14,200	14,147	-	\$ 53
	<u>14,200</u>	<u>14,200</u>	<u>14,147</u>	<u>-</u>	<u>\$ 53</u>
 Total Municipal Debt Service Excluded from "CAPS"	 <u>3,321,200</u>	 <u>3,321,200</u>	 <u>3,321,147</u>	 <u>-</u>	 <u>53</u>
 Deferred Charges - Unfunded Ordinance #19-2546,2564	 2,064	 2,064	 2,063	 -	 1
	<u>2,064</u>	<u>2,064</u>	<u>2,063</u>	<u>-</u>	<u>1</u>
 Total Deferred Charges-Municipal Excluded from "CAPS"	 <u>2,064</u>	 <u>2,064</u>	 <u>2,063</u>	 <u>-</u>	 <u>1</u>
 Total General Appropriations Excluded from "CAPS"	 <u>10,629,157</u>	 <u>13,343,799</u>	 <u>13,145,144</u>	 <u>\$ 198,601</u>	 <u>54</u>
 Total General Appropriations	 43,831,289	 46,545,931	 44,343,705	 2,202,172	 54
Reserve for Uncollected Taxes	2,050,000	2,050,000	2,050,000	-	-
	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,050,000</u>	<u>-</u>	<u>-</u>
 Total General Appropriations	 <u>\$ 45,881,289</u>	 <u>\$ 48,595,931</u>	 <u>\$ 46,393,705</u>	 <u>\$ 2,202,172</u>	 <u>\$ 54</u>
 <u>Reference</u>	 <u>A-2</u>	 <u>A-3</u>	 <u>A-1</u>	 <u>A, A-1</u>	

**BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Reference</u>	<u>Budget After Modification</u>	
Budget as Adopted	A-3	\$ 45,881,289	
Added by N.J.S.A. 40A:4-87	A-3	<u>2,714,642</u>	
		<u>\$ 48,595,931</u>	
			<u>Paid or Charged</u>
Cash Disbursed	A-4		\$ 38,561,194
Reserve for Uncollected Taxes	A-2		2,050,000
Encumbrances Payable	A-13		1,863,615
Transfer of Grants to Appropriated Reserves	A-21		<u>3,918,896</u>
			<u>\$ 46,393,705</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	\$ 293,545	\$ 303,423
		<u>293,545</u>	<u>303,423</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-1	<u>5,589</u>	<u>19,340</u>
		<u>5,589</u>	<u>19,340</u>
OTHER TRUST FUND			
Cash	B-1	<u>3,201,432</u>	<u>3,348,067</u>
		<u>3,201,432</u>	<u>3,348,067</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	2,421,071	1,918,992
Contribution Receivable	B	<u>88,385</u>	<u>91,600</u>
		<u>2,509,456</u>	<u>2,010,592</u>
Total Assets		<u>\$ 6,010,022</u>	<u>\$ 5,681,422</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES AND RESERVES			
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-5	\$ 37,885	\$ 62,057
Reserve for Unemployment Compensation Insurance	B-6	<u>255,660</u>	<u>241,366</u>
		<u>293,545</u>	<u>303,423</u>
ANIMAL CONTROL TRUST FUND			
Due to Current Fund	B-4	5	5,763
Due to State of New Jersey	B-3	14	41
Reserve for Animal Control Expenditures	B-2	<u>5,570</u>	<u>13,536</u>
		<u>5,589</u>	<u>19,340</u>
OTHER TRUST FUND			
Due to Current Fund - Other Trust Flex Spending	B-8	2,500	2,500
Due to Current Fund - Escrow Trust	B-10	-	95
Reserve for:			
Payroll Deductions and Withholdings	B-12	193,200	195,573
Miscellaneous Deposits	B-7	<u>3,005,732</u>	<u>3,149,899</u>
		<u>3,201,432</u>	<u>3,348,067</u>
LENGTH OF SERVICE AWARD PROGRAM			
TRUST FUND (UNAUDITED)			
Reserve for LOSAP	B	<u>2,509,456</u>	<u>2,010,592</u>
Total Liabilities and Reserves		<u>\$ 6,010,022</u>	<u>\$ 5,681,422</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	C-2, C-3	\$ 15,421,992	\$ 24,453,516
Due From - Current Fund	C-11	-	32,564
Deferred Charges to Future Taxation			
Funded	C-4	33,453,936	35,492,599
Unfunded	C-5	<u>2,400,000</u>	<u>2,063</u>
Total Assets		<u>\$ 51,275,928</u>	<u>\$ 59,980,742</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-13	\$ 33,440,000	\$ 35,465,000
EDA Loan Payable	C-12	13,936	27,599
Contracts Payable	C-8	7,137,009	14,805,364
Improvement Authorizations			
Funded	C-6	4,941,615	6,174,753
Unfunded	C-6	1,809,266	2,063
Reserve for Payment of Bonds	C-9	1,155,448	1,255,448
Reserve for Preliminary Costs	C	200,000	200,000
Capital Improvement Fund	C-7	2,087,727	1,559,588
Fund Balance	C-1	<u>490,927</u>	<u>490,927</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 51,275,928</u>	<u>\$ 59,980,742</u>

There were bonds and notes authorized but not issued on December 31, 2023 and 2022 of \$2,400,000 and \$2,063 respectively. (Exhibit C-14)

BOROUGH OF BERGENFIELD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Balance, January 1	C	\$ 490,927	\$ 485,914
Increased by:			
Premium on Sale of Bonds	C-1	-	5,013
Balance, December 31	C	<u>\$ 490,927</u>	<u>\$ 490,927</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS- REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Land	\$ 6,477,650	\$ 6,550,150
Land Improvements	419,753	419,753
Construction in Progress	13,458,096	6,418,258
Buildings and Building Improvements	11,457,632	11,457,632
Machinery and Equipment	<u>18,215,208</u>	<u>17,242,909</u>
 Total Assets	 <u>\$ 50,028,339</u>	 <u>\$ 42,088,702</u>
 Investment in General Fixed Assets	 <u>\$ 50,028,339</u>	 <u>\$ 42,088,702</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Bergenfield (the "Borough") was incorporated in 1894 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

B. Description of Regulatory Basis of Accounting

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

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

Unemployment Insurance Trust Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

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

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

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

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

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough. The Borough's infrastructure is not reported in the account group.

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2022 balances to conform to the December 31, 2023 presentation.

Financial Statements – Regulatory Basis

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

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

Deferred Charges – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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

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

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

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Pensions – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

General Fixed Assets purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 1985 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

No depreciation has been provided for in the financial statements.

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

GAAP requires that capital assets, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary funds as well as in the government-wide financial statements.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund

The Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting (Continued)

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2023 and 2022 the Borough Council increased the original budget by \$2,714,642 and \$2,583,385. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2023 and 2022.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Borough's deposits were \$18,367,226 and \$19,481,383 and bank and brokerage firm balances of the Borough's deposits amounted to \$19,313,293 and \$19,880,864, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Insured	\$ 18,365,432	\$ 18,863,199
Uninsured and Collateralized	947,861	1,017,665
	<u>\$ 19,313,293</u>	<u>\$ 19,880,864</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2023 and 2022, the Borough’s bank balances of \$947,861 and \$1,017,665 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 947,861	\$ 1,017,665
	<u>\$ 947,861</u>	<u>\$ 1,017,665</u>

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law, “ (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2023 and 2022 the Borough had the following investments:

<u>Investment Type</u>	<u>Valuation Basis</u>	<u>2023</u>	<u>2022</u>
Investment:			
N.J. Cash Management Fund	Book Value	\$ 16,160,701	\$ 30,100,940
Lincoln Financial LOSAP Retirement Fund (Unaudited)	Fair Value	<u>2,421,071</u>	<u>1,918,992</u>
		<u>\$ 18,581,772</u>	<u>\$ 32,019,932</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2023 and 2022, \$18,581,772 and \$32,019,932 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>	<u>Book Value</u>
<u>2023</u>		
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ 2,421,071	
Collateral held by Borough Agent in the Borough's name		\$ 16,160,701
<u>2022</u>		
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ 1,918,992	
Collateral held by Borough Agent in the Borough's name		\$ 30,100,940

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2023 and 2022, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services and A- by Standard and Pools.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough’s investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 100% of the Borough’s total investments.

Fair Value of Investments. The Borough of Bergenfield measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2023 and 2022 are categorized as Level 2.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
<u>Current Fund</u>		
Property Taxes	\$ 914,419	\$ 824,668
Tax Title Liens	<u>1,055</u>	<u>209</u>
	<u>\$ 915,474</u>	<u>\$ 824,877</u>

In 2023 and 2022, the Borough collected \$799,608 and \$922,737 from delinquent taxes, which represented 97% and 96%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2023</u>		<u>2022</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 2,505		\$ 8,358	\$ 32,564
Animal Control Fund		\$ 5		5,763
Other Trust Fund- Escrow				95
Other Trust Fund-FSA		2,500		2,500
General Capital Fund	<u>-</u>	<u>-</u>	<u>32,564</u>	<u>-</u>
	<u>\$ 2,505</u>	<u>\$ 2,505</u>	<u>\$ 40,922</u>	<u>\$ 40,922</u>

The above balances are the result of revenues earned in one fund that are due to another fund as well as accumulated absences not transferred to another fund.

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 FUND BALANCES APPROPRIATED

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

	2023		2022	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 7,823,056	\$ 6,161,000	\$ 10,800,842	\$ 6,178,682
Non-Cash Surplus	<u>3,850</u>	<u>-</u>	<u>3,850</u>	<u>-</u>
	<u>\$ 7,826,906</u>	<u>\$ 6,161,000</u>	<u>\$ 10,804,692</u>	<u>\$ 6,178,682</u>

NOTE 7 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2023 and 2022.

	2023			2022				
	Balance December 31, <u>2022</u>	<u>Increase</u>	<u>Decrease</u>	Balance, December 31, <u>2023</u>	Balance December 31, <u>2021</u>	<u>Increase</u>	<u>Decrease</u>	Balance, December 31, <u>2022</u>
Land	\$ 6,550,150		\$ 72,500	\$ 6,477,650	\$ 6,540,326	\$ 9,824		\$ 6,550,150
Land Improvements	419,753			419,753	419,753			419,753
Buildings and Building Improvements	11,457,632			11,457,632	11,442,332	15,300		11,457,632
Construction In Progress	6,418,258	\$ 7,039,838		13,458,096	793,148	5,625,110		6,418,258
Machinery and Equipment	<u>17,242,909</u>	<u>972,299</u>	<u>-</u>	<u>18,215,208</u>	<u>16,297,510</u>	<u>960,399</u>	<u>\$ (15,000)</u>	<u>17,242,909</u>
	<u>\$ 42,088,702</u>	<u>\$ 8,012,137</u>	<u>\$ 72,500</u>	<u>\$ 50,028,339</u>	<u>\$ 35,493,069</u>	<u>\$ 6,610,633</u>	<u>\$ (15,000)</u>	<u>\$ 42,088,702</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 MUNICIPAL DEBT

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2023</u>	<u>2022</u>
Issued		
General		
Bonds, Notes and Loans	\$ 33,453,936	\$ 35,492,599
Less Funds Temporarily Held to Pay Bonds and Notes	<u>1,155,448</u>	<u>1,255,448</u>
Net Debt Issued	<u>32,298,488</u>	<u>34,237,151</u>
Authorized But Not Issued		
General		
Bonds and Notes	<u>2,400,000</u>	<u>2,063</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 34,698,488</u>	<u>\$ 34,239,214</u>

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .917% and .975% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ 35,853,936	\$ 1,155,448	\$ 34,698,488
Total	<u>\$ 35,853,936</u>	<u>\$ 1,155,448</u>	<u>\$ 34,698,488</u>
<u>2022</u>			
General Debt	\$ 35,494,662	\$ 1,255,448	\$ 34,239,214
Total	<u>\$ 35,494,662</u>	<u>\$ 1,255,448</u>	<u>\$ 34,239,214</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 MUNICIPAL DEBT (Continued)

Statutory Borrowing Power

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

	<u>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 132,477,541 <u>34,698,488</u>	\$ 122,938,159 <u>34,239,214</u>
Remaining Borrowing Power	<u>\$ 97,779,053</u>	<u>\$ 88,698,945</u>

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2023</u>	<u>2022</u>
\$11,700,000, 2019 General Improvement Bonds, due in annual installments of \$1,200,000 to \$1,250,000 through February 15, 2029, interest from 2.00% to 3.00%	\$ 7,300,000	\$ 8,500,000
\$26,965,000, 2022 General Improvement Bonds due in annual installments of \$825,000 to \$1,645,000 through August 1, 2042, interest from 3.00% to 5.00%	<u>26,140,000</u>	<u>26,965,000</u>
	<u>\$ 33,440,000</u>	<u>\$ 35,465,000</u>

General Intergovernmental Loans Payable

The Borough has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Green Trust Loan. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
\$227,500, 2004 Loan, due in Semi-annual installments of \$13,130 to \$13,936 through September 2024, interest at 2%	\$ 13,936	\$ 27,599
	<u>\$ 13,936</u>	<u>\$ 27,599</u>

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2023 is as follows:

Calendar Year	General		Loans		Total
	Principal	Interest	Principal	Interest	
2024	\$ 2,025,000	\$ 1,216,750	\$ 13,936	\$ 209	\$ 3,255,895
2025	2,025,000	1,151,500			3,176,500
2026	2,025,000	1,086,250			3,111,250
2027	2,025,000	1,015,000			3,040,000
2028	2,075,000	937,000	-	-	3,012,000
2029-2042	<u>23,265,000</u>	<u>6,170,250</u>	<u>-</u>	<u>-</u>	<u>29,435,250</u>
Total	<u>\$ 33,440,000</u>	<u>\$ 11,576,750</u>	<u>\$ 13,936</u>	<u>\$ 209</u>	<u>\$ 45,030,895</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
General Capital Fund					
Bonds Payable	\$ 35,465,000		\$ 2,025,000	\$ 33,440,000	\$ 2,025,000
Intergovernmental Loans Payable	<u>27,599</u>	<u>-</u>	<u>13,663</u>	<u>13,936</u>	<u>13,936</u>
General Capital Fund Long-Term Liabilities	<u>\$ 35,492,599</u>	<u>\$ -</u>	<u>\$ 2,038,663</u>	<u>\$ 33,453,936</u>	<u>\$ 2,038,936</u>
<u>2022</u>					
General Capital Fund					
Bonds Payable	\$ 9,700,000	\$ 26,965,000	\$ 1,200,000	\$ 35,465,000	\$ 2,025,000
Intergovernmental Loans Payable	<u>40,992</u>	<u>-</u>	<u>13,393</u>	<u>27,599</u>	<u>13,663</u>
General Capital Fund Long-Term Liabilities	<u>\$ 9,740,992</u>	<u>\$ 26,965,000</u>	<u>\$ 1,213,393</u>	<u>\$ 35,492,599</u>	<u>\$ 2,038,663</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2023</u>			
	Construction for New Muni Building	\$ 3,702,321	2025
	Electric Garbage Trucks	807,040	2024
<u>2022</u>			
	Construction for New Muni Building	\$ 10,383,874	2023
	Twin Boro Field Improvements	3,472,156	2023
	Synthetic Field	943,374	2023
	Hickory Ave. Improvements	764,172	2023

NOTE 10 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal time, terminal leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$3,282,253 and \$2,856,645 at December 31, 2023 and 2022, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2023 and 2022, the Borough has reserved in the Other Trust Fund \$1,093,267 and \$1,190,675, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 2,856,646	\$ 425,607		\$ 3,282,253	
Net Pension Liability- PERS (1)	11,338,673			11,338,673	
Net Pension Liability- PFRS (1)	19,138,244			19,138,244	
Net OPEB Obligation (1)	39,973,317			39,973,317	
Net OPEB Obligation- Other for Prescription and Dental	<u>23,229,188</u>	<u>4,126,360</u>	<u>\$ 756,590</u>	<u>26,598,958</u>	<u>-</u>
	<u>\$ 96,536,068</u>	<u>\$ 4,551,967</u>	<u>\$ 756,590</u>	<u>\$ 100,331,445</u>	<u>\$ -</u>
	Balance, December 31, <u>2021</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 2,005,957	\$ 850,689		\$ 2,856,646	
Net Pension Liability- PERS	8,748,292	2,590,381		11,338,673	
Net Pension Liability- PFRS	12,361,688	6,776,556		19,138,244	
Net OPEB Obligation	45,191,871		\$ 5,218,554	39,973,317	
Net OPEB Obligation- Other for Prescription and Dental	<u>36,679,311</u>	<u>-</u>	<u>13,450,123</u>	<u>23,229,188</u>	<u>-</u>
	<u>\$ 104,987,119</u>	<u>\$ 10,217,626</u>	<u>\$ 18,668,677</u>	<u>\$ 96,536,068</u>	<u>\$ -</u>

(1) GASB Statement Numbers 68 Pension and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS

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

Police and Firemen’s Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Public Employees’ Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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.

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 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 a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 was not available and for June 30, 2022 is \$13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is 15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2023 and 2022 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee’s annual compensation.

For the years ended December 31, 2023 and 2022 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2023, 2022 and 2021 were equal to the required contributions.

During the years ended December 31, 2023, 2022 and 2021, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31,</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$ 2,174,518	\$ 947,469	\$ 39,630
2022	1,971,105	864,835	26,039
2021	1,966,786	832,664	22,842

In addition for the years ended December 31, 2022, 2021 and 2020 the Borough contributed for long-term disability insurance premiums (LTDI) zero for all three years for PERS and PFRS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2022, the Borough reported a liability of \$11,338,673 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough's proportionate share was 0.07543 percent, which was an increase of 0.00159 percent from its proportionate share measured as of June 30, 2021 of 0.07384 percent.

For the year ended December 31, 2022, the pension system has determined the Borough's pension (benefit) to be (\$1,045,389) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$864,835. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 81,837	\$ 72,169
Changes of Assumptions	35,131	1,697,848
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	469,297	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>321,811</u>	<u>861,400</u>
Total	<u>\$ 908,076</u>	<u>\$ 2,631,417</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (1,234,237)
2024	(709,848)
2025	(318,471)
2026	539,189
2027	26
Thereafter	<u>-</u>
	<u>\$ (1,723,341)</u>

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2022</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>14,566,873</u>	\$ <u>11,338,673</u>	\$ <u>8,591,345</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen’s Retirement System (PFRS)

At December 31, 2022 the Borough reported a liability of \$19,138,244 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough’s proportionate share was 0.16720 percent, which was a decrease of 0.00193 percent from its proportionate share measured as of June 30, 2021 of 0.16913 percent.

For the year ended December 31, 2022, the pension system has determined the Borough pension (benefit) to be (\$794,711) for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$1,971,105. At December 31, 2022, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	2022	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 886,248	\$ 1,172,478
Changes of Assumptions	52,450	2,409,127
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,752,501</u>	<u>1,554,423</u>
Total	<u>\$ 2,691,199</u>	<u>\$ 5,136,028</u>

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (1,753,947)
2024	(1,156,210)
2025	(853,457)
2026	984,105
2027	264,013
Thereafter	<u>70,667</u>
	<u>\$ (2,444,829)</u>

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. 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 based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2022</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 26,259,738	\$ 19,138,244	\$ 13,209,566

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployee contributing entity. Accordingly, the Borough’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State’s proportionate share is 100% for PFRS under this legislation.

At December 31, 2022, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,406,046. For the year ended December 31, 2021, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$392,968 which is more than the actual contribution the State made on behalf of the Borough of \$424,036. At December 31, 2022 (measurement date June 30, 2021) the State’s share of the PFRS net pension liability attributable to the Borough was 0.16720 percent, which a decrease of 0.00193 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of 0.16913 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough’s financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

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

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

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed \$45.8 million for fiscal year 2022.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2023, 2022 and 2021 were \$2,357,418, \$2,037,731 and \$1,669,964, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2023, 2022 and 2021 were \$186,924, \$170,560 and \$163,224, respectively.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2022, the Borough reported a liability of \$39,973,317, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2022 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2022. As of the measurement date of June 30, 2022 the Borough's proportionate share was 0.24752 percent, which was a decrease of 0.00354 percent from its proportionate share measured as of June 30, 2021 of 0.25106 percent.

For the year ended December 31, 2022, the Plan has determined the Borough's OPEB benefit to be (\$138,705), based on the actuarial valuation which is less than the actual contributions reported in the Borough's financial statements of \$2,037,731. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,064,265	\$ 7,409,354
Changes of Assumptions	5,334,605	13,642,122
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	10,523	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	4,357,793	5,819,247
Contributions made Subsequent to the Measurement Date	-	-
Total	\$ 11,767,186	\$ 26,870,723

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending December 31,	Total
2023	\$ (3,590,974)
2024	(3,606,435)
2025	(3,003,172)
2026	(2,668,567)
2027	(147,176)
Thereafter	<u>(2,087,213)</u>
	<u>\$ (15,103,537)</u>

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough’s total OPEB liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

*Salary increases are based on years of service within the respective pension plan.

Mortality Rates

Pre-retirement and post-retirement mortality rates were based on the Pub-2010 Healthy “Safety” for PFRS and Healthy “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled “Safety” for PFRS and Disabled “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 6.25 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. For post-65 medical benefits PPO, the trend is initially -1.89 percent in Fiscal Year 2023, increasing to 15.04 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. The HMO trend is initially -1.99 percent in Fiscal Year 2023, increasing to 15.18 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate in fiscal year 2030.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Discount Rate

The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2021 calculated using the discount rate of 3.54% as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.54% or 1-percentage-point higher 4.54% than the current rate:

<u>2022</u>	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 46,337,121	\$ 39,973,317	\$ 34,853,041

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2022 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2022</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 33,910,568	\$ 39,973,317	\$ 47,737,991

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

Borough Administered Post-Retirement Health Benefits Program

In addition to the State sponsored health benefit program plan, the Borough sponsors and administers a post-retirement prescription and dental benefits program plan.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Description

The Borough provides a postemployment healthcare plan (OPEB) for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the Borough. In accordance with Borough ordinances, contracts and/or policies, the Borough can amend the benefit terms and financing requirements of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided

The Borough provides other post-retirement health coverage to its eligible retired employees and their dependents at the time of retirement at cost to the retiree as there would be, if any, if they remained an employee. Coverage for a retiree's spouse and/or dependents under certain agreements continues upon the death of the retiree. For an employee to qualify for employer provided other post-retirement medical benefits, they shall have retired in compliance with the requirements of the Public Employees Retirement System and the Police and Firemen's Retirement System. Under certain employment contracts, the other post-retirement medical benefits can begin for eligible employees upon retirement for a period beginning at age 55. Under certain employment contracts, employee provided other post-retirement medical benefits are provided to certain employees and their dependents upon permanent disability or death in the line of duty.

Employees Covered by Postemployment Benefits

At December 31, 2022, the following employees were covered by postemployment health care benefits:

	<u>2022</u>
Active Employees	132
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>129</u>
	<u>261</u>

At December 31, 2023 and 2022, the Borough's total OPEB liabilities were \$26,598,958 and \$23,229,188, respectively. Net OPEB liability was measured as of December 31, 2023 and 2022, respectively, and the OPEB liability was determined by an actuarial valuation as of January 1, 2023 and 2022, respectively.

For the years ended December 31, 2023 and 2022, the Borough has determined it's OPEB expense (benefit) to be \$208,905 and \$2,013,431, respectively, based on the actuarial valuations which are less than the actual contributions reported in the Borough's financial statements of \$756,590 and \$775,629 and \$757,35, respectively. At December 31, 2023 and 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Employees Covered by Postemployment Benefits (Continued)

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,213,928	\$ 2,765,296
Changes of Assumptions	4,613,519	7,895,733
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions		
Contributions made Subsequent to the Measurement Date	<u>-</u>	<u>-</u>
Total	<u>\$ 6,827,447</u>	<u>\$ 10,661,029</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ (1,065,586)
2025	(1,065,582)
2026	(1,010,360)
2027	(1,187,095)
2028	495,041
Thereafter	<u>-</u>
	<u>\$ (3,833,582)</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2023 was based on the December 31, 2022 measurement date as determined by an actuarial valuation as of January 1, 2023, which was rolled forward to December 31, 2023. The total OPEB liability reported for the year ended December 31, 2022 was based on the December 31, 2022 measurement date as determined by an actuarial valuation as of January 1, 2022, which was rolled forward to December 31, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>	<u>2022</u>
Inflation Rate	3.00%	3.00%
Salary Increases	3.00%	3.00%
Discount Rate	4.00%	4.31%
Healthcare Cost Trend Rates	8% decreased to 5% ultimate	8% decreased to 5% ultimate
Retirees' Share of Benefit-Related Costs	None	None

The discount rate was based on S&P Municipal Bond 20 Year High Grade Bond Index for 2023 and 2022.

Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2023 salaries were reported as \$15,525,406.

Changes in the Total OPEB Liability

The change in the Borough's OPEB liability for the years ended December 31, 2023 and 2022 based on measurement dates of January 1, 2023 and 2022, respectively are as follows:

	<u>Total OPEB Liability 2023</u>	<u>Total OPEB Liability 2022</u>
Balance - Beginning of Year	\$ 23,229,188	\$ 36,679,311
Changes for the Year:		
Service Cost	289,618	530,445
Interest on the Total OPEB Liability	984,873	816,559
Differences Between Expected and Actual Experience	1,457,188	(3,529,334)
Changes in Assumptions	1,394,681	(10,492,164)
Benefit Payments	(756,590)	(775,629)
Net Changes	<u>3,369,770</u>	<u>(13,450,123)</u>
Balance - End of Year	<u>\$ 26,598,958</u>	<u>\$ 23,229,188</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2023 and 2022 calculated using the discount rate of 4.00% and 4.31%, respectively, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 3.00% and 3.31%, respectively or 1-percentage-point higher 5.00% and 5.31%, respectively than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
<u>2023</u>			
Net OPEB Liability	<u>\$ 31,375,905</u>	<u>\$ 26,598,958</u>	<u>\$ 22,823,979</u>
	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (3.25%)
<u>2022</u>			
Net OPEB Liability	<u>\$ 27,325,402</u>	<u>\$ 23,229,188</u>	<u>\$ 19,985,029</u>

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Borough's net OPEB liability as of December 31, 2023 and 2022 calculated using the healthcare trend rates as disclosed above as well as what the Borough's net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7.0% to 4.0%)	Healthcare Cost Trend Rates (8.0% to .5%)	1% Increase (9.0% to 6.0%)
<u>2023</u>			
Net OPEB Liability	<u>\$ 22,732,988</u>	<u>\$ 26,598,958</u>	<u>\$ 31,535,103</u>
	1% Decrease (7.0% to 4.0%)	Healthcare Cost Trend Rates (8.0% to .5%)	1% Increase (9.0% to 6.0%)
<u>2022</u>			
Net OPEB Liability	<u>\$ 19,922,661</u>	<u>\$ 23,229,188</u>	<u>\$ 27,432,211</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 RISK MANAGEMENT

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

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

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	-	\$ 21,691	\$ 7,397	\$ 255,660
2022	-	20,290	45,203	241,366
2021	-	17,713	43,437	266,279

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 14 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023 and 2022. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2023 and 2022, the Borough reserved \$2,560,238 and \$2,743,347, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2023 and 2022, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 15 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2023 and 2022, the Borough had not estimated arbitrage earnings due to the IRS.

NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Bergenfield Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 19, 2019 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Bergenfield approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

The Borough of Bergenfield has contributed \$1,360 and \$1,416 for 2023 and 2022, respectively, for each eligible volunteer member into the Plan.

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 17 TAX ABATEMENTS

For the years ended December 31, 2023 and 2022, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law"), the Five-Year Exemption and Abatement Law (the "FYEA") and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- Prior to the enactment of the Long Term Tax Exempt Law (NJSA 40A:20 et.seq.) and under the provisions of the Senior Citizens Nonprofit Rental Housing Tax Law (NJSA 55:141-1), which has since been repealed, allows for the clearance, re-planning, development or redevelopment of blighted areas by means of a non-profit rental housing project for the elderly, developed, erected and owed by a non-profit corporations under the Federal Senior Citizens Housing Loan Program, and pursuant to section 202 of the Federal Housing Act of 1959, as amended; authorizing and providing for the exemption in part of such non-profit rental housing projects from taxation under the law. A qualified municipality could abate for up to 50 years the property taxes on newly construction senior housing. The process beings when the municipality passes by ordinance or resolution, as appropriate, that such residential rental senior housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor to make a PILOT payment to the municipality in an amount equal to a percentage of the annual gross revenue from each senior housing project. For the years ended December 31, 2023 and 2022 the Borough abated property taxes totaling \$445,500 and \$445,500, respectively, under this law. The Borough received \$98,981 and \$97,581 in PILOT payments under this program for the years ended December 31, 2023 and 2022, respectively.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 18 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough of Bergenfield's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Bergenfield's primary revenue source for supporting its budget. The Borough of Bergenfield cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 18 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive \$2,860,278 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized these funds in the 2022 and 2023 budgets for public health mitigation measures in the planned new municipal building. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

NOTE 19 SUBSEQUENT EVENT

Serial Bonds

On May 7, 2024 the Borough adopted a Bond Ordinance to authorize the making of various public improvements and the major repair of a public works vehicle, and the acquisition of new additional or replacement equipment and machinery, new communication and signal systems equipment, new information technology equipment and a new automotive vehicle, for the Borough to appropriate the sum of \$4,200,000 to pay the cost thereof, to make a down payment or fully fund appropriations from the capital improvement fund, to authorize the issuance bonds to finance such appropriation and to provide for the issuance of bond anticipation notes in anticipation of the issuance of such bonds.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

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

Balance, December 31, 2022		\$ 21,454,127
Increased by Receipts:		
Taxes Receivable	\$ 92,830,591	
Non-Budget Revenue	642,651	
Revenue Accounts Receivable	5,643,611	
Due from State of New Jersey	97,726	
Tax Overpayments	133,602	
Prepaid Taxes	553,246	
Grants Receivable	986,201	
Unappropriated Reserves- Grants	22,747	
Reserve for Municipal Relief Fund	206,698	
Other Misc Reserves	4,373	
DCA Training Fees	6,797	
Receipts From Animal Control Fund	5,763	
Receipts From Other Trust Fund - Escrow	2,066	
Petty Cash	<u>1,100</u>	
		<u>101,137,172</u>
		122,591,299
Decreased by Disbursements:		
2023 Budget Appropriations	38,561,194	
2022 Appropriation Reserves	1,992,102	
County Taxes Payable	9,108,752	
Local School District Taxes Payable	51,747,354	
Tax Overpayments	87,104	
Reserve for Tax Appeals	183,109	
Accounts Payable	269,078	
Encumbrances Payable - Reserve for Grants	4,112,350	
Reserve for Grants - Appropriated	895,073	
Payments to General Capital Fund	32,564	
Petty Cash	<u>1,100</u>	
		<u>106,989,780</u>
Balance, December 31, 2023		<u>\$ 15,601,519</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF CHANGE FUND**

Balance, December 31, 2022	\$ <u>3,850</u>
Balance, December 31, 2023	\$ <u><u>3,850</u></u>

STATEMENT OF PETTY CASH FUND

Increased by:	
Cash Receipts	\$ <u>1,100</u>
Decreased by:	
Cash Disbursements	\$ <u><u>1,100</u></u>

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

Balance, December 31, 2022		\$ 8,324
Decreased by:		
Cash Received from State	\$ 97,726	
Senior Citizens' and Veterans Deductions Disallowed by Tax Collector- 2023	500	
Senior Citizens' and Veterans Deductions Disallowed by Tax Collector- 2022	<u>2,690</u>	
		<u>100,916</u>
		109,240
Increased by:		
Senior Citizens Deductions Per Tax Billings	11,500	
Veterans Deductions Per Tax Billings	83,000	
Senior Citizens' and Veterans Deductions Allowed by Tax Collector	<u>5,500</u>	
		<u>100,000</u>
Balance, December 31, 2023		\$ <u><u>9,240</u></u>

**BOROUGH OF BERGENFIELD
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

<u>Year</u>	<u>Balance, December 31, 2022</u>	<u>2023 Levy</u>	<u>Added in 2023</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collected In</u>		<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance, December 31, 2023</u>
2016	\$ 912									\$ 912
2017	2,410									2,410
2022	<u>821,346</u>	<u>-</u>	<u>-</u>	<u>\$ 2,690</u>	<u>-</u>	<u>\$ 799,608</u>	<u>-</u>	<u>\$ 24,008</u>	<u>\$ 420</u>	<u>-</u>
	<u>824,668</u>	<u>-</u>	<u>-</u>	<u>2,690</u>	<u>-</u>	<u>799,608</u>	<u>-</u>	<u>24,008</u>	<u>420</u>	<u>3,322</u>
2023	<u>-</u>	<u>\$ 92,917,158</u>	<u>\$ 862,314</u>	<u>500</u>	<u>\$ 469,131</u>	<u>92,030,983</u>	<u>\$ 100,000</u>	<u>268,335</u>	<u>426</u>	<u>911,097</u>
	<u>\$ 824,668</u>	<u>\$ 92,917,158</u>	<u>\$ 862,314</u>	<u>\$ 3,190</u>	<u>\$ 469,131</u>	<u>\$ 92,830,591</u>	<u>\$ 100,000</u>	<u>\$ 292,343</u>	<u>\$ 846</u>	<u>\$ 914,419</u>

Analysis of 2023 Tax Levy

TAX YIELD

General Purpose Tax		\$ 92,917,158	
Added Taxes (NJSA 54:4-63.1 et seq)		<u>862,314</u>	
			<u>\$ 93,779,472</u>

TAX LEVY

Local District School Tax (Abstract)	\$ 51,747,354		
County Tax (Abstract)	9,045,791		
Due County for Added and Omitted Taxes (54:4-63.1)	<u>43,488</u>		
		60,836,633	
Local Tax for Municipal Purposes	32,110,000		
Add Additional Taxes Levied	<u>832,839</u>		
		<u>32,942,839</u>	
			<u>\$ 93,779,472</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF TAX TITLE LIENS**

Balance, December 31, 2022		\$	209
Increased by:			
Transfer from Current Year Taxes Receivable		\$	426
Transfer from Prior Year Taxes Receivable			<u>420</u>
			<u>846</u>
Balance, December 31, 2023		\$	<u>1,055</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2022		\$	<u>1,698,373</u>
Balance, December 31, 2023			<u>1,698,373</u>

BOROUGH OF BERGENFIELD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2022</u>	Accrued <u>2023</u>	<u>Collected</u>	Balance, December 31, <u>2023</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 33,574	\$ 33,574	
Licenses		6,070	6,070	
Construction Code Official				
Fees and Permits		507,070	507,070	
Board of Health/Registrar of				
Vital Statistics				
Fees and Permits		44,424	44,424	
Licenses		711	711	
Fire Prevention				
Fees and Permits		8,546	8,546	
Police Departments				
Fees and Permits		17,770	17,770	
Municipal Court				
Fines and Costs		198,105	198,105	
Interest and Costs on Taxes		180,065	180,065	
Interest on Investments and Deposits		1,753,892	1,753,892	
Rental - Tennis Courts		20,000	20,000	
Uniform Fire Safety		100,176	100,176	
PILOT Senior Citizen Complex		98,981	98,981	
Energy Receipts Tax		1,995,355	1,995,355	
Interlocal - Bergenfield Board of Education		152,661	152,661	
Franchise Fees- Verizon		121,224	121,224	
Franchise Fees- Cablevision		138,703	138,703	
Site Rental - Crown Castle		98,864	98,864	
Recreation Summer Program		29,515	29,515	
Cell Tower Rent		37,905	37,905	
Reserve for Payment of Debt	-	100,000	100,000	-
	<u>\$ -</u>	<u>\$ 5,643,611</u>	<u>\$ 5,643,611</u>	<u>\$ -</u>
		Cash Receipts	<u>\$ 5,643,611</u>	

BOROUGH OF BERGENFIELD
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages					
Mayor & Council	\$ 55,099		\$ 55,099		\$ 55,099
General Administration	2,125		2,125		2,125
Municipal Clerk	5,544		5,544		5,544
Financial Administration	3,781		3,781		3,781
Tax Collection	3,104		3,104		3,104
Tax Assessment Administration	2,050		2,050		2,050
Planning Board	50		50		50
Site Plan	150		150		150
Building Inspector	56,965		56,965		56,965
Rent Level	150		150		150
Shade Tree Board	50		50		50
Barrier Free Board	50		50		50
Police Department	341	\$ 445,000	445,341	\$ 445,341	-
Office of Emergency Management	4,500		4,500		4,500
Fire Official	30,435		30,435		30,435
Fire Department	39,081		39,081		39,081
Streets and Roads Maintenance	69,580		69,580		69,580
Solid Waste	47,612		47,612		47,612
Board of Health	27,317		27,317		27,317
Welfare/Administration of Public Assistance	1,942		1,942		1,942
Recreation Services and Programs	524		524		524
Community Affairs-Senior Citizens	39,485		39,485		39,485
Maintenance of Parks	20,386		20,386		20,386
Interlocal - Bergenfield Board of Education	4,005		4,005		4,005
Municipal Court	4,489	-	4,489	-	4,489
Total Salaries and Wages	418,815	445,000	863,815	445,341	418,474
Other Expenses					
General Administration	12,112	67,265	79,377	48,045	31,332
Mayor & Council	1,000	-	1,000	-	1,000
Municipal Clerk	3,219	4,095	7,314	4,178	3,136
Financial Administration	13,548	1,250	14,798	8,661	6,137
Audit Services	-	59,063	59,063	59,063	-
Tax Collection	104	340	444	353	91
Tax Assessment Administration	7,900	17,775	25,675	7,825	17,850
Legal Services	65,208	137,811	203,019	105,500	97,519
Engineering	22,805	103,011	125,816	103,011	22,805
Planning Board	7,557	-	7,557	1,920	5,637
Zoning Board of Adjustment	5,539	-	5,539	3,020	2,519
Building Inspector	7,127	1,266	8,393	1,295	7,098
Construction Code Official	247	-	247	-	247
Shade Tree Board	705	-	705	-	705
Barrier Free Board	50	-	50	-	50
Environmental Committee	500	-	500	-	500
Police Department	34,785	30,731	65,516	41,375	24,141
Police Cars	3,679	113,327	117,006	-	117,006
Office of Emergency Management	5,100	-	5,100	-	5,100
First Aid Organization	-	3,364	3,364	907	2,457
Fire Official	1,380	3,900	5,280	3,214	2,066

BOROUGH OF BERGENFIELD
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Encumbrances Restored	Balance After Modification	Expended	Balance Lapsed
Fire Department	\$ 7,669	\$ 81,178	\$ 88,847	\$ 82,504	\$ 6,343
Fire Hydrant Service	1,798	-	1,798	-	1,798
LOSAP	120,000	-	120,000	91,600	28,400
Prosecutor	8,000	7,000	15,000	3,000	12,000
Streets and Roads Maintenance	17,479	70,013	87,492	56,473	31,019
Solid Waste Collection	67,424	27,304	94,728	70,130	24,598
Buildings and Grounds	23,543	49,702	73,245	48,037	25,208
Vehicle Maintenance	7,875	38,796	46,671	30,630	16,041
Board of Health	18,056	29,408	47,464	30,737	16,727
Stigma Free	2,945	-	2,945	-	2,945
Welfare/Administration of Public Asst.	2,500	-	2,500	-	2,500
Recreation Services and Programs	20,320	8,513	28,833	8,513	20,320
Community Affairs- Senior Citizens	11,940	-	11,940	-	11,940
Maintenance of Parks	2,805	18,149	20,954	14,843	6,111
Public Library	55,121	28,596	83,717	28,596	55,121
Celebration of Public Events	30,513	11,349	41,862	9,949	31,913
Electricity & Gasoline	20,702	30,000	50,702	24,391	26,311
Street Lighting	15,781	30,000	45,781	21,152	24,629
Telephone	660	17,406	18,066	14,045	4,021
Water	18,008	-	18,008	-	18,008
Sewerage Processing and Disposal - BCUA	3,525	-	3,525	-	3,525
Sewerage Processing - Tenafly	-	8,500	8,500	7,249	1,251
Gasoline	26,912	93,172	120,084	77,264	42,820
Sanitary Landfill - Tipping Fees	152,985	165,312	318,297	142,281	176,016
Sanitary Landfill - Recycling Tax	2,070	10,000	12,070	2,247	9,823
Contingent	2,500	-	2,500	1,926	574
Social Security System	40,141	-	40,141	-	40,141
Defined Contribution Retirement Plan	13,961	-	13,961	351	13,610
Interlocal - Bergenfield Board of Education	3,500	-	3,500	-	3,500
Municipal Court	7,105	6,996	14,101	6,614	7,487
Public Defender	2,900	2,493	5,393	-	5,393
Liability Insurance	9,185	114,348	123,533	123,447	86
Worker Compensation Insurance	20,227	149,943	170,170	149,943	20,227
Group Insurance	9,626	285,332	294,958	288,866	6,092
Health Benefit Waiver	5,637	-	5,637	-	5,637
Total Other Expenses	<u>945,978</u>	<u>1,826,708</u>	<u>2,772,686</u>	<u>1,723,155</u>	<u>1,049,531</u>
Grand Total	<u>\$ 1,364,793</u>	<u>\$ 2,271,708</u>	<u>\$ 3,636,501</u>	<u>\$ 2,168,496</u>	<u>\$ 1,468,005</u>
2023 Appropriation Reserves			\$ 1,364,793		
Encumbrances Transferred to 2023 Reserves			<u>2,271,708</u>		
			<u>\$ 3,636,501</u>		
Cash Disbursed				\$ 1,992,102	
Transfer to Accounts Payable				<u>176,394</u>	
				<u>\$ 2,168,496</u>	

**BOROUGH OF BERGENFIELD
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022	\$ 2,271,708
Increased by:	
Charges to 2023 Budget Appropriations	<u>1,863,615</u>
	4,135,323
Decreased by:	
Restored to 2022 Appropriation Reserves	<u>2,271,708</u>
Balance, December 31, 2023	<u>\$ 1,863,615</u>

STATEMENT OF ENCUMBRANCES PAYABLE - RESERVE FOR GRANTS

Balance, December 31, 2022	\$ 4,112,350
Increased by:	
Charges to 2023 Reserve for Grants- Appropriated	<u>1,609,249</u>
	5,721,599
Decreased by:	
Cash Disbursements	<u>4,112,350</u>
Balance, December 31, 2023	<u>\$ 1,609,249</u>

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2022	\$ 2,743,347
Decreased by:	
Cash Paid to Appellants	<u>183,109</u>
Balance, December 31, 2023	<u>\$ 2,560,238</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2022	\$	20,483
Increased by:		
Cash Receipts		<u>133,602</u>
		154,085
Decreased by:		
Refunded		<u>87,104</u>
Balance, December 31, 2023	\$	<u><u>66,981</u></u>

STATEMENT OF OTHER LIENS RECEIVABLE

Balance, December 31, 2022	\$	<u>2,500</u>
Balance, December 31, 2023	\$	<u><u>2,500</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2022	\$	62,961
Increased by:		
2023 Levy		
General County Tax (Abstract)	\$	8,666,104
County Open Space Preservation		379,687
Due County for Added and Omitted Taxes		<u>43,488</u>
		<u>9,089,279</u>
		9,152,240
Decreased by:		
Payments		<u>9,108,752</u>
Balance, December 31, 2023	\$	<u><u>43,488</u></u>

**BOROUGH OF BERGENFIELD
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES**

Increased by:	
Levy - Calendar Year	<u>\$ 51,747,354</u>
Decreased by:	
Payments	<u>\$ 51,747,354</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2022	\$ 469,131
Increased by:	
Collection of 2024 Taxes	<u>553,246</u>
	1,022,377
Decreased by:	
Apply to 2023 Tax Receivable	<u>469,131</u>
Balance, December 31, 2023	<u>\$ 553,246</u>

BOROUGH OF BERGENFIELD
STATEMENT OF APPROPRIATED RESERVES

	Balance, December 31, <u>2022</u>	Transfer from Current Year <u>Appropriations</u>	<u>Cancellation</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2023</u>
Alcohol Education and Rehabilitation	\$ 6,155				\$ 6,155
American Rescue Plan Act	1,424,639			\$ 1,424,639	-
Bergen County CDBG - North Taylor Street		\$ 134,164		134,164	-
Bergen County DMHAS Youth Leadership Grant	4,620	4,620	\$ 2,464	2,156	4,620
Bergen County Food Safety Grant	4,512				4,512
Bergen County Open Space - Cooper Pond Phase II		117,592			117,592
Bergen County Open Space - East Church Road Improvements		118,390			118,390
Bergen County Open Space - Thomas Roos Park		87,038		87,038	-
Bergen County Open Space - Coopers Pond	158,697				158,697
Bergen County Open Space - S.Railroad Avenue	88,521			88,521	-
Body Armor Grant	2,316	3,132			5,448
Body Worn Camera Grant	42,036			25,320	16,716
Bulletproof Vest Partnership - USDOJ	2,097			1,649	448
Clean Communities Grant	254,803	48,576		54,503	248,876
DCA - Improvements to Clover Park		60,000		60,000	-
DCA American Rescue Plan - Firefighter Grant		39,000		39,000	-
DCA Lead Grant Assistance Program		30,800			30,800
Distracted Driving Grant		7,000	2,240	4,760	-
Drunk Driving Enforcement Fund	6,403				6,403
FEMA - Building Resilient Infrastructure & Communities		142,584		142,584	-
FY 2023 Local Efficiency Achievement Program Implementation Grant		300,000			300,000
Green Acres - PAL Field Lighting Improvement		455,000			455,000
Green Acres - Urban Parks Grant		500,000			500,000
Local Recreation Improvement Grant - Coopers Pond Improvements		60,000		-	60,000
Mid-Bergen Regional Health Commission Grant		35,600		35,600	-
Municipal Alliance- FY 2023	5,153		4,953	200	-
Municipal Alliance- FY 2024		5,754		1,095	4,659
Municipal Alliance- Local Match- FY 2020	929				929
Municipal Alliance- Local Match- FY 2021	2,820				2,820
Municipal Alliance- Local Match- FY 2023	1,238			662	576
Municipal Alliance- Local Match- FY 2024		1,439		365	1,074
National Opioid Settlement		12,701			12,701
NJ DEP - Equipment Modernization Program	62,202				62,202
NJ DOH Vaccine Grant	6,632		6,632		-
NJ DOT - Hickory Ave	69,724			1,800	67,924
NJ DOT - North Prospect Road Rehab	5,107				5,107
NJ DOT - Roosevelt Ave Improvements		234,072		234,072	-
NJ DOT - Twin Boro Park Improvements	-	724,000	-	-	724,000
NJ DOT - West Central Avenue II	36,085		4,048	32,037	-
Recycling Tonnage Grant	13,495			13,495	-
Recycling Tonnage Grant - 2020	28,969			11,170	17,799
Recycling Tonnage Grant - 2021	30,626				30,626
Recycling Tonnage Grant - 2022	30,162				30,162
Recycling Tonnage Grant - 2023	-	32,434			32,434
Stormwater Assistance Grant		15,000			15,000
Sustainable Jersey	8,000		8,000		-
The Recycling Partnership	54,640				54,640
US Department of HUD - First St. & Bergen Ave.	110,546			109,492	1,054
US Department of HUD - CDBG Coopers Pond	-	750,000	-	-	750,000
	<u>\$ 2,461,127</u>	<u>\$ 3,918,896</u>	<u>\$ 28,337</u>	<u>\$ 2,504,322</u>	<u>\$ 3,847,364</u>

Grants Receivable	\$ 21,916
Fund Balance	<u>6,421</u>
	<u>\$ 28,337</u>

Cash Disbursements	\$ 895,073
Encumbrances-Grants	<u>1,609,249</u>
	<u>\$ 2,504,322</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF UNAPPROPRIATED RESERVES**

	Balance, December 31, <u>2022</u>	Cash <u>Receipts</u>	Anticipated as 2023 Budget <u>Revenue</u>	Balance, December 31, <u>2023</u>
American Rescue Program	\$ 1,430,139		\$ 1,430,139	
Body Armor	3,132	\$ 3,443	3,132	\$ 3,443
National Opioid Settlement	<u>12,701</u>	<u>19,304</u>	<u>12,701</u>	<u>19,304</u>
	<u>\$ 1,445,972</u>	<u>\$ 22,747</u>	<u>\$ 1,445,972</u>	<u>\$ 22,747</u>

EXHIBIT A-23

STATEMENT OF RESERVE FOR MASTER PLAN

Balance, December 31, 2022	<u>\$ 2,570</u>
Balance, December 31, 2023	<u>\$ 2,570</u>

EXHIBIT A-24

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2022	\$ 351,729
Increased by:	
Transfer from 2022 Appropriation Reserves	<u>176,394</u>
	528,123
Decreased by:	
Cash Disbursements	<u>269,078</u>
Balance, December 31, 2023	<u>\$ 259,045</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND**

Balance, December 31, 2022	\$ 103,371
Increased by:	
Cash Receipts	<u>206,698</u>
	310,069
Decreased by:	
Budgeted as Current Fund Revenue	<u>103,371</u>
Balance, December 31, 2023	<u>\$ 206,698</u>

EXHIBIT A-26

STATEMENT OF RESERVE FOR POLICE EVIDENCE

Balance, December 31, 2022	\$ -
Increased by:	
Cash Receipts	<u>4,373</u>
Balance, December 31, 2023	<u>\$ 4,373</u>

EXHIBIT A-27

STATEMENT OF DUE TO THE STATE OF NEW JERSEY - DCA TRAINING FEES

Balance, December 31, 2022	\$ -
Increased by:	
Cash Receipts	<u>6,797</u>
Balance, December 31, 2023	<u>\$ 6,797</u>

STATEMENT OF GRANTS RECEIVABLE

	Balance, December 31, <u>2022</u>	Accrued <u>2023</u>	Collected	Canceled	Balance, December 31, <u>2023</u>
BC CDBG - North Taylor Street		\$ 134,164			\$ 134,164
BC DMHAS Youth Leadership Grant	\$ 4,620	4,620	\$ 2,156	\$ 2,464	4,620
BC OSTF - Cooper Pond Phase II		117,592			117,592
BC OSTF - East Church Road Improvements		118,390			118,390
BC OSTF - Thomas Roos Park		87,038			87,038
Bergen County Open Space - Coopers Pond	158,697				158,697
Bergen County Open Space - S.Railroad Avenue	88,521		88,521		-
Bergen County Open Space - Twin Boro/ Vivven Park Improvements	260,826				260,826
Body Worn Camera Grant	65,216		48,500		16,716
Bulletproof Vest Partnership - USDOJ	1,891				1,891
Clean Communities	-	48,576	48,576		-
DCA - Improvements to Clover Park		60,000			60,000
DCA American Rescue Plan - Firefighter Grant		39,000			39,000
DCA Lead Grant Assistance Program		30,800	30,800		-
Distracted Driving Grant		7,000	4,760	2,240	-
FEMA - Building Resilient Infrastructure & Communities		142,584			142,584
FY 2023 Local Efficiency Achievement Program Implementation Grant		300,000			300,000
Green Acres - PAL Field Lighting Improvement		455,000			455,000
Green Acres - Twin Boro Field Improvements	2,000,000				2,000,000
Green Acres - Urban Parks Grant		500,000			500,000
Local Recreation Improvement Grant - Coopers Pond Improvements		60,000		-	60,000
Mid-Bergen Regional Health Commission Grant	-	35,600	35,600		-
Municipal Alliance Grant - 2023	5,755		802	4,953	-
Municipal Alliance Grant - 2024		5,754			5,754
NJ DEP - Equipment Modernization Program	1,282,863				1,282,863
NJ DOH Vaccine Grant	3,211			3,211	-
NJ DOT - Anderson Ave.	59,363		59,363		-
NJ DOT - Hickory Ave	411,945				411,945
NJ DOT - Roosevelt Ave Improvements		234,072	175,554		58,518
NJ DOT - Twin Boro Park Improvements		724,000			724,000
NJ DOT - West Broadway	213,736		213,736		-
NJ DOT- West Central Ave	124,955		120,907	4,048	-
Recycling Tonnage Grant	-	32,434	32,434		-
Stormwater Assistance Grant	-	15,000	15,000		-
Sustainable Jersey	5,000			5,000	-
US Department of HUD - CDBG Coopers Pond		750,000			750,000
US Department of HUD - First St. & Bergen Ave.	110,546	-	109,492	-	1,054
	<u>\$ 4,797,145</u>	<u>\$ 3,901,624</u>	<u>\$ 986,201</u>	<u>\$ 21,916</u>	<u>\$ 7,690,652</u>
		Cash Collected	<u>\$ 986,201</u>		
			<u>\$ 986,201</u>		

TRUST FUND

BOROUGH OF BERGENFIELD
STATEMENT OF TRUST CASH AND INVESTMENTS

	<u>Unemployment</u> <u>Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2022	\$ 303,423	\$ 19,340	\$ 3,348,067
Increased by Receipts:			
Employee Contributions	\$ 21,691		
Borough's Share of Dog Licenses		\$ 4,732	
Cat License Fees		711	
State Dog License Fees		1,081	
Interest on Deposits	8,383	635	\$ 6,101
Miscellaneous Reserves			935,136
Received for Current Fund			228,564
Net Payroll			11,020,914
Receipts from Payroll Agency			6,665,248
Receipts from Current Fund	-	-	-
	<u>21,691</u>	<u>7,159</u>	<u>18,855,963</u>
	325,114	26,499	22,204,030
Decreased by Disbursements:			
Payment to the State of New Jersey -			
Unemployment Insurance Benefit Claims	31,569		
State Dog License Fees		1,108	
Expenditures under R.S. 4:19-15.11		2,698	
Miscellaneous Reserves			1,079,303
Net Payroll			11,020,914
Payroll Deductions Payable			6,667,621
Payments to Current Fund	8,383	17,104	234,760
	<u>31,569</u>	<u>20,910</u>	<u>19,002,598</u>
Balance, December 31, 2023	<u>\$ 293,545</u>	<u>\$ 5,589</u>	<u>\$ 3,201,432</u>

BOROUGH OF BERGENFIELD
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND

Balance, December 31, 2022		\$	13,536
Increased by:			
Dog License Fees		\$	4,417
Cat License Fees			711
Miscellaneous and Late Fees			315
			5,443
			18,979
Decreased by:			
Expenditures Under R.S. 4:19-15.11			
Cat License Fees- Realized as Current Fund			
Revenue			711
Reclass Expense with Current Fund			10,000
Cash Disbursements			2,698
			13,409
Balance, December 31, 2023		\$	5,570

Animal License Fees Collected

<u>Year</u>			
2021	\$	6,213	
2022		5,987	
		12,200	
		\$	12,200

BOROUGH OF BERGENFIELD
STATEMENT OF DUE TO STATE OF NEW JERSEY DOG LICENSE FEES
ANIMAL CONTROL FUND

Balance, December 31, 2022	\$	41
Increased by:		
State Fees Collected		1,081
		1,122
Decreased by:		
Payments to State of New Jersey		1,108
Balance, December 31, 2023	\$	14

EXHIBIT B-4

STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND

Balance, December 31, 2022	\$	5,763
Increased by:		
Interest on Investments	\$	635
Reclass Expense with Current Fund		10,000
Realized as Current Fund Revenue		711
		11,346
		17,109
Decreased by:		
Payments Made to Current Fund		17,104
Balance, December 31, 2023	\$	5

BOROUGH OF BERGENFIELD
STATEMENT OF DUE TO STATE OF NEW JERSEY UNEMPLOYMENT CLAIMS
UNEMPLOYMENT TRUST FUND

Balance, December 31, 2022	\$ 62,057
Increased by:	
Unemployment Insurance Benefit Claims	<u>7,397</u>
	69,454
Decreased by:	
Payments to the State of New Jersey	<u>31,569</u>
Balance, December 31, 2023	<u><u>\$ 37,885</u></u>

STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE BENEFITS
UNEMPLOYMENT TRUST FUND

Balance, December 31, 2022	\$ 241,366
Increased by:	
Employee Contributions	<u>21,691</u>
	263,057
Decreased by:	
Unemployment Insurance Benefit Claims	<u>7,397</u>
Balance, December 31, 2023	<u><u>\$ 255,660</u></u>

BOROUGH OF BERGENFIELD
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND

	Balance, December 31, <u>2022</u>	Increased by	<u>Decreased By</u>	Balance December 31, <u>2023</u>
POAA	\$ 2,445	\$ 1,248		\$ 3,693
Fire Code Penalties	50,256	6,123	\$ 113	56,266
Construction Code Penalties	122,748	21,748	12,764	131,732
Developers Escrow	390,867	182,842	184,746	388,963
Street Openings	83,780	6,000	2,000	87,780
Police Donations	1,138			1,138
Confiscated Funds	82,111			82,111
Tree Replacement	29,928		225	29,703
Sewer Bond	2,000			2,000
Holiday at the Pond	62			62
Police Outside Detail	59,360	224,164	228,564	54,960
Tax Title Lien Redemption	-	188,863	188,863	-
Premiums on Tax Title Liens	377,500	214,000	270,600	320,900
Family Fun Day	69,301	15,098	12,240	72,159
Environmental Program	1,711			1,711
Accumulated Absence Liability Trust Fund	1,190,675		97,408	1,093,267
Goodwill/Elm St. Relief	34,858	3,239	5,534	32,563
Flexible Spending Account	3,123	14,116	15,003	2,236
Recreation	2,000			2,000
Snow Removal	440,701	600	33,197	408,104
Veteran's Park Donations	11,062		1,485	9,577
Federal Forfeiture of Funds	190,873	48,495	16,290	223,078
Barrier Free - Play for All	3,000	3,850	5,384	1,466
Mayor's Wellness Campaign	400	4,750	4,887	263
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 3,149,899</u>	<u>\$ 935,136</u>	<u>\$ 1,079,303</u>	<u>\$ 3,005,732</u>
		<u>\$ 935,136</u>		
			<u>\$ 1,079,303</u>	

BOROUGH OF BERGENFIELD
STATEMENT OF DUE TO CURRENT FUND - FLEXIBLE SPENDING ACCOUNT
OTHER TRUST FUND

Balance, December 31, 2022	\$ <u>2,500</u>
Balance, December 31, 2023	\$ <u><u>2,500</u></u>

STATEMENT OF DUE TO CURRENT FUND - POLICE OUTSIDE DUTY
OTHER TRUST FUND

Balance, December 31, 2022	\$ -
Increase by:	
Interest on Investments	\$ 4,130
Fees due to Current Fund	<u>228,564</u>
	<u>232,694</u>
	232,694
Decrease by:	
Payments to Current Fund	<u>232,694</u>
Balance, December 31, 2023	\$ <u><u>-</u></u>

**BOROUGH OF BERGENFIELD
STATEMENT OF DUE TO CURRENT FUND - ESCROW TRUST
OTHER TRUST FUND**

Balance, December 31, 2022	\$ 95
Increased by:	
Interest on Deposits and Investments	<u>1,971</u>
	2,066
Decreased by:	
Payments to Current Fund	<u>2,066</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

EXHIBIT B-11

**STATEMENT OF SALARY AND WAGES PAYABLE
OTHER TRUST FUND**

Increased by:	
Cash Receipts	<u>\$11,020,914</u>
Decreased by:	
Cash Disbursements	<u>\$11,020,914</u>

EXHIBIT B-12

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, December 31, 2022	\$ 195,573
Increased by:	
Cash Receipts	<u>6,665,248</u>
	6,860,821
Decreased by:	
Cash Disbursements	<u>6,667,621</u>
Balance, December 31, 2023	<u><u>\$ 193,200</u></u>

GENERAL CAPITAL FUND

BOROUGH OF BERGENFIELD
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2022		\$24,453,516
Increased by:		
Interest Earned on Investments - Due to Current Fund	\$ 877,823	
Payments from Current Fund	<u>486,943</u>	
		<u>1,364,766</u>
		25,818,282
Decreased by:		
Improvement Authorizations	<u>10,396,290</u>	
		<u>10,396,290</u>
Balance, December 31, 2023		<u>\$15,421,992</u>

**BOROUGH OF BERGENFIELD
ANALYSIS OF GENERAL CAPITAL CASH**

	Balance, December 31, <u>2023</u>
Contracts Payable	\$ 7,137,009
Capital Improvement Fund	2,087,727
Fund Balance	490,927
Reserve for Payment of Bonds	1,155,448
Reserve for Preliminary Costs	200,000

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
2318	Various Capital Improvements	189,337
2324	Purchase of Real Property	3,323
2355/2447	Various Public Improvements	244,034
2448	Various Public Improvements	30,151
2475	Various Public Improvements	265,954
2490	Various Public Improvements	350,134
2507	Various Public Improvements	180,916
2524	Various Public Improvements	124,357
2527, 2586	Municipal Building Renovations	1,416,282
2546	Various Public Improvements	271
2564	Various Public Improvements	230,311
2579	Various Public Improvements	553,055
2599	Various Public Improvements	636,663
2602	Various Public Improvements	716,827
2616	Various Public Improvements	<u>(590,734)</u>
		<u>\$ 15,421,992</u>

EXHIBIT C-4

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2022		\$ 35,492,599
Decreased by:		
Paid by 2023 Budget Appropriation:		
Bonds	\$ 2,025,000	
Green Trust Loan	<u>13,663</u>	
		<u>2,038,663</u>
Balance, December 31, 2023		<u>\$ 33,453,936</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Number	Improvement Description	Balance, December 31, 2022	Authorized 2023	Notes Paid by Budget Appropriation	Balance, December 31, 2023	Analysis of Balance December 31, 2023			
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	
2602	Various Public Improvements	\$ 2,063		\$ 2,063					
2616	Various Public Improvements	<u>-</u>	<u>\$ 2,400,000</u>	<u>-</u>	<u>\$ 2,400,000</u>	<u>-</u>	<u>\$ 590,734</u>	<u>\$ 1,809,266</u>	
		<u>\$ 2,063</u>	<u>\$ 2,400,000</u>	<u>\$ 2,063</u>	<u>\$ 2,400,000</u>	<u>\$ -</u>	<u>\$ 590,734</u>	<u>\$ 1,809,266</u>	
								Improvement Authorizations Unfunded	<u>\$ 1,809,266</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2022	\$ 1,559,588
Increased by:	
2023 Budget Appropriation	<u>1,430,139</u>
	2,989,727
Decrease by:	
Appropriation to Finance Improvement Authorization	<u>902,000</u>
Balance, December 31, 2023	<u>\$ 2,087,727</u>

STATEMENT OF CONTRACTS PAYABLE

Balance, December 31, 2022	\$ 14,805,364
Increased by:	
Charges to Improvement Authorizations	<u>7,137,009</u>
	21,942,373
Decreased by:	
Restored to Improvement Authorizations	<u>14,805,364</u>
Balance, December 31, 2023	<u>\$ 7,137,009</u>

STATEMENT OF RESERVE FOR PAYMENT OF BONDS

Balance, December 31, 2022	\$ 1,255,448
Decreased	
Current Fund Budgeted Revenue	<u>100,000</u>
Balance, December 31, 2023	<u>\$ 1,155,448</u>

BOROUGH OF BERGENFIELD
STATEMENT OF RESERVE FOR PRELIMINARY COSTS

Balance, December 31, 2022		\$ <u>200,000</u>
Balance, December 31, 2023		\$ <u>200,000</u>

STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2022		\$ 32,564
Increased		
Payments to Current Fund	<u>845,259</u>	<u>845,259</u>
		877,823
Decreased		
Interest on Investments and Deposits	<u>877,823</u>	<u>877,823</u>
Balance, December 31, 2023		\$ <u><u>-</u></u>

**BOROUGH OF BERGENFIELD
STATEMENT OF GREEN TRUST LOAN PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loan Outstanding December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2022</u>	<u>2023 Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>				
Ord. #2324 Purchase of Real Property	2003/04	\$ 227,500	2024	\$ 13,936	2.00%	\$ 27,599	\$ 13,663	\$ 13,936
						<u>\$ 27,599</u>	<u>\$ 13,663</u>	<u>\$ 13,936</u>
							<u>\$ 13,663</u>	
								<u>\$ 13,663</u>

Paid by Budget Appropriation \$ 13,663

**BOROUGH OF BERGENFIELD
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, December 31, <u>2023</u>	2023 <u>Authorizations</u>	Funded by Budget <u>Appropriation</u>	Balance, December 31, <u>2023</u>
2602	Various Public Improvements	\$ 2,063		\$ 2,063	
2616	Various Public Improvements	<u>-</u>	<u>\$ 2,400,000</u>	<u>-</u>	<u>\$ 2,400,000</u>
		<u>\$ 2,063</u>	<u>\$ 2,400,000</u>	<u>\$ 2,063</u>	<u>\$ 2,400,000</u>

PART II

GOVERNMENT AUDITING STANDARDS SECTION

YEAR ENDED DECEMBER 31, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bergenfield as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated July 16, 2024. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

Report on Internal Control over Financial Reporting

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

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

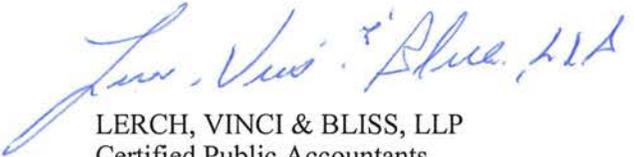
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Bergenfield's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
July 16, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of Bergenfield's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Borough of Bergenfield's major federal programs for the year ended December 31, 2023. The Borough of Bergenfield's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Bergenfield complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards, U.S. Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough of Bergenfield and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Borough of Bergenfield's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Borough of Bergenfield's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Bergenfield's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the U.S. Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Bergenfield's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the U.S. Uniform Guidance we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough of Bergenfield's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Bergenfield's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bergenfield's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance

We have audited the financial statements - regulatory basis of the Borough of Bergenfield as of and for the year ended December 31, 2023, and the related notes to the financial statements and have issued our report thereon dated July 16, 2024, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
July 16, 2024

**BOROUGH OF BERGENFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

	AL Number	State Account Number	Grant Year	Grant Award Amount	2023 Receipts	Balance, December 31, 2022	Revenue Realized	Expenditures	Adjustment	Balance, December 31, 2023	Cumulative Expenditures
<u>U.S. Department of Housing and Urban Development</u>											
(Passed through County Dept. of Community Development)											
Community Devel. Block Grants											
	14.218	N/A									
First St. and Bergen Ave			2021	\$ 110,546	\$ 109,492	\$ 110,546		\$ 109,492		\$ 1,054	109,492
Coopers Pond			2023	750,000						-	-
North Taylor Street			2023	134,164			\$ 134,164	134,164		-	134,164
<u>Law and Public Safety- Division of Highway Traffic Safety</u>											
Impaired Driving	20.616	066-1160-100-157	2017	5,341		869				869	4,472
			2018	3,286		3,286				3,286	
			2019	2,248		2,248				2,248	
			2023	6,720	6,720						
<u>U.S. Dept. of Treasury</u>											
COVID American Rescue Plan - State and Local											
Fiscal Recovery Funding - Non-Entitlement Units (Passed through											
State Division of Local Government Services)											
	21.027	022-8030-100-687	2021	2,860,278	1,430,139	1,424,639	1,430,139	2,854,778		-	2,860,278
COVID American Rescue Plan - Firefighter Grant	21.027		2023	39,000			39,000	39,000		-	39,000
<u>FEMA</u>											
Building Resilient Infrastructure & Communities		N/A	2023	142,584		-	142,584	142,584	-	-	142,584
Total						\$ 1,541,588	\$ 1,745,887	\$ 3,280,018	\$ -	\$ 7,457	

Note: This schedule is subject to a single audit in accordance with U.S. Uniform Guidance

BOROUGH OF BERGENFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

<u>State Grant Program</u>	<u>State Programs Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expenditures</u>
<u>Division of Criminal Justice</u>										
Body Armor Fund	1020-718-001-2009-090160	2022	\$ 2,316		\$ 2,316				\$ 2,316	
Body Armor Fund		2023	3,443	\$ 3,132		\$ 3,132			3,132	\$ 311
Bulletproof Partnership	N/A	2021	7,612		2,097		\$ 1,649		448	7,164
Body Worn Camera Program	N/A	2021	81,520	48,500	42,036		25,320		16,716	64,804
<u>Department of Environmental Protection</u>										
Clean Communities Program	4900-765008-178900	2017	49,212		1,905		1,905		-	49,212
		2018	81,818		81,818		52,598		29,220	52,598
		2019	44,651		44,651				44,651	-
		2020	40,262		40,262				40,262	-
		2021	42,859		42,859				42,859	-
		2022	43,308		43,308				43,308	-
		2023	48,576	48,576		48,576			48,576	-
Recycling Tonnage Grant	4900-752001-178810	2019	28,969		13,495		13,495		-	28,969
		2020	28,969		28,969		11,170		17,799	11,170
		2021	30,626		30,626				30,626	-
		2022	30,161		30,161				30,161	-
		2023	32,434	32,434	-	32,434			32,434	-
Recycling Partnership	N/A	2021	54,640		54,640			54,640	-	
Green Acres Program - PAL Field Lighting Improvement		2023	455,000					-		
Green Acres Program - Urban Parks		2023	500,000					-		
Equipment Modernization Program	71H-042-4801-003	2022	1,282,863		62,202				62,202	1,220,661
Stormwater Assistance		2023	15,000			15,000			15,000	-
<u>Department of Transportation of State and Highway Projects</u>										
West Central Ave	078-6320-480-XXX	2018	234,025	120,907	36,085		32,037	\$ (4,048)	-	234,025
N. Prospect Roadway Rehab	078-6320-480-XXX	2019	218,240		5,107				5,107	213,133
Hickory Ave	078-6320-480-XXX	2022	1,012,608		69,724		1,800		67,924	944,684
Roosevelt Ave	078-6320-480-XXX	2023	234,072	175,554		234,072	234,072		-	234,072
Twin Boro Park Improvements	078-6320-480-XXX	2023	724,000						-	
Andersen Ave	078-6320-480-XXX	2023	59,363	59,393			59,363	59,363	-	59,363
West Broadway	078-6320-480-XXX	2023	213,736	213,736			213,736	213,736	-	213,736
Department of Health Vaccine Grant	N/A	2022	12,846		6,632			(6,632)	-	12,846
Municipal Alliance Fund	N/A	2023	5,755	802	5,153		200	(4,953)	-	5,755
		2024	5,754			5,754	1,095		4,659	1,095
Sustainable Jersey Small Grants Program	N/A	2018	10,000		8,000		8,000		-	10,000
Lead Grant Assistance Program	N/A	2023	30,800		-	30,800			30,800	-

BOROUGH OF BERGENFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

<u>State Grant Program</u>	<u>State Programs Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expenditures</u>
<u>Division of Highway Traffic Safety</u>										
Distracted Driving	N/A	2023	\$ 7,000	\$ 4,760	-	\$ 7,000	\$ 4,760	\$ (2,240)	-	\$ 7,000
<u>Department of Community Affairs</u>										
DCA Improvements to Clover Park	N/A	2023	60,000	60,000		60,000	60,000		-	60,000
Local Efficiency Achievement Program Implementation Grant		2023	300,000							
Local Recreation Improvement Grant - Coopers Pond Improvements		2023	60,000							
<u>Division of Judiciary- Municipal Court</u>										
Alcohol Education & Rehabilitation Fund	9735-760-001-060000	2015	886		\$ 736				\$ 736	150
		2016	1,355		1,355				1,355	-
		2017	242		242				242	-
		2019	1,527		1,527				1,527	-
		2020	250		250				250	-
		2022	2,045		2,045				2,045	-
					<u>\$ 660,223</u>	<u>\$ 436,768</u>	<u>\$ 721,200</u>	<u>\$ 255,226</u>	<u>\$ 631,018</u>	

Note: This schedule is not subject to a single audit in accordance with U.S. Uniform Guidance.

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

**BOROUGH OF BERGENFIELD
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2023**

NOTE 1 REPORTING ENTITY

The Borough of Bergenfield (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	<u>\$ 1,745,887</u>	<u>\$ 436,768</u>	<u>\$ 2,182,655</u>

**BOROUGH OF BERGENFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 FEDERAL AND STATE LOANS OUTSTANDING

Certain federal and state loans at the beginning of the year and loans made during the year are included in The Schedules, while others are not required to be included in The Schedules. The Borough's federal and state loans outstanding at December 31, 2023, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State/Total</u>
Dept. of Environmental Protection- Green Trust	L-04387	<u>\$ 13,936</u>

NOTE 7 DE MINIMIS INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF BERGENFIELD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditors' report issued: Modified - Presentation of
Unaudited LOSAP Fund
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X none reported
- C) Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards Section

- Dollar threshold used to determine Type A programs: \$ 750,000
- Auditee qualified as low-risk auditee? _____ yes X no
- Type of auditors' report on compliance for major programs: Unmodified
- Internal Control over compliance:
- 1) Significant Deficiencies identified? _____ yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X no
- Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ yes X no

Identification of major programs:

<u>Federal Number</u>	<u>Name of Federal Program</u>
21.027	American Rescue Plan Act

State Awards Section

Not Applicable.

**BOROUGH OF BERGENFIELD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE ENDED DECEMBER 31, 2023**

Part II – Schedule of Financial Statement Findings

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

None.

**BOROUGH OF BERGENFIELD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part III – Schedule of Federal and State Award Findings and Responses

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

Not applicable.

**BOROUGH OF BERGENFIELD
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF BERGENFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE –
CURRENT FUND

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 6,178,682	5.49 %	\$ 5,000,000	4.59 %
Miscellaneous - From Other Than Local				
Property Tax Levies	11,739,205	10.40	8,944,935	8.19
Collection of Delinquent Taxes and Tax Title Liens	799,608	0.71	922,737	0.85
Collection of Current Tax Levy	92,599,614	82.09	90,967,439	83.43
Other Credits	<u>1,482,784</u>	<u>1.31</u>	<u>3,203,428</u>	<u>2.94</u>
Total Income	<u>112,799,893</u>	<u>100.00 %</u>	<u>109,038,539</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	46,545,877	42.48 %	42,782,730	41.64 %
County Taxes	9,089,279	8.29	8,488,006	8.26
Local District School Taxes	51,747,354	47.22	51,457,799	50.09
Other Expenditures - Debits	<u>2,216,437</u>	<u>2.01</u>	<u>12,355</u>	<u>0.01</u>
Total Expenditures	<u>109,598,947</u>	<u>100.00 %</u>	<u>102,740,890</u>	<u>100.00 %</u>
Excess in Revenue	3,200,946		6,297,649	
Fund Balance, Beginning of Year	<u>10,804,642</u>		<u>9,506,993</u>	
	14,005,588		15,804,642	
Less Utilization as Anticipated Revenue	<u>6,178,682</u>		<u>5,000,000</u>	
Fund Balance, End of Year	<u>\$ 7,826,906</u>		<u>\$ 10,804,642</u>	

**BOROUGH OF BERGENFIELD
GENERAL INFORMATION**

COMPARATIVE SCHEDULE OF CALENDAR YEAR TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Calendar Year Tax Rate</u>	\$ <u>3.410</u>	\$ <u>3.357</u>	\$ <u>3.322</u>
<u>Apportionment of Tax Rate</u>			
Municipal*	\$ 1.178	\$ 1.152	\$ 1.145
County- Regular Tax	0.319	0.298	0.295
County- Open Space	0.014	0.013	0.012
Local School	1.899	1.894	1.870

* Municipal Apportionment Total Includes Municipal Library.

Assessed Valuation

2023	\$ <u>2,724,843,330</u>		
2022		\$ <u>2,717,292,330</u>	
2021			<u>\$ 2,709,517,430</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2023	\$ 93,779,472	\$ 92,599,614	98.74%
2022	91,899,191	90,967,439	98.98%
2021	90,584,334	89,463,891	98.76%

**BOROUGH OF BERGENFIELD
GENERAL INFORMATION**

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Period Ended</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Tax Levy</u>
December 31, 2023	\$ 1,055	\$ 914,419	\$ 915,474	0.98%
December 31, 2022	209	824,668	824,877	0.90%
December 31, 2021		960,651	960,651	1.06%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens at year-end, on the basis of the last assessed valuation of such properties, was as follows:

<u>Period Ended</u>	<u>Amount</u>
December 31, 2023	\$ 1,698,373
December 31, 2022	1,698,373
December 31, 2021	1,698,373

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Period Ended</u>	Fund <u>Balance</u>	Utilized In Budget of Succeeding <u>Year</u>
Current Fund	December 31, 2023	\$ 7,826,906	\$ 6,161,000
	December 31, 2022	10,804,692	6,178,682
	December 31, 2021	9,506,993	5,000,000

**BOROUGH OF BERGENFIELD
GENERAL INFORMATION**

<u>Name</u>	<u>Title</u>	<u>Dates</u>
Arvin Amatorio	Mayor	2023
Domingo Almonte	Councilperson	2023
Buddy Deauna	Councilperson	2025
Ora Kornbluth	Councilperson	2025
Thomas Lodato	Councilperson	2024
Marc Pascual	Councilperson	2023
Hernando Rivera	Councilperson	2024
Corey Gallo	Borough Administrator	
Marie Quinones-Wilson	Borough Clerk	
Richard Cahill	CFO	
Juan Ortiz	Tax Collector	
John Schettino	Municipal Attorney	
Harry Hillenius	Building Inspector	
Franklin Montero	Municipal Court Judge	
Michael Ravenda	Construction Code Official / Zoning Official	

There is a statutory bond limit in the Municipal Joint Insurance Fund that covers the Chief Financial Officer, Tax Collector and any assistant or deputy “in title to” these positions, Magistrates, Court Administrators and Court Clerk up to \$1,000,000 with a member deductible of \$1,000.

**BOROUGH OF BERGENFIELD
SUPPLEMENTARY DATA**

GENERAL COMMENTS

Current Year Comments

There are none.

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

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$44,000, except by contract or agreement."

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

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

2023 Sidewalk Improvement Project
New Municipal Complex Furniture
Thomas Roos Park Tennis Courts and Road Program Phase I, II, III Pickleball Courts
2023 Sidewalk Phase II
Ford 550 Truck

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

Our examination of expenditures revealed no instances where individual payments exceeded the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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.

**BOROUGH OF BERGENFIELD
SUPPLEMENTARY DATA**

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 1, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Borough Council of the Borough of Bergenfield, that the interest upon delinquent taxes will be charged at the rate of eight percent (8%) per annum on all delinquent amounts up to \$1,500 and eighteen percent (18%) per annum on amounts over \$1,500 except that said rate shall not be charged on the taxes for any current quarter if the taxes are paid during the first ten days of the same current quarter.

"BE IT FURTHER RESOLVED that if the Office of the Collector of Taxes is closed on the tenth day of February, May, August, or November then the said ten-day period shall be extended to include the first business day thereafter.

"BE IT FURTHER RESOLVED that the interest rate per annum shall revert to the above from the first day of any current quarter unless the taxes for the same quarter are paid during the first ten days of the same quarter, or as otherwise provided in this resolution."

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 20, 2023 and was complete.

The following comparison is made of the number of tax title liens receivable at year-end of the last three years.

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

Suggestions to Management

- Old unspent appropriated grant balances in the Current Fund should be reviewed and either expended or cancelled.
- Old outstanding grants receivable in the Current Fund be reviewed for collectability.
- Improvement authorizations in the General Capital Fund be reviewed and old and inactive account balances be cleared of records.
- Old, inactive Other Trust reserve accounts should be reviewed and used for allowable expenditures, or cancelled to the Current Fund.

APPRECIATION

We desire to express our appreciation to the Borough Administrator and other Borough Staff who assisted us during the course of our audit.

**BOROUGH OF BERGENFIELD
RECOMMENDATIONS**

Recommendations

There are none.

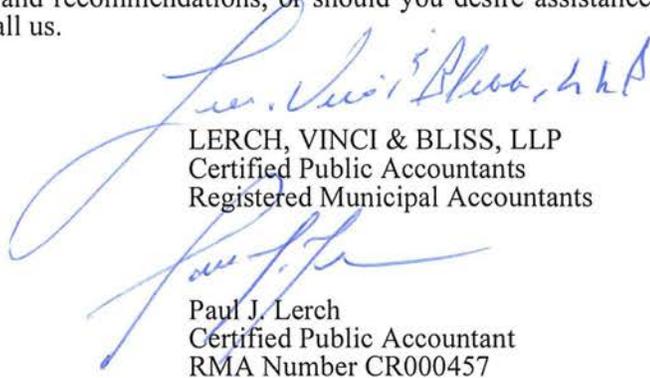
Status of Prior Year's Audit Findings/Recommendations

A review was performed on the prior year's recommendation and corrective action was taken.

* * * * *

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

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



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

Paul J. Lerch
Certified Public Accountant
RMA Number CR000457