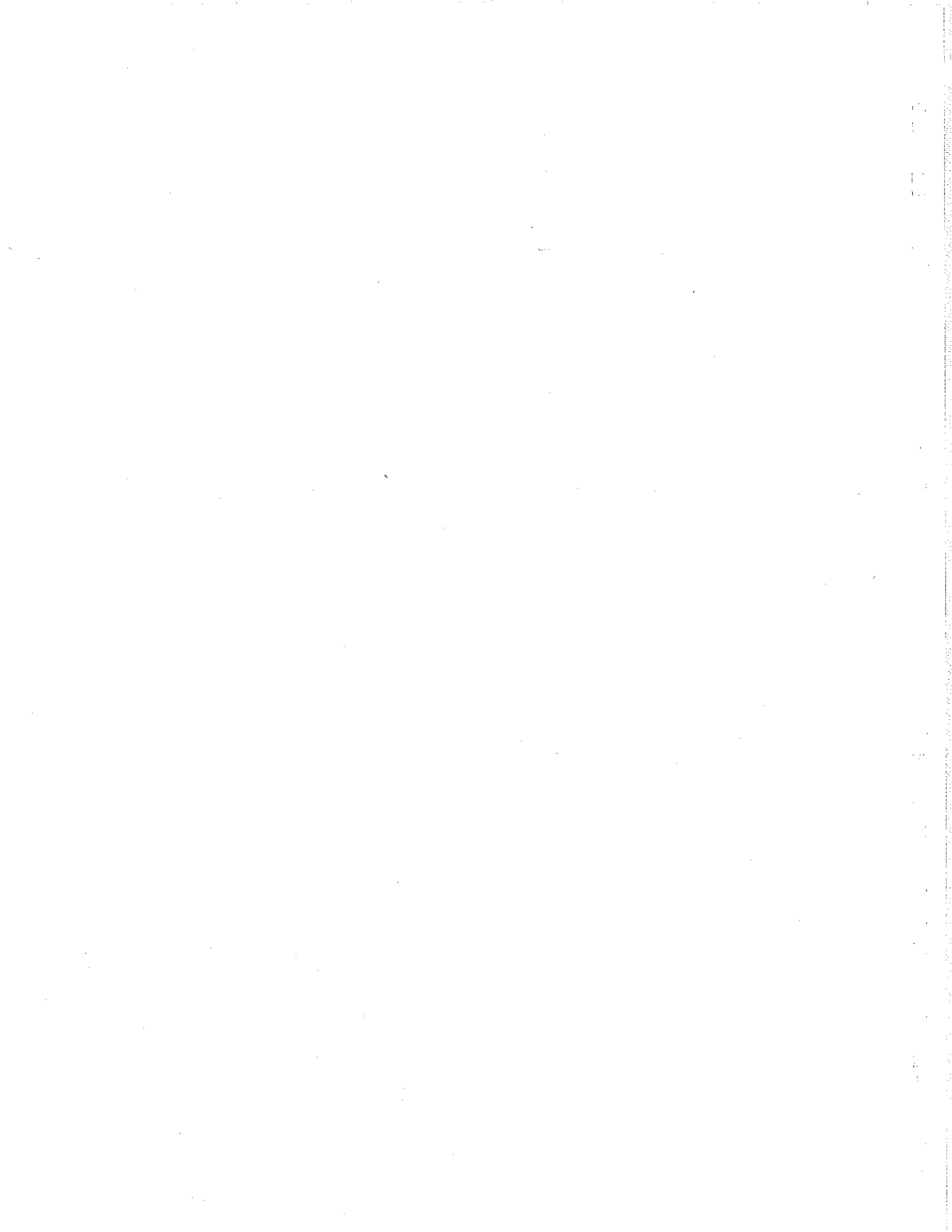


**BOROUGH OF BERGENFIELD**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**



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**BOROUGH OF BERGENFIELD**  
**BERGEN COUNTY, NEW JERSEY**

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**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**





# LERCH, VINCI & HIGGINS, LLP

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## INDEPENDENT AUDITOR'S REPORT

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

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, 2011 and the related statement of operations and changes in fund balance - regulatory basis statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the current fund for the year then ended. These financial statements are the responsibility of the Borough of Bergenfield's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Borough of Bergenfield as of and for the year ended December 31, 2010, were audited by other auditors whose report dated June 30, 2011 expressed an unqualified opinion on those financial statements prepared using regulatory accounting practices which differ from accounting principles generally accepted in the United States of America.

Except as discussed in the fourth paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bergenfield's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In addition, the financial statements of the Length of Service Award Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Funds, and represent 26 and 29 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2011 and 2010, respectively.

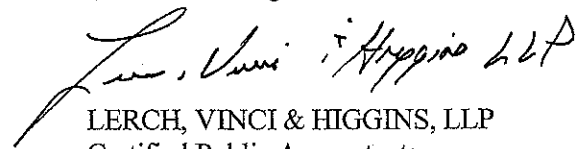
## INDEPENDENT AUDITOR'S REPORT (Continued)

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

In our opinion except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Bergenfield, as of December 31, 2011 and the results of operations and changes in fund balance - regulatory basis, and the revenues - regulatory basis and the expenditures - regulatory basis of the current fund for the year then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 14, 2012 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Bergenfield as a whole. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Bergenfield. The supplementary schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.



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



Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
August 14, 2012

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

ASSETS	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash	A-4	\$ 9,724,675	\$ 9,553,817
Cash - Change Funds	A-5	3,850	3,850
Cash- Petty Cash	A-6	340	340
Grants Receivable	A-31	<u>864,808</u>	<u>577,540</u>
		<u>10,593,673</u>	<u>10,135,547</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	875,683	662,434
Delinquent Property Taxes- Special Improvement District	A-28	21,912	14,477
Tax Title Liens	A-9	258,091	226,093
Property Acquired for Taxes (at Assessed Valuation)	A-10	28,173	28,173
Other Liens Receivable	A-19	2,500	2,500
Due from Other Trust Fund	B-8		2,899
Due from Other Trust Fund- Escrow	B-4	<u>3</u>	<u>3</u>
		<u>1,186,362</u>	<u>936,579</u>
Deferred Charges			
Emergency	A-13	3,940	
Special Emergency- 5 Years	A-12	<u>79,432</u>	<u>260,000</u>
		<u>83,372</u>	<u>260,000</u>
<b>Total Assets</b>		<u>\$11,863,407</u>	<u>\$11,332,126</u>

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

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Appropriation Reserves	A-3,A-14	\$ 1,058,471	\$ 766,736
Encumbrances Payable	A-15	947,684	832,043
Encumbrances Payable - Reserve for Grants	A-16	79,897	14,716
Accounts Payable	A-33	37,599	199,541
Reserve for Tax Appeals	A-17	1,108,421	1,322,486
Tax Overpayments	A-18	280,211	247,874
Tax Overpayments- Special Improvement District	A-30	4,572	
Prepaid Taxes	A-22	264,858	162,511
Prepaid Taxes- Special Improvement District	A-29	3,686	2,547
Due County for Added & Omitted Taxes	A-20	4,826	
Due to the State of New Jersey-			
Senior and Veteran's Discounts	A-7	118,644	122,625
Fees Payable	A-34	4,655	4,655
Excess Grant Funding- H1N1	A-34		24,596
Special Emergency Note	A-32	130,000	260,000
Reserve for:			
Master Plan	A-25	8,250	8,250
Revaluation	A-26		50,568
Appropriated Reserve for Grants	A-23	783,879	454,465
Unappropriated Reserve for Grants	A-24	4,334	-
Due to Special Improvement District	A-27	25,547	75,560
Due to Other Trust Fund	B-12	72,152	-
		<u>4,937,686</u>	<u>4,549,173</u>
Reserve for Receivables and Other Assets	A	1,186,362	936,579
Fund Balance	A-1	<u>5,739,359</u>	<u>5,846,374</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u><b>\$11,863,407</b></u>	<u><b>\$11,332,126</b></u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011 AND THE**  
**TRANSITION YEAR ENDED DECEMBER 31, 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 1,500,000	\$ 87,753
Miscellaneous Revenue Anticipated	A-2	4,808,769	2,909,055
Receipts from Delinquent Taxes	A-2	560,549	24,788
Receipts from Current Taxes	A-2	77,077,932	38,708,355
Non-Budget Revenue	A-2	392,712	236,858
Other Credits to Income			
Cancel Appropriated Reserve Balances	A-23	84,532	
Cancel Prior Year Accounts Payable	A-33	139,925	
Interfunds Returned	A	2,899	319
Other Cancelations and Adjustments	A	8,413	130,298
Unexpended Balances of Appropriation Reserves	A-14	382,157	978,197
		<u>84,957,888</u>	<u>43,075,623</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	14,257,651	6,313,200
Other Expenses	A-3	12,463,567	6,643,678
Deferred Charges and Statutory Expenditures - Municipal	A-3	3,003,709	586,372
Capital Improvements	A-3	100,000	100,000
Municipal Debt Service	A-3	2,830,571	2,415,985
County Taxes Payable	A-20	6,009,358	2,857,505
Local District School Taxes Payable	A-21	44,883,849	22,441,924
Other Debits to Income			
Prior Year Senior and Veteran's Discount Disallowed	A-7	250	1,250
Cancellation of Grants Receivable Balances	A-31	19,888	-
Total Expenditures		<u>83,568,843</u>	<u>41,359,914</u>
Excess in Revenue		1,389,045	1,715,709
Adjustments to Income before Surplus:			
Expenditures Included Above Which Are By Statute Deferred Charges to Budgets of Succeeding Years	A-13	3,940	-
Statutory Excess to Surplus		1,392,985	1,715,709
Fund Balance, Beginning of Year	A-1	5,846,374	4,218,418
		7,239,359	5,934,127
Decreased by			
Utilization as Anticipated Revenue	A-1	1,500,000	87,753
Fund Balance, End of Year	A	<u>\$ 5,739,359</u>	<u>\$ 5,846,374</u>

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

	Reference	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 1,500,000	-	\$ 1,500,000	-
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-11	27,000		35,945	\$ 8,945
Other	A-2	12,000		13,770	1,770
Fees and Permits	A-2	60,000		79,749	19,749
Fines and Costs					
Municipal Court	A-11	506,000		551,045	45,045
Interest and Costs on Taxes	A-11	144,000		147,749	3,749
Interest on Investments and Deposits	A-2	45,000		27,151	(17,849)
PILOT Senior Citizen Complex	A-11	76,393		73,596	(2,797)
Site Rental - Cablevision	A-11	60,000		72,206	12,206
Franchise Fees - Cablevision	A-11	211,443		211,443	-
Franchise Fees - Verizon	A-11	69,830		69,830	-
Rental of Tennis Courts	A-11	23,000		20,000	(3,000)
Rental of Swim Club	A-11	16,030		4,000	(12,030)
Cell Tower Rental Fee	A-11	100,000		128,934	28,934
Recycling Program	A-11	40,000		107,000	67,000
Recreation Fees	A-11	20,000		24,010	4,010
Energy Receipts Tax	A-11	1,644,444		1,644,444	-
Consolidated Municipal Property Tax Relief Aid	A-11	337,213		337,213	-
Supplemental Energy Receipts Tax	A-11			61,203	61,203
Uniform Construction Code Fees	A-11	300,000		361,353	61,353
Uniform Fire Safety Act	A-11	60,000	-	93,040	-
Recycling Tonnage Grant	A-31		\$ 48,347	48,347	-
Clean Communities Program	A-31		32,696	32,696	-
Drunk Driving Enforcement Fund	A-31		3,946	3,946	-
Municipal Alliance on Alcoholism and Drug Abuse	A-31		15,759	15,759	-
Community Development Block Grant-Howard Drive Rehabilitation	A-31		175,380	175,380	-
The 200 Club of Bergen County	A-31	1,000		1,000	-
Bergen County Open Space - Coopers Pond Restoration	A-31		67,000	67,000	-
Green Communities Grant	A-31		3,000	3,000	-
Public Health Priority Funding	A-31	10,000		10,000	
Bergen County Open Space Trust-Tennis Court Rehabilitation	A-31		85,000	85,000	
Alcohol Education and Rehabilitation- Reserve	A-31		1,025	1,025	
Bergen County-Prosecutor Funds	A-31		1,935	1,935	-
NJ Department of Transportation	A-31	-	300,000	300,000	-
<b>Total Miscellaneous Revenues</b>	<b>A-1</b>	<b>3,763,353</b>	<b>734,088</b>	<b>4,808,769</b>	<b>278,288</b>
RECEIPTS FROM DELINQUENT TAXES	A-8	-	-	560,549	560,549
LOCAL TAX FOR MUNICIPAL PURPOSES	A-2	27,147,851	-	26,584,725	(563,126)
<b>Total General Revenues</b>	<b>A-3</b>	<b>\$ 32,411,204</b>	<b>\$ 734,088</b>	<b>33,454,043</b>	<b>\$ 275,711</b>
Non-Budget Revenue	A-2,A-1			392,712	
				<b>\$ 33,846,755</b>	

The Accompanying Notes are an Integral Part of These Financial Statements

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

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-8,A-1	\$ 77,077,932
Less: Allocated to School and County Taxes	A-20,A-21	<u>50,893,207</u>
Balance for Support of Municipal Budget Appropriations		26,184,725
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>400,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 26,584,725</u>
Licenses- Other		
Borough Clerk	A-11	\$ 11,375
Board of Health	A-11	<u>2,395</u>
	A-2	<u>\$ 13,770</u>
Fees and Permits - Other		
Board of Health Registrar	A-11	\$ 42,515
Fire Department	A-11	19,956
Police Department	A-11	17,093
Borough Clerk	A-11	<u>185</u>
	A-2	<u>\$ 79,749</u>
Interest on Investments and Deposits		
Due from Other Trust Fund- Escrow	B-4	\$ 40
Cash Receipts	A-11	<u>27,111</u>
	A-2	<u>\$ 27,151</u>

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

	<u>Reference</u>	
<b>ANALYSIS OF NON-BUDGET REVENUES</b>		
Memo Bills		\$ 3,833
Towing		1,550
Subdivision		1,230
Insurance Refund		17,555
DMV Inspection		29,014
Old Outstanding Checks		6,462
Borough Auction		9,180
Miscellaneous		<u>323,888</u>
	A-1	<u>\$ 392,712</u>
Cash Receipts	A-4	\$ 386,250
Due from Other Trust-Payroll	B-9,B-10	<u>6,462</u>
		<u>\$ 392,712</u>



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

	<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>	
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
General Administration (Administrative Executive)					
Salaries and Wages	\$ 215,000	\$ 215,000	\$ 199,561	\$ 15,439	
Other Expenses	126,000	125,999	93,106	32,893	
Mayor & Council					
Salaries and Wages	42,000	42,000	41,067	933	
Other Expenses	4,000	4,000		4,000	
Municipal Clerk					
Salaries and Wages	80,500	80,500	80,132	368	
Other Expenses	63,500	63,500	54,254	9,246	
Financial Administration (Treasury)					
Salaries and Wages	133,500	133,500	107,166	26,334	
Other Expenses	50,250	50,250	9,215	41,035	
Audit Services					
Other Expenses	65,000	111,075	111,075	-	
Revenue Administration (Tax Collection)					
Salaries and Wages	145,000	145,000	122,692	22,308	
Other Expenses	26,600	26,600	9,267	17,333	
Tax Assessment Administration					
Salaries and Wages	50,200	50,200	49,794	406	
Other Expenses	28,230	28,230	22,599	5,631	
Legal Services (Legal Department)					
Salaries and Wages	43,500	43,500	43,260	240	
Other Expenses	275,000	275,000	195,187	79,813	
Insurance					
Unemployment Insurance	50,000	50,000	50,000		
Workers Compensation Insurance	470,492	470,492	470,492		
Liability Insurance	436,217	436,217	410,194	26,023	
Group Insurance Plan for Employees	3,908,402	3,908,402	3,897,380	11,022	
Engineering Services - Other Expenses	110,000	110,000	91,184	18,816	
Planning Board					
Salaries and Wages	3,400	3,200	1,246	1,954	
Other Expenses	500	500		500	
Site Plan					
Salaries and Wages	1,000	1,200	1,154	46	

The Accompanying Notes are an Integral Part of These Financial Statements

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

	<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>
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT (Continued)</b>					
<b>LAND USE ADMINISTRATION</b>					
Zoning Board of Adjustment					
Salaries and Wages	\$ 3,400	\$ 3,400	\$ 3,260	\$ 140	
Other Expenses	300	300		300	
<b>PUBLIC SAFETY</b>					
Police Department					
Salaries and Wages	6,487,592	6,572,592	6,510,298	62,294	
Other Expenses	152,900	152,900	102,766	50,134	
Other Expenses - Acquisition of Police Vehicles	65,000	65,000	64,541	459	
Office of Emergency Management					
Other Expenses	4,400	4,400	2,074	2,326	
First Aid Organization					
Salaries and Wages	55,200	61,997	60,417	1,580	
Other Expenses	28,000	21,203	18,428	2,775	
Fire Official					
Salaries and Wages	80,000	80,000	77,578	2,422	
Other Expenses	6,400	6,400	2,808	3,592	
Fire Department					
Salaries and Wages	646,491	621,491	592,913	28,578	
Other Expenses	143,300	143,300	141,500	1,800	
Fire Hydrant Service	226,744	227,744	227,605	139	
Municipal Prosecutors Office					
Salaries and Wages	15,000	15,000	13,846	1,154	
Municipal Court					
Salaries and Wages	135,000	134,999	113,162	21,837	
Other Expenses	17,800	17,800	11,490	6,310	
Public Defender (P.L. 1997, C. 256)					
Salaries and Wages	6,000	6,001	6,000	1	
<b>PUBLIC WORKS</b>					
Streets and Roads Maintenance					
Salaries and Wages	1,284,000	1,219,000	1,174,424	44,576	
Other Expenses	213,800	213,800	147,619	66,181	

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

	<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"					
GENERAL GOVERNMENT (Continued)					
PUBLIC SAFETY (Continued)					
Building and Grounds					
Other Expenses	\$ 67,500	\$ 67,500	\$ 54,039	\$ 13,461	
Solid Waste Collection					
Salaries and Wages	1,844,000	1,884,000	1,841,086	42,914	
Other Expenses	175,500	175,500	172,180	3,320	
Vehicle Maintenance (Including Police)					
Other Expenses	55,000	65,000	47,024	17,976	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	334,800	334,800	324,852	9,948	
Other Expenses	37,300	37,300	24,961	12,339	
Environmental Committee					
Other Expenses	500	500	213	287	
Animal Control Services					
Other Expenses	41,733	41,733	41,733	-	
Welfare/Administration of Public Assistance					
Salaries and Wages	6,000	6,000	6,000	-	
Other Expenses	250	250		250	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	125,615	128,115	125,666	2,449	
Other Expenses	61,500	59,000	42,183	16,817	
Community Affairs - Senior Citizens					
Salaries and Wages	18,000	18,000	17,442	558	
Other Expenses	12,000	12,000	8,956	3,044	
Maintenance of Parks					
Salaries and Wages	534,756	524,756	491,082	33,674	
Other Expenses	88,500	88,500	41,209	47,291	

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

	<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 - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
OTHER COMMON OPERATING FUNCTIONS (Unclassified)					
Celebration of Public Events					
Other Expenses	\$ 36,300	\$ 36,300	\$ 27,361	\$ 8,939	
Accumulated Leave Compensation	100,000	100,000	100,000		
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	330,500	330,500	322,275	8,225	
Other Expenses	22,650	22,650	14,439	8,211	
Construction Code Official					
Other Expenses	1,350	1,350		1,350	
Other Code Enforcement Functions					
Rent Leveling Board					
Salaries and Wages	2,500	2,500	1,200	1,300	
Other Expenses	200	200		200	
Barrier-Free					
Salaries and Wages	1,300	1,300	1,200	100	
Other Expenses	500	500		500	
Shade Tree Board					
Salaries and Wages	1,300	1,300	1,200	100	
Other Expenses	600	600	95	505	
UNCLASSIFIED					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity and Gas	245,000	255,000	255,000	-	
Street Lighting	245,000	244,000	235,992	8,008	
Telephone	76,000	81,000	79,502	1,498	
Water	35,000	40,000	40,000	-	
Gasoline	240,000	265,000	262,075	2,925	

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

	<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" (Continued)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill - Tipping Fees	\$ 1,055,000	\$ 928,925	\$ 896,472	\$ 32,453	-
Total Operations Within "CAPS"	21,695,772	21,695,771	20,806,191	889,580	-
Contingent	7,500	7,500	-	7,500	-
Total Operations Including Contingent Within "CAPS"	21,703,272	21,703,271	20,806,191	897,080	-
Detail:					
Salaries and Wages	12,725,554	12,759,851	12,429,973	329,878	-
Other Expenses (Including Contingent)	8,977,718	8,943,420	8,376,218	567,202	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
DEFERRED CHARGES					
Prior Year Bills					
Other Expenses					
Glance Properties - Solid Waste	12,784	12,784	12,784		
STATUTORY EXPENDITURES					
Contribution to:					
Social Security Syst. (O.A.S.I.)	625,000	625,000	582,681	42,319	
Police and Fireman's Retirement System	1,497,512	1,497,512	1,497,512	-	
Public Employees Retirement System	588,413	588,413	588,413	-	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,723,709	2,723,709	2,681,390	42,319	-
Total General Appropriations for Municipal Purposes Within "CAPS"	24,426,981	24,426,980	23,487,581	939,399	-
OPERATIONS - EXCLUDED FROM "CAPS"					
EDUCATIONAL FUNCTIONS					
Contribution to Free Public Library NJSA 40:54-8	1,497,800	1,497,800	1,429,766	68,034	

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

	<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" (Continued)					
UTILITY EXPENSES AND BULK PURCHASES					
Sewerage Processing and Disposal - BCUA					
Operation and Maintenance Costs	\$ 1,701,091	\$ 1,701,091	\$ 1,682,534	\$ 18,557	
Debt Service Costs	748,909	748,909	748,909		
Sewerage Processing and Disposal - Tenafly	7,500	7,500		7,500	
PUBLIC SAFETY					
Fire Department					
LOSAP - Other Expenses	75,000	75,000	69,000	6,000	
LANDFILL/SOLID WASTE DISPOSAL					
Recycling Tax	25,000	25,000	25,000		
INSURANCE					
Group Insurance	213,619	213,619	194,638	18,981	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Alcohol Education and Rehabilitation Fund - Reserve		1,025	1,025		
Municipal Alliance on Alcohol and Drug Abuse - County		15,759	15,759		
Municipal Alliance on Alcohol and Drug Abuse - Match		3,940	3,940		
NJ DOT - Clinton Ave		300,000	300,000		
Green Communities Grant		3,000	3,000		
Bergen County Open Space - Tennis Court Rehabilitation		85,000	85,000		
Community Development Block Grant - Howard Drive		175,380	175,380		
Bergen County Prosecutor Funds		1,935	1,935		
Clean Communities Program		32,696	32,696		
Donation - 200 Club (Police Department)	1,000	1,000	1,000		
Recycling Tonnage		48,347	48,347		
Drunk Driving Enforcement Fund		3,946	3,946		
NJ Health Officers Association - H1N1	10,000	10,000	10,000		
Bergen County Open Space - Coopers Pond Restoration	-	67,000	67,000		
	<u>4,279,919</u>	<u>5,017,947</u>	<u>4,898,875</u>	<u>119,072</u>	<u>-</u>
Total Operations - Excluded from "CAPS"					
Detail:					
Salaries and Wages	1,497,800	1,497,800	1,429,766	68,034	-
Other Expenses	2,782,119	3,520,147	3,469,109	51,038	-

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

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Balance Cancelled</u>
		<u>Paid or Charged</u>	<u>Reserved</u>
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>			
Capital Improvement Fund	\$ 100,000	\$ 100,000	\$ 100,000
			-
			-
Total Capital Improvement Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
			-
			-
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>			
Payment of Bond Principal	2,205,000	2,205,000	2,205,000
Interest on Bonds	443,606	443,607	443,606
Interest on Notes	133,000	133,000	90,085
Green Trust Loan Program			
Loan Repayments for Principal and Interest	14,146	14,146	14,146
Wastewater Loan Principal and Interest	<u>78,552</u>	<u>78,552</u>	<u>77,734</u>
			-
Total Municipal Debt Service Excluded from "CAPS"	<u>2,874,304</u>	<u>2,874,305</u>	<u>2,830,571</u>
			-
			43,734
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</b>			
Special Emergency Authorizations-5 years	130,000	130,000	130,000
Deferred Charges - Unfunded Capital Ordinance	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
			-
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>
			-
			-
Judgements	<u>50,000</u>	<u>50,000</u>	<u>-</u>
			-
Total General Appropriations Excluded from "CAPS"	<u>7,584,223</u>	<u>8,322,252</u>	<u>8,109,446</u>
			\$ 119,072
			93,734
Total General Appropriations	32,011,204	32,749,232	31,597,027
			1,058,471
Reserve for Uncollected Taxes	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
			-
Total General Appropriations	<u>\$32,411,204</u>	<u>\$33,149,232</u>	<u>\$31,997,027</u>
			\$ 1,058,471
			\$ 93,734
	<u>Reference</u>	A-2	A
			A-1

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

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 32,411,204	
Added by N.J.S.A. 40A:4-87	A-3	734,088	
Emergency Appropriation	A-13	<u>3,940</u>	
		<u>\$ 33,149,232</u>	
Cash Disbursed	A-4		\$ 29,670,315
Deferred Charges			
Special Emergency	A-12		130,000
Reserve for Uncollected Taxes	A-2		400,000
Encumbrances Payable	A-15		947,684
Transfer to Grants Appropriated	A-23		749,028
Transfer to Reserve for Terminal Leave	B-8		<u>100,000</u>
			<u>\$ 31,997,027</u>



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

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>			
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash	B-1	\$ 220,052	\$ 228,444
		<u>220,052</u>	<u>228,444</u>
<b>ANIMAL CONTROL FUND</b>			
Cash	B-1	28,367	20,694
		<u>28,367</u>	<u>20,694</u>
<b>OTHER TRUST FUND</b>			
Cash	B-1	1,812,695	1,551,647
Due From Current Fund - Other Trust	B-8	72,152	-
		<u>1,884,847</u>	<u>1,551,647</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B	647,620	77,996
Contribution Receivable	B	68,701	69,000
Investment Fund Transfer- Due From Current Fund	B	37,599	603,582
		<u>753,920</u>	<u>750,578</u>
<b>Total Assets</b>		<u>\$ 2,887,186</u>	<u>\$ 2,551,363</u>

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

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>LIABILITIES AND RESERVES</b>			
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-7	\$ 9,559	
Reserve for Unemployment Compensation Insurance	B-6	<u>210,493</u>	<u>\$ 228,444</u>
		<u>220,052</u>	<u>228,444</u>
<b>ANIMAL CONTROL FUND</b>			
Reserve for Animal Control Expenditures	B-2	<u>28,367</u>	<u>20,694</u>
		<u>28,367</u>	<u>20,694</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund - Other Trust	B-8		2,899
Due to Current Fund - Escrow Trust	B-4	3	3
Reserve for:			
Miscellaneous Deposits	B-7	<u>1,884,844</u>	<u>1,548,745</u>
		<u>1,884,847</u>	<u>1,551,647</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP	B	<u>753,920</u>	<u>750,578</u>
<b>Total Liabilities and Reserves</b>		<u><u>\$ 2,887,186</u></u>	<u><u>\$ 2,551,363</u></u>

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

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>			
Cash	C-2, C-3	\$ 3,926,276	\$ 4,245,781
Grant/Other Receivable	C-4	-	101,751
Deferred Charges - Unfunded Grants	C-15	128,455	276,704
Deferred Charges to Future Taxation			
Funded	C-5	9,878,828	12,159,391
Unfunded	C-6	<u>6,773,322</u>	<u>5,688,200</u>
 Total Assets		 <u>\$ 20,706,881</u>	 <u>\$ 22,471,827</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-13	\$ 9,303,000	\$ 11,508,000
Wastewater Loan Payable	C-11	414,590	479,393
EDA Loan Payable	C-12	161,238	171,998
Bond Anticipation Notes Payable	C-8	4,909,500	4,909,500
Contracts Payable	C-10	229,632	257,081
Improvement Authorizations			
Funded	C-7	2,114,277	2,307,289
Unfunded	C-7	1,901,825	1,095,674
Reserve for Payment of Bonds	C-14	854,248	952,321
Capital Improvement Fund	C-9	745,688	717,688
Fund Balance	C-1	<u>72,883</u>	<u>72,883</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 20,706,881</u>	 <u>\$ 22,471,827</u>

There were bonds and notes authorized but not issued on December 31, 2011 and 2010 of \$2,049,360 \$778,700 respectively. (Exhibit C-16)

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

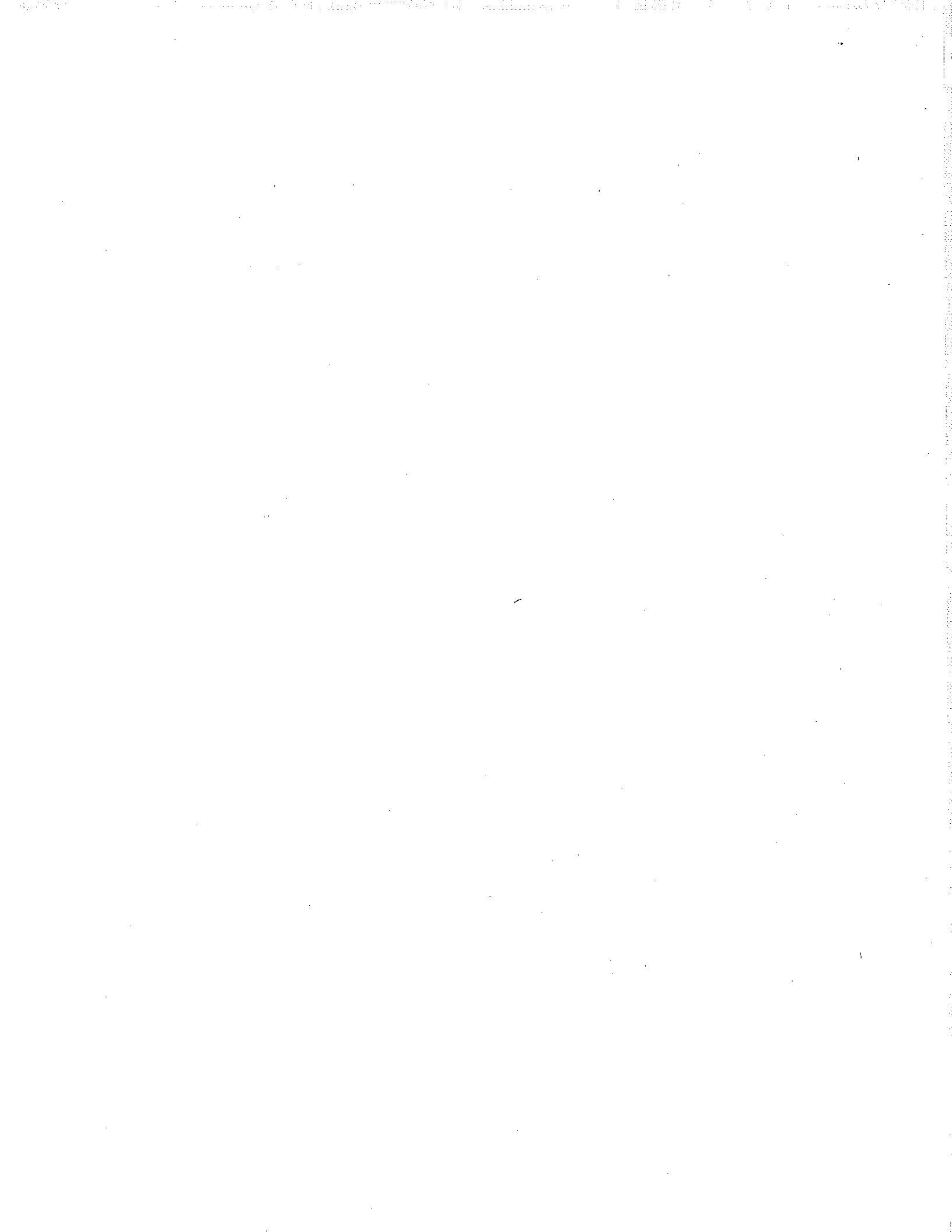
	<u>Reference</u>	= <u>2011</u>	<u>2010</u>
Balance, December 31	C	\$ <u>72,883</u>	\$ <u>72,883</u>
Balance, December 31	C	\$ <u>72,883</u>	\$ <u>72,883</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS- REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u> (Restated)
<b>ASSETS</b>		
Land	\$ 5,196,563	\$ 5,196,563
Buildings and Building Improvements	7,788,665	7,413,763
Machinery and Equipment	<u>7,985,105</u>	<u>7,893,929</u>
 Total Assets	 <u>\$ 20,970,333</u>	 <u>\$ 20,504,255</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 20,970,333</u>	<u>\$ 20,504,255</u>

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**NOTES TO FINANCIAL STATEMENTS**





**BOROUGH OF BERGENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**A. Reporting Entity**

The Borough of Bergenfield (the "Borough") was incorporated in 1894 and operates under an elected (Mayor/Council) form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services. The Borough operated on a state fiscal year, July 1 to June 30 thru June 30, 2010 and has transitioned to a calendar fiscal year beginning July 1, 2010. Due to the conversion, the Borough had a six month transition year July 1, 2010 through December 31, 2010.

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 and volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

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

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Borough has the following funds and account group:

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

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

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.

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:

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

Trust Funds  
General Capital Fund  
Public Assistance Fund

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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 2011 and 2010 the Borough Council increased the original budget by \$738,028 and \$247,555. The increases were funded by additional aid allotted to the Borough and in 2011 an emergency resolution for Municipal Alliance Local Match. In addition, the governing body approved several budget transfers during 2011 and 2010.

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

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

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

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

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

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of 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.

Fixed Assets purchased after June 30, 1985 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to June 30, 1985 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**General Fixed Assets (Continued)**

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

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

**Reclassifications** - Certain reclassifications have been made to the December 31, 2010 balances to conform to the December 31, 2011 presentation.

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

**C. Basic Financial Statements**

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

**NOTE 2 DEPOSITS AND INVESTMENTS**

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

**Deposits**

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2011 and 2010, the book value of the Borough's deposits were \$15,716,255 and \$15,604,573 and bank and brokerage firm balances of the Borough's deposits amounted to \$16,453,880 and \$16,744,828, 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>2011</u>	<u>2010</u>
Insured	<u>\$ 16,453,880</u>	<u>\$ 16,744,828</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2011 and 2010, the Borough's bank balances were not exposed to custodial credit risk.

**Investments**

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

As of December 31, 2011 and 2010, the Borough had the following investments:

	<u>Fair Value (LOSAP)</u>
<b><u>2011</u></b>	
<u>Investment:</u>	
LOSAP (Unaudited)	<u>\$ 647,620</u>
<b><u>2010</u></b>	
<u>Investment:</u>	
LOSAP (Unaudited)	<u>\$ 77,996</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. . As of December 31, 2011 and 2010, \$647,620 and \$77,996 of the Borough’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP)
<b><u>2011</u></b>	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>647,620</u>
<b><u>2010</u></b>	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>77,996</u>

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2011 and 2010, the Borough’s investment in Lincoln Financial Group was rates Baa2 by Moody’s Investor Service.

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

The fair value of the above-listed investments were based on quoted market prices.

Interest earned in the General Capital Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.



**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 3 TAXES RECEIVABLE**

Receivables at December 31, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
<u>Current Fund</u>		
Property Taxes	\$ 875,683	\$ 662,434
Tax Title Liens	<u>258,091</u>	<u>226,093</u>
	<u>\$ 1,133,774</u>	<u>\$ 888,527</u>

In 2011 and 2010, the Borough collected \$560,549 and \$24,788 from delinquent taxes, which represented 67% and 100% of the prior year delinquent taxes receivable balance.

**NOTE 4 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

	<u>2011</u>	<u>2010</u>
Issued		
General		
Bonds, Notes and Loans	\$ 14,788,328	\$ 17,068,891
Less Funds Temporarily Held to Pay Bonds and Notes	<u>1,214,786</u>	<u>1,101,232</u>
Net Debt Issued	<u>13,573,542</u>	<u>15,967,659</u>
Authorized But Not Issued		
General		
Bonds and Notes	<u>2,049,360</u>	<u>778,700</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 15,622,902</u>	<u>\$ 16,746,359</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .54% and .55% at December 31, 2011 and 2010, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2011</u></b>			
General Debt	\$ 16,837,688	\$ 1,214,786	\$ 15,622,902
Total	<u>\$ 16,837,688</u>	<u>\$ 1,214,786</u>	<u>\$ 15,622,902</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2010</u></b>			
General Debt	\$ 17,847,591	\$ 1,101,232	\$ 16,746,359
Total	<u>\$ 17,847,591</u>	<u>\$ 1,101,232</u>	<u>\$ 16,746,359</u>

**Statutory Borrowing Power**

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

	<u>2011</u>	<u>2010</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 100,945,708	\$ 107,142,538
Net Debt	<u>15,622,902</u>	<u>16,746,359</u>
Remaining Borrowing Power	<u>\$ 85,322,806</u>	<u>\$ 90,396,179</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2011</u>	<u>2010</u>
\$9,445,000, 1999 Bonds, due in annual installments of \$938,000 through August, 2012, interest at 4.80%	\$ 938,000	\$ 1,888,000
\$1,310,000, 2003 Bonds, due in annual installments of \$175,000 through February, 2012, interest at 2.10% to 5%	175,000	330,000
\$8,587,000, 2004 Bonds, due in annual installments of \$1,000,000 to \$1,987,000 through July, 2014 interest at 3.25%	3,987,000	4,887,000
\$4,953,000, 2007 Bonds, due in annual installments of \$250,000 to \$553,000 through August 1, 2021, interest at 4.125 to 4.150%	<u>4,203,000</u>	<u>4,403,000</u>
	<u>\$ 9,303,000</u>	<u>\$ 11,508,000</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 wastewater treatment program and a Green Trust Loan for the purchase of real property. 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>2011</u>	<u>2010</u>
\$1,130,000, 1997 Loan, due in Semi-annual installments of \$63,732 to \$74,681 through August, 2017, interest at 4.00% to 5.00%	\$ 414,590	\$ 479,393
\$227,500, 2004 Loan, due in Semi-annual installments of \$10,977 to \$13,936 through September 2024, interest at 2%	<u>161,238</u>	<u>171,998</u>
	<u>\$ 575,828</u>	<u>\$ 651,391</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Long-Term Debt (Continued)**

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

<u>Calendar</u> <u>Year</u>	<u>General</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2012	\$ 2,363,000	\$ 352,489	\$ 74,709	\$ 15,170	\$ 2,805,368
2013	1,300,000	260,275	73,859	13,200	1,647,334
2014	2,287,000	215,402	81,071	11,224	2,594,697
2015	400,000	138,447	80,078	8,995	627,520
2016	425,000	121,950	87,146	6,761	640,857
2017-2021	2,528,000	323,060	137,973	9,872	2,998,905
2022-2024	-	-	40,992	1,446	42,438
<b>Total</b>	<b>\$ 9,303,000</b>	<b>\$ 1,411,623</b>	<b>\$ 575,828</b>	<b>\$ 66,668</b>	<b>\$ 11,357,119</b>

**Changes in Long-Term Municipal Debt**

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

	<u>Balance,</u> <u>December 31,</u> <u>2010</u>	<u>Increases</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2011</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>2011</u>					
General Capital Fund					
Bonds Payable	\$ 11,508,000		\$ 2,205,000	\$ 9,303,000	\$ 2,363,000
Intergovernmental Loans Payable	651,391	-	75,563	575,828	74,709
General Capital Fund Long-Term Liabilities	\$ 12,159,391	\$ -	\$ 2,280,563	\$ 9,878,828	\$ 2,437,709

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2009</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within <u>One Year</u>
<u>2010</u>					
General Capital Fund					
Bonds Payable	\$ 13,518,000		\$ 2,010,000	\$ 11,508,000	\$ 2,205,000
Intergovernmental Loans Payable	<u>750,892</u>	<u>-</u>	<u>99,501</u>	<u>651,391</u>	<u>75,563</u>
General Capital Fund Long-Term Liabilities	<u>\$ 14,268,892</u>	<u>\$ -</u>	<u>\$ 2,109,501</u>	<u>\$ 12,159,391</u>	<u>\$ 2,280,563</u>

**Short-Term Debt**

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

	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Bond Anticipation Notes General Capital Fund	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>
Total	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>
	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Bond Anticipation Notes General Capital Fund	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>
Total	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Short-Term Debt (Continued)**

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund for the years 2011 and 2010 as follows:

	Balance, December 31, <u>2010</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Special Emergency Notes	\$ 260,000	\$ 130,000	\$ 260,000	\$ 130,000
	Balance, December 31, <u>2009</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Special Emergency Notes	\$ 390,000	\$ 260,000	\$ 390,000	\$ 260,000

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

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

	Balance December 31, <u>2010</u> (Restated)	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Land	\$ 5,196,563			\$ 5,196,563
Buildings and Building Improvements	7,413,763	\$ 374,902		7,788,665
Machinery and Equipment	7,893,929	91,176	-	7,985,105
	<u>\$ 20,504,255</u>	<u>\$ 466,078</u>	<u>\$ -</u>	<u>\$ 20,970,333</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 6 DUE TO/FROM OTHER FUNDS**

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

	<u>2011</u>		<u>2010</u>	
	<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	\$ 3	\$ 72,152	\$ 2,902	\$ -
Other Trust Fund	<u>72,152</u>	<u>3</u>	<u>-</u>	<u>2,902</u>
	<u>\$ 72,155</u>	<u>\$ 72,155</u>	<u>\$ 2,902</u>	<u>\$ 2,902</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and revenues earned in one fund due to another fund.

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

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund 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:

	<u>Fund Balance December 31, 2011</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31, 2010</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 4,870,611	\$ 1,815,000	\$ 5,268,834	\$ 1,500,000
Non-Cash Surplus	<u>868,748</u>	<u>-</u>	<u>577,540</u>	<u>-</u>
	<u>\$ 5,739,359</u>	<u>\$ 1,815,000</u>	<u>\$ 5,846,374</u>	<u>\$ 1,500,000</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<b><u>2011</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 79,432	\$ 79,432	\$ -
Emergencies	<u>\$ 3,940</u>	<u>\$ 3,940</u>	<u>\$ -</u>
<b><u>2010</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	<u>\$ 260,000</u>	<u>\$ 130,000</u>	<u>\$ 130,000</u>

**NOTE 9 COMPENSATED ABSENCES**

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and terminal leave 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 \$2,135,168 and \$1,925,000 at December 31, 2011 and 2010, 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, 2011 and 2010, the Borough has reserved in the Other Trust Fund \$581,722 and \$455,173, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS**

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

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



**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

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

**Other Pension Funds**

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

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

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

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

**Basis of Accounting**

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

**Investment Valuation**

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Investment Valuation (Continued)**

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

**Significant Legislation**

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

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

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and to attain age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years, PFRS and PERS Prosecutors Part active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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

**Funded Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 78.5 percent and \$10.7 billion, respectively.

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Funded Status and Funding Progress (Continued)**

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

**Actuarial Methods and Assumptions**

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS, 8.50% for PFRS and 5.50% for DCRP of employees' annual compensation.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2011, 2010 and 2009, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31,</u>	<u>PFRS</u>	<u>PERS</u>
2011	\$ 1,497,512	\$ 588,413
2010	1,352,821	476,223
2009	1,214,176	423,727

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 11 POST-RETIREMENT MEDICAL BENEFITS**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 547 state and local participating employers and contributing entities for Fiscal Year 2011.

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

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

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

**Basis of Accounting**

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

**Investment Valuation**

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Significant Legislation**

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

**Funded Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$21.1 billion for state active and retired members and \$38.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contribution**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution (Continued)**

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$108.1 million for 8,161 eligible retired members for Fiscal Year 2011. This benefit covers the PFRS.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$34.2 million in Fiscal Year 2011 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2011, 2010 and 2009 were \$1,323,271, \$1,217,240 and \$1,093,427, respectively, which equaled the required contributions for each year. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2011, 2010 and 2009 were \$70,009, \$75,655 and \$86,760, respectively.

**NOTE 12 RISK MANAGEMENT**

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

The Borough of 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, SBJIF and MEL coverage amounts are on file with the Borough.

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 12 RISK MANAGEMENT (Continued)**

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 50,000	\$ 1,987	\$ 69,938	\$ 210,493

**NOTE 13 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2011 and 2010. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2011 and 2010, the Borough reserved \$1,108,421 and \$1,322,486, 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, 2011 and 2010, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 14 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2011 and 2010, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 15 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, 1999 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.

The Borough of Bergenfield has contributed \$1,184 and \$1,150 for 2011 and 2010, respectively, for each eligible volunteer member into the Plan. The Borough also contributed \$1,184 and \$1,150 for 2011 and 2010, respectively for each eligible volunteer first aid squad members 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.



**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2011 AND TRANSITION YEAR ENDED DECEMBER 31, 2010**

**NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (Continued)**

**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 Funds.

**NOTE 16 RESTATEMENT**

The beginning balance of the Borough's fixed asset account group has been restated because of the following:

- Remove certain machinery and equipment that the Borough disposed of in prior years, that were not removed from the fixed asset inventory report.
- Record certain machinery and equipment that the Borough purchased in prior years that was not recorded on the fixed asset inventory report.

	Beginning Balance Prior to Restatement December 31, <u>2010</u>	<u>Restatement</u>	Beginning Balance Restated December 31, <u>2010</u>
Land	\$ 5,196,563		\$ 5,196,563
Building and Building Improvements	7,413,763		7,413,763
Machinery and Equipment	<u>11,290,217</u>	<u>\$ (3,396,288)</u>	<u>7,893,929</u>
	<u>\$ 23,900,543</u>	<u>\$ (3,396,288)</u>	<u>\$ 20,504,255</u>

**NOTE 17 SUBSEQUENT EVENTS**

**Debt Authorized**

On August 7, 2012, the Borough adopted a bond ordinance authorizing the issuance of \$1,309,000 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

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**CURRENT FUND**



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

Balance, December 31, 2010	\$ 9,553,817
Increased by Receipts:	
Taxes Receivable	\$77,237,715
Special Improvement District- Taxes Receivable	153,237
Non-Budget Revenue	386,250
Revenue Accounts Receivable	4,063,641
Due from State of New Jersey	236,500
Tax Overpayments	91,316
Tax Overpayments- Special Improvement District	4,572
Prepaid Taxes	262,382
Reserve for Grants- Unappropriated	4,334
Grants Receivable	437,932
Prepaid Taxes- Special Improvement District	1,139
Receipts Deposited in Current Fund on Behalf of:	
Other Trust Fund- Miscellaneous Reserves	59,019
Special Emergency Note Payable	130,000
Receipts From Other Trust- Escrow	40
Receipts from Other Trust- Payroll	6,462
Petty Cash	<u>1,350</u>
	<u>83,075,889</u>
	92,629,706
Decreased by Disbursements:	
2011 Budget Appropriations	29,670,315
2010 Appropriation Reserves	1,134,622
County Taxes Payable	6,004,532
Local School District Taxes Payable	44,883,849
Tax Overpayments	58,979
Reserve for Tax Appeals	214,065
Reserve for Grants- Appropriated	263,213
Due to State of New Jersey	24,596
Due to Special Improvement District	203,250
Petty Cash	1,350
Due to Other Trust Fund- Miscellaneous Reserves	98,792
Payments made on Behalf of Other Trust- Accumulate Leave	55,451
Payments made to Other Trust- Flexible Spending Advance	10,000
Accounts Payable	22,017
Special Emergency Note Payable	<u>260,000</u>
	<u>82,905,031</u>
Balance, December 31, 2011	<u>\$ 9,724,675</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF CHANGE FUND**

Balance, December 31, 2010		\$ <u>3,850</u>
Balance, December 31, 2011		\$ <u>3,850</u>

**STATEMENT OF PETTY CASH FUND**

Balance, December 31, 2010		\$ 340
Increased by:		
Cash Receipts		<u>1,350</u>
		1,690
Decreased by:		
Cash Disbursements		<u>1,350</u>
Balance, December 31, 2011		\$ <u>340</u>

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

Balance, December 31, 2010		\$ 122,625
Increased by:		
Cash Received from State	\$ 236,500	
Senior Citizens' Deductions and Veterans' Deductions Disallowed by Collector - Prior Year	<u>250</u>	
		<u>236,750</u>
		359,375
Decreased by:		
Senior Citizens' Deductions Per Tax Billings	45,250	
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector	4,481	
Veterans' Deductions Per Tax Billings	<u>191,000</u>	
		<u>240,731</u>
Balance, December 31, 2011		\$ <u>118,644</u>

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

Year	Balance, December 31, 2010	2011 Levy	Added in 2011	Senior Citizens' and Veterans' Deductions Disallowed	Collected In 2010	2011	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2011
2010	\$ 662,434			\$ 250	\$ 560,549		\$ 50,375		\$ 25,948	\$ 25,812
2011	-	\$ 78,039,412	\$ 62,593	-	\$ 160,035	76,677,166	\$ 240,731	168,152	6,050	849,871
	\$ 662,434	\$ 78,039,412	\$ 62,593	\$ 250	\$ 160,035	\$ 77,237,715	\$ 240,731	\$ 218,527	\$ 31,998	\$ 875,683

Analysis of 2011 Tax Levy

<b>TAX YIELD</b>	
General Purpose Tax	\$ 78,039,412
Added Taxes (NJSA 54:4-63.1 et seq)	<u>62,593</u>
	<u>\$78,102,005</u>
<b>TAX LEVY</b>	
Local District School Tax (Abstract)	\$ 44,883,849
County Tax (Abstract)	6,004,532
Due County for Added and Omitted Taxes (54:4-63.1)	<u>4,826</u>
	\$ 50,893,207
Local Tax for Municipal Purposes	27,147,851
Add Additional Taxes Levied	<u>60,947</u>
	<u>27,208,798</u>
	<u>\$78,102,005</u>

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

Balance, December 31, 2010		\$ 226,093
Increased by:		
Transfer from Current Year Taxes Receivable	\$ 6,050	
Transfer from Prior Year Taxes Receivable	<u>25,948</u>	
		<u>31,998</u>
Balance, December 31, 2011		<u>\$ 258,091</u>

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

Balance, December 31, 2010		<u>\$ 28,173</u>
Balance, December 31, 2011		<u>\$ 28,173</u>



**BOROUGH OF BERGENFIELD**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2010</u>	Accrued <u>2011</u>	<u>Collected</u>	Balance, December 31, <u>2011</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 35,945	\$ 35,945	
Licenses		11,375	11,375	
Construction Code Official				
Fees and Permits		361,353	361,353	
Board of Health/Registrar of				
Vital Statistics				
Fees and Permits		42,515	42,515	
Licenses		2,395	2,395	
Fire Prevention				
Fees and Permits		19,956	19,956	
Police Departments				
Fees and Permits		17,093	17,093	
Borough Clerk				
Fees and Permits		185	185	
Municipal Court				
Fines and Costs		551,045	551,045	
Interest and Costs on Taxes		147,749	147,749	
Interest on Deposits and				
Investments		27,111	27,111	
Recycling Program		107,000	107,000	
Recreation Fees		24,010	24,010	
Uniform Fire Safety		93,040	93,040	
PILOT Senior Citizen Complex		73,596	73,596	
Energy Receipts Tax		1,644,444	1,644,444	
Supplemental Energy Receipts Tax		61,203	61,203	
Consolidated Municipal Property Tax Relief Aid		337,213	337,213	
Franchise Fees- Verizon		69,830	69,830	
Franchise Fees- Cablevision		211,443	211,443	
Site Rental - Cablevision		72,206	72,206	
Rental of Tennis Courts		20,000	20,000	
Rental of Swim Club		4,000	4,000	
Cell Tower Rent	-	128,934	128,934	-
	<u>\$ -</u>	<u>\$ 4,063,641</u>	<u>\$ 4,063,641</u>	<u>\$ -</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF DEFERRED CHARGES  
SPECIAL EMERGENCY - 5 YEARS**

<u>Date</u>	<u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u>	<u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2010</u>	<u>Reduced</u>	<u>2011</u>	<u>Cancellation</u>	<u>Balance,</u> <u>December 31,</u> <u>2011</u>
4/22/08		Revaluation	650,000	130,000	\$ 260,000	\$ 130,000		\$ 50,568	\$ 79,432

**STATEMENT OF DEFERRED CHARGES**

<u>Emergency Authorization</u>	<u>Balance,</u> <u>December 31,</u> <u>2010</u>	<u>Added</u>	<u>2011</u>	<u>Balance,</u> <u>December 31,</u> <u>2011</u>
	\$ -	\$ 3,940		\$ 3,940

**BOROUGH OF BERGENFIELD  
STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, <u>2010</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Terminal <u>Leave</u>	Balance <u>Lapsed</u>
Salaries and Wages					
Mayor & Council	\$ 738	\$ 738	-		\$ 738
General Administration	6,072	6,072	-	\$ 5,000	1,072
Municipal Clerk	1,878	1,878	-	5,000	1,878
Financial Administration	6,186	6,189	-		1,189
Revenue Administration	3,115	3,115	-		3,115
Tax Assessment Administration	2,034	2,034	-		2,034
Legal Services	20	20	-		20
Planning Board	1,250	1,250	-		1,250
Site Plan	50	50	-		50
Zoning Board of Adjustment	370	370	-		370
Police Department	22,560	22,560	-	22,000	560
Aid to Volunteer Ambulance Companies	690	690	-		690
Fire Official	1,948	1,948	-		1,948
Fire Department	5,262	5,262	-	5,000	262
Prosecutor	1,036	1,036	-		1,036
Municipal Court	16,606	16,606	-	16,000	606
Public Defender	100	100	-		100
Streets and Roads Maintenance	8,156	8,156	\$ 4,155		4,001
Solid Waste	23,432	23,432	19,013		4,419
Board of Health	1,960	1,960	-		1,960
Public Assistance	50	50	-		50
Recreation Services and Programs	1,775	1,775	-		1,775
Community Affairs-Senior Citizens	750	750	-		750
Maintenance of Parks	5,594	5,594	4,711		883
Building Inspector	3,731	3,731	-		3,731
Barrier Free Board	400	400	-		400
Rent Leveling Board	900	900	-		900
Shade Tree	400	400	-		400
<b>Total Salaries and Wages</b>	<u>117,063</u>	<u>117,066</u>	<u>27,879</u>	<u>53,000</u>	<u>36,187</u>
Other Expenses					
General Administration	10,343	10,620	6,405		4,215
Mayor & Council	2,500	2,500	-		2,500
Municipal Clerk	20,023	17,108	628		16,480
Financial Administration	4,801	7,801	3,002		4,799
Audit Services	21,820	21,820	21,820		-
Revenue Administration	7,490	7,490	5,270		2,220
Tax Assessment Administration	3,912	23,225	17,104		6,121
Legal Services	10,341	62,341	55,701		6,640
Engineering	25,326	25,326	20,377		4,949
Planning Board	500	500	-		500
Zoning Board	500	500	-		500
Police Department	10,518	21,234	13,909		7,325
Office of Emergency Management	1,179	1,214	1,035		179
Aid to Volunteer Ambulance Companies	692	8,142	5,450		2,692
Fire Official	25	942	417		525
Fire Department	15,682	28,380	17,204		11,176
Fire Hydrant Service	624	19,489	18,866		623
Municipal Court	5,194	5,505	5,122		383

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, <u>2010</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Terminal <u>Leave</u>	Balance <u>Lapsed</u>
Streets and Roads Maintenance	\$ 13,658	\$ 64,243	\$ 58,375		\$ 5,868
Buildings and Grounds	11,932	17,009	12,290		4,719
Solid Waste Collection	11,829	47,607	40,077		7,530
Vehicle Maintenance	1,302	8,948	4,646		4,302
Board of Health	13,714	14,287	1,363		12,924
Animal Control Services	27	27	-		27
Welfare/Administration of Public Asst.	443	443	-		443
Recreation Services and Programs	5,834	5,834	-		5,834
Maintenance of Parks	16,282	18,470	13,217		5,253
Community Affairs- Senior Citizens	2,285	2,285	118		2,167
Celebration of Public Events	6,135	6,135	-		6,135
Building Inspector	1,614	2,767	1,485		1,282
Construction Code Official	72	1,000	928		72
Rent Leveling Board	500	500	-		500
Shade Tree Board	600	600	-		600
Barrier Free Board	500	500	-		500
Municipal Library	136,485	136,485	136,485		-
Electricity	6,000	21,970	16,545		5,425
Street Lighting	3,365	25,365	22,538		2,827
Gasoline	5,738	33,881	31,772		2,109
Water		5,939	5,939		-
Telephone	1,013	5,263	5,255		8
Sanitary Landfill - Tipping Fees		173,692	139,254		34,438
Contingent	3,500	3,500	213		3,287
Social Security System	12,731	12,731	(16,454)	\$ 29,000	185
Sewage Processing and Disposal-BCUA	11,742	11,742	5,599		6,143
Recycling Tax		659	659		-
LOSAP	35,000	35,000	-		35,000
Liability Insurance	15,187	122,051	106,864		15,187
Worker Compensation Insurance	636	115,318	114,682		636
Group Insurance Plan for Employees	190,079	323,325	212,583	-	110,742
Total Other Expenses	<u>649,673</u>	<u>1,481,713</u>	<u>1,106,743</u>	<u>29,000</u>	<u>345,970</u>
Grand Total	<u>\$ 766,736</u>	<u>\$ 1,598,779</u>	<u>\$ 1,134,622</u>	<u>\$ 82,000</u>	<u>\$ 382,157</u>
Cash Disbursements			<u>\$ 1,134,622</u>		
2010 Appropriation Reserves		\$ 766,736			
Encumbrances Transferred to 2010 Reserves		<u>832,043</u>			
		<u>\$ 1,598,779</u>			
Due to Other Trust Fund				<u>\$ 82,000</u>	

**BOROUGH OF BERGENFIELD  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2010	\$ 832,043
Increased by:	
Charges to 2011 Budget Appropriations	<u>947,684</u>
	1,779,727
Decreased by:	
Transferred to 2010 Appropriation Reserves	<u>832,043</u>
Balance, December 31, 2011	<u>\$ 947,684</u>

EXHIBIT A-16

**STATEMENT OF ENCUMBRANCES PAYABLE- RESERVE FOR GRANTS**

Balance, December 31, 2010	\$ 14,716
Increased by:	
Charges to 2011 Reserve for Grants- Appropriated	<u>79,897</u>
	94,613
Decreased by:	
Transfer to Appropriated Reserves for Grants	<u>14,716</u>
Balance, December 31, 2011	<u>\$ 79,897</u>

EXHIBIT A-17

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2010	\$ 1,322,486
Decreased by:	
Cash Paid to Appellants	<u>214,065</u>
Balance, December 31, 2011	<u>\$ 1,108,421</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2010	\$ 247,874
Increased by:	
Cash Receipts	<u>91,316</u>
	339,190
Decreased by:	
Refunded	<u>58,979</u>
Balance, December 31, 2011	<u>\$ 280,211</u>

**STATEMENT OF OTHER LIENS RECEIVABLE**

Balance, December 31, 2010	<u>\$ 2,500</u>
Balance, December 31, 2011	<u>\$ 2,500</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Increased by:		
2011 Fiscal Year Levy		
General County Tax (Abstract)	\$ 5,932,200	
County Open Space Preservation	72,332	
Due County for Added and Omitted Taxes	<u>4,826</u>	
		<u>\$ 6,009,358</u>
Decreased by:		
Payments		<u>6,004,532</u>
Balance, December 31, 2011		<u>\$ 4,826</u>

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

Increased by:	
Levy - Calendar Year	<u>\$ 44,883,849</u>
Decreased by:	
Payments	<u>\$ 44,883,849</u>

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2010	\$ 162,511
Increased by:	
Collection of 2012 Taxes	<u>262,382</u>
	424,893
Decreased by:	
Apply to 2011 Tax Receivable	<u>160,035</u>
Balance, December 31, 2011	<u>\$ 264,858</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF APPROPRIATED RESERVES**

	Balance, December 31, <u>2010</u>	Transfer from Current Year <u>Appropriations</u>	Cancel Prior Year <u>Encumbrance</u>	<u>Canceled</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2011</u>
U.S. Department of Housing (CDBG) - School Street	\$ 55,987				\$ 55,987	
U.S. Department of Housing (CDBG) - McDermott Place	54,500			\$ 2,005	52,495	
U.S. Department of Housing (CDBG) - Howard Drive		\$ 175,380			-	\$ 175,380
Bergen County Open Space- Tennis Court Rehabilitation		85,000			-	85,000
Bergen County Open Space- Coopers Pond Restoration		67,000			-	67,000
Municipal Alliance	36	15,759		36	12,599	3,160
Municipal Alliance- Local Match	241	3,940		241	3,150	790
NJ DOT - Resurfacing Dick Street	156,456				114,449	42,007
NJDOT- Clinton Ave		300,000			-	300,000
Green Communities		3,000			-	3,000
Recycling Tonnage Grant	6,225	48,347			48,566	6,006
Clean Communities		32,696			32,696	-
Bergen County Prosecutor Funds		1,935			1,935	-
NJ Health Officers Association- HINI		10,000		153	9,847	-
Bergen County 200 Club		1,000			-	1,000
Body Armor Program			\$ 5,409		5,409	-
DARE - Donation	500					500
BC- Historic Preservation Trust Fund Grant	1,346		2,619		3,965	-
Bergen County Open Space - Playground	6,222			5,819		403
Municipal Stormwater Regulation Program	1,097			1,097		-
Alcohol Education and Rehabilitation		1,025			-	1,025
Drunk Driving Enforcement Fund	1,674	3,946			2,012	3,608
Metzler Brook Flood Study	73,619			73,619		-
Bergen County - Handicap Ramps	95,000					95,000
Edward Byrne Memorial Justice Grant	1,562	-	-	1,562	-	-
	<u>\$ 454,465</u>	<u>\$ 749,028</u>	<u>\$ 8,028</u>	<u>\$ 84,532</u>	<u>\$ 343,110</u>	<u>\$ 783,879</u>
					Cash Disbursements	\$ 263,213
					Encumbrances-Grants	79,897
						<u>\$ 343,110</u>



**BOROUGH OF BERGENFIELD  
STATEMENT OF UNAPPROPRIATED RESERVES**

	Balance, December 31, <u>2010</u>	Cash Receipts	Balance, December 31, <u>2011</u>
Body Armor Fund	\$ -	\$ 4,334	\$ 4,334
	<u>\$ -</u>	<u>\$ 4,334</u>	<u>\$ 4,334</u>

EXHIBIT A-25

**STATEMENT OF RESERVE FOR MASTER PLAN**

Balance, December 31, 2010	\$ 8,250
Balance, December 31, 2011	<u>\$ 8,250</u>

EXHIBIT A-26

**STATEMENT OF RESERVE FOR REVALUATION**

Balance, December 31, 2010	\$ 50,568
Decreased by:	
Cancellation	<u>50,568</u>
Balance, December 31, 2011	<u>\$ -</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF DUE TO SPECIAL IMPROVEMENT DISTRICT**

Balance, December 31, 2010	\$ 75,560
Increased by:	
Collection of Assessment Receivable	<u>153,237</u>
	228,797
Decreased by:	
Payments	<u>203,250</u>
Balance, December 31, 2011	<u>\$ 25,547</u>

**STATEMENT OF SPECIAL IMPROVEMENT DISTRICT TAXES RECEIVABLE**

Balance, December 31, 2010	\$ 14,477
Increased by:	
Net Tax Levy 2011	<u>160,672</u>
	175,149
Decreased by:	
Cash Receipts	<u>153,237</u>
Balance, December 31, 2011	<u>\$ 21,912</u>

**STATEMENT OF PREPAID SPECIAL IMPROVEMENT DISTRICT TAXES**

Balance, December 31, 2010	\$ 2,547
Increased by:	
Collection of 2012 Assessments	<u>1,139</u>
Balance, December 31, 2011	<u>\$ 3,686</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF TAX OVERPAYMENTS SPECIAL IMPROVEMENT DISTRICT TAXES**

Increased by:	
Cash Receipts	\$ <u>4,572</u>
Balance, December 31, 2011	\$ <u>4,572</u>

EXHIBIT A-31

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2010</u>	Accrued in 2011	Collected	Canceled	Balance, December 31, <u>2011</u>
U.S. Department of Housing (CDBG) - School Street	\$ 55,987		\$ 55,987		-
U.S. Department of Housing (CDBG) - McDermott Place	54,500		52,496	\$ 2,004	-
U.S. Department of Housing (CDBG)- Howard Drive		\$ 175,380	-		\$ 175,380
Bergen County Open Space- Coopers Pond Restoration		67,000	-		67,000
Bergen County Open Space-Tennis Court Rehabilitation		85,000	-		85,000
Body Armor Replacement Fund	3,812			3,812	
Drunk Driving Enforcement Fund	3,132			3,132	
Green Communities		3,000	-		3,000
NJDOT - Resurfacing Dick Street	195,000		73,266		121,734
NJDOT- Clinton Ave		300,000	-		300,000
The 200 Club of Bergen County		1,000	1,000		-
Municipal Alliance Grant	15,759	15,759	12,638	3,121	15,759
Bergen County - Handicap Ramps	95,000		-		95,000
Bergen County Open Space - Playground	7,819			7,819	-
Bergen County Historic Preservation Trust	146,531	-	146,531	-	-
Recycling Tonnage Grant		48,347	48,347		-
Clean Communities Program		32,696	32,696		-
Drunk Driving Enforcement Fund		3,946	3,946		-
Public Health Priority Funding		10,000	10,000		-
Alcohol Education and Rehabilitation		1,025	1,025		-
Bergen County Prosecutor Funds	-	1,935	-	-	1,935
	<u>\$ 577,540</u>	<u>\$ 745,088</u>	<u>\$ 437,932</u>	<u>\$ 19,888</u>	<u>\$ 864,808</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE**

Ordinance Number	Issued of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Balance December 31, 2011	
						Increased	Decreased
04-2329	\$ 459,500	9/17/2010	9/16/2011	1.70%	\$ 260,000	\$ 260,000	\$ 130,000
		9/16/2011	2/1/2012	2.45%	-	-	\$ 130,000
					\$ 260,000	\$ 130,000	\$ 130,000

**BOROUGH OF BERGENFIELD  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2010		\$ 199,541
Decreased by:		
Cash Disbursed	\$ 22,017	
Cancellation	<u>139,925</u>	
		<u>161,942</u>
Balance, December 31, 2011		<u>\$ 37,599</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY**

	Balance, December 31, <u>2010</u>	Decreased by <u>Payments</u>	Balance, December 31, <u>2011</u>
DCA Training Fees	\$ 4,480		\$ 4,480
Marriage License	175		175
Excess Grant Proceeds- H1N1	<u>24,596</u>	<u>\$ 24,596</u>	<u>-</u>
	<u>\$ 29,251</u>	<u>\$ 24,596</u>	<u>\$ 4,655</u>

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**TRUST FUND**





**BOROUGH OF BERGENFIELD  
STATEMENT OF TRUST CASH AND INVESTMENTS**

	<u>Unemployment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2010	\$ 228,444	\$ 20,694	\$ 1,551,647
Increased by Receipts:			
Borough's Share of Dog Licenses	\$ 7,412		
Cat License Fees	845		
Animal Late/Miscellaneous Fees	1,396		
Budget Appropriation			
Employee Contributions	50,000		
State Dog License Fees	1,987		
Flexible Spending			\$ 10,000
Interest on Deposits			40
Receipts from Current Fund			98,792
Deposits on Behalf of Current Fund			1,725
Receipts from Payroll Agency			10,524,719
Miscellaneous Reserves			1,433,023
Net Payroll	<u>51,987</u>	<u>11,528</u>	<u>20,862,131</u>
	280,431	32,222	22,413,778
Decreased by Disbursements:			
Payment to State of New Jersey -			
State Dog License Fees		1,875	
Unemployment Claims	60,379		
Expenditures under R.S. 4:19-15.11			1,282,492
Miscellaneous Reserves			10,524,435
Payroll Deductions Payable			8,787,654
Net Payroll			<u>6,502</u>
Payments to Current Fund	<u>60,379</u>	<u>3,855</u>	<u>20,601,083</u>
Balance, December 31, 2011	<u>\$ 220,052</u>	<u>\$ 28,367</u>	<u>\$ 1,812,695</u>

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

Balance, December 31, 2010		\$	20,694
Increased by:			
Dog License Fees Collected		\$	7,412
Late/Miscellaneous Fees			1,396
Cat License Fees Collected			<u>845</u>
			<u>9,653</u>
			30,347
Decreased by:			
Cat and Dog Licenses Fees- Realized as Current Fund			
Budgeted Revenue			845
Expenditures under R.S. 4:19-15.11			<u>1,135</u>
			<u>1,980</u>
Balance, December 31, 2011		\$	<u><u>28,367</u></u>

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

Increased by:			
State Fees Collected		\$	1,875
Decreased by:			
Payments to State			<u>1,875</u>
Balance, December 31, 2011		\$	<u><u>-</u></u>

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

Balance, December 31, 2010	3
Increased by:	
Interest on Deposits and Investments	40
Decreased by:	
Payments to Current Fund	43
Payments to Current Fund	40
Balance, December 31, 2011	\$ 3

EXHIBIT B-5

**STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE BENEFITS**  
**UNEMPLOYMENT TRUST FUND**

Balance, December 31, 2010	\$ 228,444
Increased by:	
Budget Appropriation	\$ 50,000
Employee Contributions	1,987
	51,987
	280,431
Decreased by:	
Unemployment Insurance Benefit Claims	69,938
Balance, December 31, 2011	\$ 210,493

EXHIBIT B-6

**STATEMENT OF DUE TO STATE OF NEW JERSEY**  
**UNEMPLOYMENT COMPENSATION INSURANCE**  
**UNEMPLOYMENT TRUST FUND**

Increased by:	
Unemployment Claims Payable to State	\$ 69,938
Decreased by:	
Payments	60,379
Balance, December 31, 2011	\$ 9,559

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF MISCELLANEOUS RESERVES**  
**OTHER TRUST FUND**

	Balance, December 31, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2011</u>
POAA	\$ 9,721	\$ 3,436	\$ 3,181	\$ 9,976
Fire Code Penalties	70,172	22,065	14,337	77,900
Construction Code Penalties	152,724	2,850	381	155,193
Developes Escrow	108,631	46,819	62,741	92,709
Street Openings	29,570	5,200	6,000	28,770
Police Donations	13	1,000		1,013
Confiscated Funds	6,255			6,255
Code Enforcement Fees - Multiple Dwelling	211,875	36,445		248,320
Tree Replacement	4,420			4,420
Sewer Bond	1,000	-		1,000
Holiday at the Pond	4,644	500	4,230	914
Ambulance Corp.	12,735	17		12,752
Police Outside Detail	36,503	87,970	85,043	39,430
Tax Title Lien Redemption	168,083	1,262,330	1,003,715	426,698
Premiums on Tax Title Liens	255,559	2,400	82,800	175,159
Family Fun Day	9,777	19,260	19,915	9,122
Environmental Program	1,962			1,962
Accumulated Absence Liability Trust Fund	455,173	182,000	55,451	581,722
Founders Day	3			3
Goodwill/Elm St. Relief	9,555	1,750	149	11,156
Crossing Guard	370	-	-	370
	<u>\$1,548,745</u>	<u>\$ 1,674,042</u>	<u>\$ 1,337,943</u>	<u>\$ 1,884,844</u>

Cash Receipts	\$ 1,433,023
Due From Current Fund	<u>241,019</u>
	<u>\$ 1,674,042</u>

Cash Disbursements	\$ 1,282,492
Due to Current Fund	<u>55,451</u>
	<u>\$ 1,337,943</u>

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

	\$	2,899
Balance, December 31, 2010 (Due To)		
Increased by:		
Payments made by Current Fund on Behalf of Other Trust for Accumulated Absences	\$ 55,451	
Cash Received from Current Fund	98,792	
Deposits Received on Behalf of Current Fund	1,725	
Flexible Spending Account Balance	<u>10,000</u>	
		<u>165,968</u>
		168,867
Decreased by:		
Transfer from Current Year Appropriations- Accumulated Absence	100,000	
Transfer from Appropriation Reserves- Accumulated Absence	82,000	
Other Trust Receipts Deposited in Current Fund	<u>59,019</u>	
		<u>241,019</u>
Balance, December 31, 2011 (Due From)	\$	<u>(72,152)</u>

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

Increased by:		
Cash Receipts		<u>10,524,719</u>
Decreased by:		
Cash Disbursements	\$10,524,435	
Cancel Old Outstanding Checks- Payments to Current Fund	<u>284</u>	
		<u>10,524,719</u>
Balance, December 31, 2011		<u>\$ -</u>

EXHIBIT B-10

**STATEMENT OF NET PAYROLL- SALARY AND WAGES PAYABLE  
OTHER TRUST FUND**

Increased by:		
Cash Receipts		<u>\$ 8,793,832</u>
Decreased by:		
Cash Disbursements	\$ 8,787,654	
Cancel Old Outstanding Checks- Payments to Current Fund	<u>6,178</u>	
		<u>8,793,832</u>
Balance, December 31, 2011		<u>\$ -</u>

**GENERAL CAPITAL FUND**





**BOROUGH OF BERGENFIELD**  
**STATEMENT OF GENERAL CAPITAL CASH - TREASURER**

Balance, December 31, 2010		\$ 4,245,781
Increased by:		
Capital Improvement Fund	\$ 100,000	
Unfunded Grants Raised in 2011 Current Fund Budget	<u>150,000</u>	
		<u>250,000</u>
		4,495,781
Decreased by:		
Improvement Authorizations	320,219	
Contracts Payable	<u>249,286</u>	
		<u>569,505</u>
Balance, December 31, 2011		<u>\$ 3,926,276</u>

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

	Balance, December 31, <u>2011</u>
Unfunded Grants	\$ (128,455)
Contracts Payable	229,632
Capital Improvement Fund	745,688
Fund Balance	72,883
Reserve for Payment of Bonds	854,248
Excess Note Proceeds	185,538

## Improvement Authorizations:

Ordinance Number	<u>Improvement Description</u>	
2273	Various Public Improvements	28,751
2289/2337/2343	Expansion of Free Public Library	74,492
2318	Various Capital Improvements	229,944
2323/2340/2341	Various Capital Improvements	609,747
2324	Purchase of Real Property	(56,437)
2335	Repaving of Various Roads	305,586
2355	Various Public Improvements and Acquisition of Equipment	646,567
2371	Various Public Improvements- Municipal Building	34,742
2372	Various Public Improvements	15,686
2383	Various Public Improvements	47,482
2384	Environmental Cleanup	(2,887)
2386	Various Public Improvements	(52,163)
2393	Various Public Improvements	16,174
2398	Various Public Improvements	(113,932)
2405	Various Public Improvements	(90,109)
2416	Various Public Improvements	3,921
2424	Various Public Improvements	100,416
2435	Various Public Improvements	96,762
2448	Various Public Improvements	<u>72,000</u>
		<u>\$ 3,926,276</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF GRANTS/OTHER RECEIVABLE**

	Balance, December 31, 2010	Cancellation	Balance, December 31, 2011
<b><u>Community Development Block Grant</u></b>			
Ord. #2398 Various Public Improvements	\$ 100,000	\$ 100,000	-
Ord. #2405 Various Public Improvements	<u>1,751</u>	<u>1,751</u>	<u>-</u>
	<u>\$ 101,751</u>	<u>\$ 101,751</u>	<u>\$ -</u>

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

Balance, December 31, 2010		\$ 12,159,391
Decreased by:		
Paid by 2011 Budget Appropriation:		
Bonds	\$ 2,205,000	
Green Trust Loan	10,760	
Waste Water Loan	<u>64,803</u>	
		<u>2,280,563</u>
Balance, December 31, 2011		<u>\$ 9,878,828</u>

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

Analysis of Balance December 31, 2011

Ordinance Number	Improvement Description	Balance, December 31, 2010	Authorized 2011	Cancellation	Balance, December 31, 2011		Unexpended Improvement Authorizations	
					Anticipation Notes	Expenditures		
2323/2340/2341	Various Public Improvements	\$ 36,074		\$ 36,074	\$ 290,265	\$ 200,000	\$ 56,437	\$ 33,828
2342/2441	Purchase Real Property	290,265			1,087,332	1,000,000		87,332
2324	Various Public Improvements	1,087,332			77,887	75,000	2,887	
2383	Environmental Clean-Up	77,887			377,163	325,000	52,163	
2384	Various Public Improvements	377,163			481,826	450,000		31,826
2386	Various Public Improvements	481,826			698,053	500,000	113,932	84,121
2393	Various Public Improvements	808,053		110,000	958,834	800,000	90,109	68,725
2398	Various Public Improvements	958,900		66	250,000	250,000		
2405	Various Public Improvements	261,200		11,200	1,123,962	1,123,962		
2416	Various Public Improvements	1,309,500		185,538	1,428,000	-		1,428,000
2424	Various Public Improvements	-		-				
2448	Various Public Improvements	-		-				
		<u>\$ 5,688,200</u>	<u>\$ 1,428,000</u>	<u>\$ 342,878</u>	<u>\$ 6,773,322</u>	<u>\$ 4,723,962</u>	<u>\$ 313,528</u>	<u>\$ 1,733,832</u>

Bond Anticipation Notes \$ 4,909,500  
 Less: excess Note Proceeds 185,538  
 Ord. #2424 \$ 4,723,962

Improvement Authorizations Unfunded \$ 1,901,825  
 Less: Unexpended Bond Anticipation Note Proceeds  
 Ord. #2383 \$ 47,482  
 Ord. #2393 16,174  
 Ord. #2424 100,416  
 Ord. #2416 3,921  
167,993  
\$ 1,733,832

**BOROUGH OF BERGENFIELD  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Number	Improvement Description	Date	Amount	2011 Authorizations		Contract Payable Cancelled	Paid or Charged	Cancellation	Balance, December 31, 2011			
				Capital Improvement Fund					Funded	Unfunded	Funded	Unfunded
				Unfunded	Deferred Charges to Future Charges Unfunded							
2273	Various Public Improvements	02/27/01	\$ 1,300,000	\$ 40,766			\$ 2,304	\$ 12,015	\$ 28,751	\$ 74,492		
2289/2337/2343	Expansion of Free Public Library	12/18/01	3,305,000	74,492								
2292	Various Public Improvements & Acquisition of Equipment	02/05/02	1,318,700	2,304								
2318	Various Public Improvements	12/29/03	682,123	229,944						229,944		
2323/2340/2341/2342/2441	Various Public Improvements	05/18/04	1,381,000	640,000	\$ 36,074		29,141	37,186	609,747	\$ 33,828		
2324	Purchase of Real Property	05/18/04	1,650,000		37,172		3,344					
2335	Repaving Various Roads	09/14/04	550,000	316,446			10,860		305,586			
2355/2447	Various Public Improvements & Acquisition of Equipment	05/17/05	1,573,000	676,191			29,624		646,567			
2371	Various Improvements to Municipal Bldg	04/04/06	432,000	50,145			15,403		34,742			
2372	Various Public Improvements	05/23/06	304,800	88,236			72,550		15,686			
2383	Various Public Improvements	10/17/06	1,171,200		162,405		27,591			134,814		
2393	Various Public Improvements	08/21/07	852,800	48,000						48,000		
2398	Various Public Improvements	11/20/07	1,325,284	204,748			10,627	110,000		84,121		
2405/2446	Various Public Improvements	05/20/08	1,395,160	248,545		\$ 6,900	186,654	66		68,725		
2416	Various Public Improvements	03/10/09	274,400	354,809						3,921		
2424	Various Public Improvements	10/20/09	1,309,500				69,750	185,538		100,416		
2435	Various Public Improvements	12/07/10	188,765	188,765			92,003					
2448	Various Public Improvements	12/06/2011	1,500,000									
				\$ 72,000	\$ 1,428,000					96,762	72,000	
			\$ 2,307,289	\$ 1,095,674	\$ 72,000	\$ 7,795	\$ 549,851	\$ 344,805	\$ 2,114,277	\$ 1,901,825		

Cash Disbursed \$ 320,219  
Contracts Payable 229,632

\$ 549,851

**BOROUGH OF BERGENFIELD  
STATEMENT OF BOND ANTICIPATION NOTES**

Number	Improvement Description	Date of Original Date	Amount of Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2010	Increased	Decreased	Balance, December 31, 2011
2324	Purchase of Real Property	3/3/2010	\$ 200,000	9/30/2011 10/01/10	9/28/2012 9/30/11	.970 1.750	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
2383	Various Public Improvements	3/3/2010	1,000,000	9/30/11 10/01/10	9/28/12 9/30/11	.970 1.750	1,000,000	1,000,000	1,000,000	1,000,000
2384	Environmental Cleanup	3/3/2010	75,000	9/30/11 10/01/10	9/28/12 9/30/11	.970 1.750	75,000	75,000	75,000	75,000
2386	Various Public Improvements	3/3/2010	325,000	9/30/11 10/01/10	9/28/12 9/30/11	.970 1.750	325,000	325,000	325,000	325,000
2393	Various Public Improvements	3/3/2010	450,000	9/30/11 10/01/10	9/28/12 9/30/11	.970 1.750	450,000	450,000	450,000	450,000
2398	Various Public Improvements	3/3/2010	500,000	9/30/11 10/01/10	9/28/12 9/30/11	.970 1.750	500,000	500,000	500,000	500,000
2405	Various Public Improvements	3/3/2010	800,000	9/30/11 10/01/10	9/28/12 9/30/11	.970 1.750	800,000	800,000	800,000	800,000
2416	Various Public Improvements	3/3/2010	250,000	9/30/11 10/01/10	9/28/12 9/30/11	.970 1.750	250,000	250,000	250,000	250,000
2424	Various Public Improvements	3/3/2010	1,309,500	9/30/11 10/01/10	9/28/12 9/30/11	.970 1.750	1,309,500	1,309,500	1,309,500	1,309,500
							<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>
	Renewals							<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>	<u>\$ 4,909,500</u>

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

Balance, December 31, 2010	\$	717,688
Increased by:		
2011 Budget Appropriation		<u>100,000</u>
		817,688
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>72,000</u>
Balance, December 31, 2011	\$	<u>745,688</u>

**STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2010	\$	257,081
Increased by:		
Charges to Improvement Authorizations		<u>229,632</u>
		486,713
Decreased by:		
Cancellation	\$	7,795
Cash Disbursements		<u>249,286</u>
		<u>257,081</u>
Balance, December 31, 2011	\$	<u>229,632</u>



**BOROUGH OF BERGENFIELD  
STATEMENT OF WASTEWATER LOAN PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2011</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
Wastewater Treatment Loan	1997/98	\$ 1,130,000	2012	\$ 63,732			
			2013	62,662			
			2014	69,649			
			2015	68,426			
			2016	75,260			
			2017	74,861			
				4.0 - 5.0 %	\$ 479,393	\$ 64,803	\$ 414,590
					\$ 479,393	\$ 64,803	\$ 414,590

Paid by Budget Appropriation \$ 64,803

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Date</u>	<u>Maturities of Loan Outstanding December 31, 2011</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2010</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
Ord. #2324 Purchase of Real Property	2003/04	\$ 227,500	2012	\$ 10,977	2.00%			
			2013	11,197				
			2014	11,422				
			2015	11,652				
			2016	11,886				
			2017	12,125				
			2018	12,369				
			2019	12,617				
			2020	12,871				
			2021	13,130				
			2022	13,393				
			2023	13,663				
			2024	13,936				
						\$ 171,998	\$ 10,760	\$ 161,238
						\$ 171,998	\$ 10,760	\$ 161,238

Paid by Budget Appropriation \$ 10,760

**BOROUGH OF BERGENFIELD  
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding <u>Date</u>	Interest Rate	Balance, December 31, 2010	Decreased	Balance, December 31, 2011
1999 General Improvements	Aug. 1, 1999	\$ 9,455,000	8/1/2012	4.80%	\$ 1,888,000	\$ 950,000	\$ 938,000
2003 Retirement of Unfunded Pension Liability	Feb. 15, 2003	1,310,000	2/15/2012	2.10-5.00%	330,000	155,000	175,000
2004 General Improvements	July 15, 2003	8,587,000	7/15/2012		1,000,000		
			7/15/2013		1,000,000		
			7/15/2014		1,987,000	3.25%	4,887,000
2007 General Improvement Bonds	August 14, 2006	4,953,000	8/1/12		250,000		
			8/1/2013, 2014		300,000		
			8/1/2015		400,000		
			8/1/2016		425,000		
			8/1/2017		450,000	4.125%	
			8/1/2018, 2019		500,000		
			8/1/2020		525,000		
			8/1/2021	4.150%	4,403,000	200,000	4,203,000
					<u>\$11,508,000</u>	<u>\$ 2,205,000</u>	<u>\$ 9,303,000</u>
							<u>\$ 2,205,000</u>

Budget Appropriation

**BOROUGH OF BERGENFIELD  
STATEMENT OF RESERVE FOR PAYMENT OF BONDS**

Balance, December 31, 2010	\$ 841,121
Increased by:	
Cancellation of Funded Ordinance Balances	<u>13,127</u>
Balance, December 31, 2011	<u>\$ 854,248</u>

**STATEMENT OF DEFERRED CHARGES- UNFUNDED GRANTS**

Balance, December 31, 2010	\$ 276,704
Increased by:	
Cancellation of Unfunded Grants	<u>1,751</u>
	278,455
Decreased by:	
Raised in the 2011 Budget.	<u>150,000</u>
Balance, December 31, 2011	<u>\$ 128,455</u>

Analysis of Balance

Ordinance #2405	\$ 1,751
Ordinance #2393	42,432
Ordinance #2386	75,000
Ordinance #2274	<u>9,272</u>
	<u>\$ 128,455</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, December 31, 2010	2011 <u>Authorizations</u>	<u>Cancellations</u>	Balance, December 31, 2011
2323/2340/2341	Various Capital Improvements	\$ 36,074	\$ 36,074		
2324	Purchase of Real Property	90,265			\$ 90,265
2383	Various Public Improvements	87,332			87,332
2384	Environmental Cleanup	2,887			2,887
2386	Various Public Improvements	52,163			52,163
2393	Various Public Improvements	31,826			31,826
2398	Various General Improvements	308,053		110,000	198,053
2405	Various Public Improvements	158,900		66	158,834
2416	Various Public Improvements	11,200		11,200	-
2448	Various Public Improvements	-	\$ 1,428,000	-	1,428,000
		<u>\$ 778,700</u>	<u>\$ 1,428,000</u>	<u>\$ 157,340</u>	<u>\$ 2,049,360</u>

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**GOVERNMENT AUDITING STANDARDS**

**SECTION**





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

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

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

### Internal Control Over Financial Reporting

Management of the Borough of Bergenfield is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Bergenfield's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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

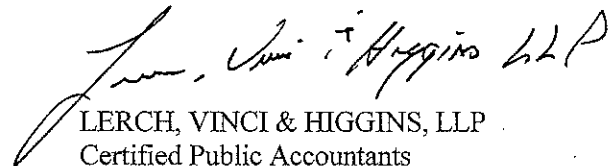
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

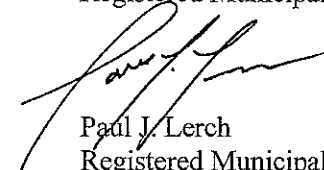
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Bergenfield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

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

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

  
Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
August 14, 2012

**BOROUGH OF BERGENFIELD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**

Federal CFDA Number	Grant Year	Grant Award Amount	2011 Receipts	Balance, December 31, 2010	Revenue Realized	Cancellation	Expenditures	Balance, December 31, 2011	Cumulative Expenditures
<u>U.S. Department of Housing and Urban Development</u> (Passed through County Dept. of Community Development)									
<u>Community Devel. Block Grants</u>									
	2010	\$ 55,987	\$ 55,987	\$ 55,987	\$ 55,987		\$ 55,987		\$ 55,987
	2010	52,496	52,496	54,500		(2,005)	52,495		52,495
	2011	175,380			\$ 175,380			\$ 175,380	
<u>Law and Public Safety- Division of Highway Traffic Safety</u>									
	2011	3,946	3,946	1,674	3,946		2,012	3,608	2,012
<u>Department of Transportation of State and Highway Projects</u>									
	2010	195,000	73,266	156,456			114,449	42,007	152,993
	2011	300,000			300,000			300,000	
<b>Total</b>				<b>\$ 268,617</b>	<b>\$ 479,326</b>	<b>\$ (2,005)</b>	<b>\$ 224,943</b>	<b>\$ 520,995</b>	

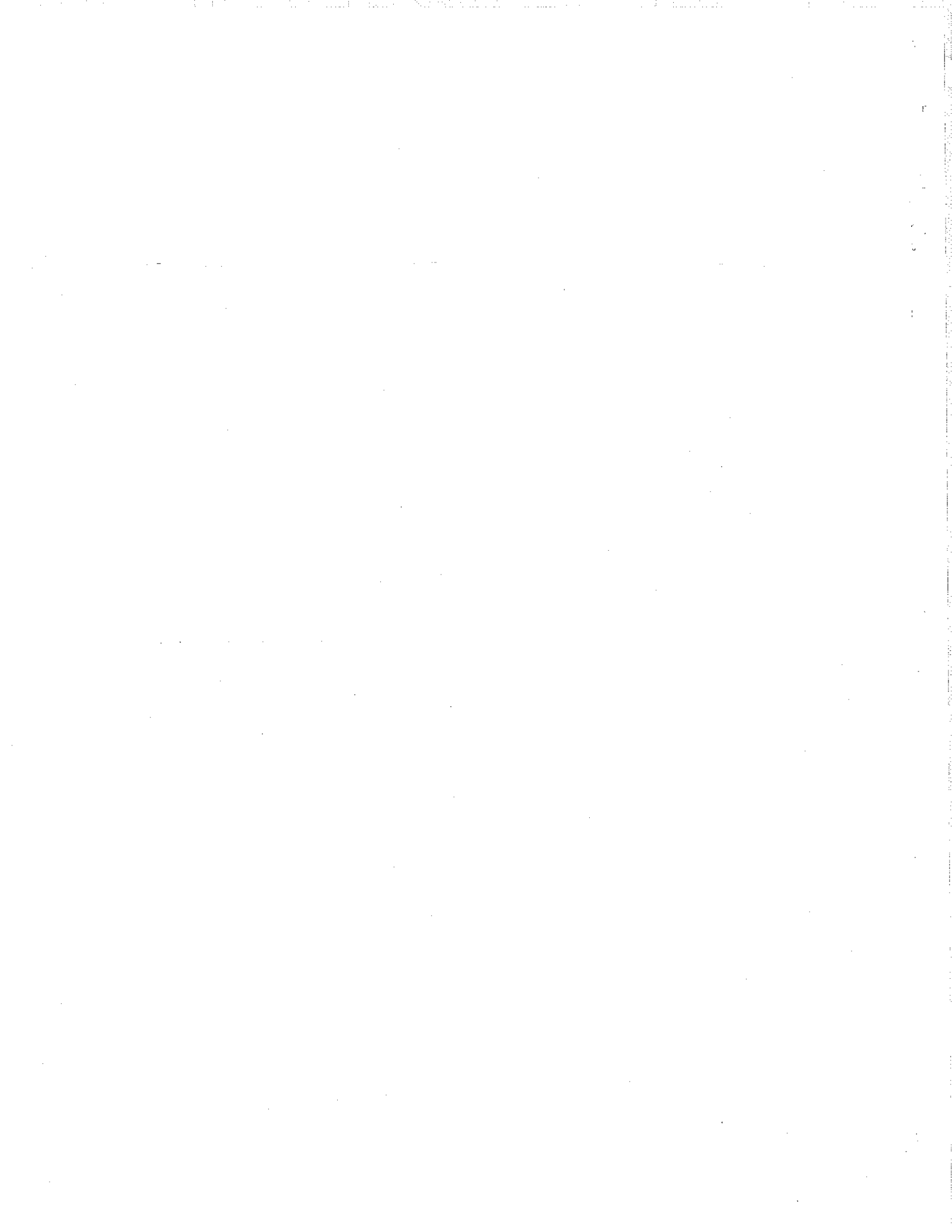
Note: This schedule is not subject to a single audit in accordance with OMB Circular A-133.

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

State Grant Program	Grant Number	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2010	Revenue Realized	Expended	Adjustments	Balance, December 31, 2011	Cumulative Expenditures
<u>Department of Health</u> Public Health Priority Funding	4230-100-307-2009-013030	2011	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ 9,847	\$ (153)	\$ -	\$ 9,847
<u>Department of Law &amp; Public Safety</u> Body Armor Fund	1020-718-001-2009-090160	2011		4,334			5,409			5,409
<u>Department of Environmental Protection</u> Clean Communities Program	4900-765008-178900	2011	32,696	32,696		32,696	32,696			32,696
Recycling Tonnage Grant	4900-752001-178810	2011	48,347	48,347	\$ 6,225	48,347	48,566		\$ 6,006	48,566
Green Communities	N/A	2011	3,000	3,000		3,000	-		3,000	
Stormwater Management Planning Grant	4850-100-118-290430				1,097			(1,097)		
Municipal Alliance Fund	N/A	2011	15,759	12,638		15,759	12,599		3,160	12,599
<u>Division of Judiciary-Municipal Court</u> Alcohol Education & Rehabilitation Fund	9735-760-001-060000	2011	1,025	1,025		1,025	-		1,025	
<u>NJ Dept of Treasury Special Purpose Grant-</u> Metzler's Brook	N/A				73,619			(73,619)		
					<u>\$ 80,941</u>	<u>\$ 110,827</u>	<u>\$ 109,117</u>	<u>\$ (69,460)</u>	<u>\$ 13,191</u>	

Note: This schedule is not subject to a single audit in accordance with NJ OMB Circular 04-04.

**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, 2011**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 479,326	\$ 110,827	\$ 590,153

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2011, 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>Federal CFDA Number/ State Account Number</u>	<u>State/Total</u>
Dept. of Environmental Protection	4860-510-702440	\$ 161,238
Dept. of Economic Development Authority	L-04387	<u>414,590</u>
		<u>\$ 575,828</u>

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

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued:

Qualified - Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

\_\_\_\_\_ yes      X   no

2) Were significant deficiency(ies) that were not considered to be material weakness(es)?

\_\_\_\_\_ yes    \_\_\_\_\_ no      X   N/A

Noncompliance material to the financial statements noted?

\_\_\_\_\_ yes      X   no

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

NOT APPLICABLE



**SUPPORTING DATA**  
**LETTER OF COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**



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

	<u>Fiscal Year 2011</u>		<u>Transition Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 1,500,000	1.77 %	\$ 87,753	0.20 %
Miscellaneous - From Other Than Local				
Property Tax Levies	5,201,481	6.12	3,145,913	7.30
Collection of Delinquent Taxes and Tax Title Liens	560,549	0.66	24,788	0.06
Collection of Current Tax Levy	77,077,932	90.72	38,708,355	89.86
Other Credits	<u>617,926</u>	<u>0.73</u>	<u>1,108,814</u>	<u>2.57</u>
Total Income	<u>84,957,888</u>	<u>100.00 %</u>	<u>43,075,623</u>	<u>100.00 %</u>
<b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	32,655,498	39.08 %	16,059,235	38.83 %
County Taxes	6,009,358	7.19	2,857,505	6.91
Local District School Taxes	44,883,849	53.71	22,441,924	54.26
Other Expenditures - Debits	<u>20,138</u>	<u>0.02</u>	<u>1,250</u>	<u>0.00</u>
Total Expenditures	<u>83,568,843</u>	<u>100.00 %</u>	<u>41,359,914</u>	<u>100.00 %</u>
Excess in Revenue	1,389,045		1,715,709	
Adjustments to Income before Surplus:				
Expenditures included above which are by Statute				
Deferred Charges to Budget of Succeeding Years	<u>3,940</u>		<u>-</u>	
Statutory Excess to Surplus	1,392,985		1,715,709	
Fund Balance, Beginning of Year	<u>5,846,374</u>		<u>4,218,418</u>	
	7,239,359		5,934,127	
Less Utilization as Anticipated Revenue	<u>1,500,000</u>		<u>87,753</u>	
Fund Balance, End of Year	<u>\$ 5,739,359</u>		<u>\$ 5,846,374</u>	

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

**COMPARATIVE SCHEDULE OF CALENDAR YEAR TAX RATE INFORMATION**

	<u>2011</u>	<u>2010</u>	<u>2009*</u>
<u>Calendar Year Tax Rate</u>	<u>\$2.931</u>	<u>\$2.867</u>	<u>\$2.808</u>

Apportionment of Tax Rate

Municipal	\$1.019	\$.996	\$.994
County – Regular Tax	.223	.219	.219
County – Open Space	.003	.003	.010
Local School	1.686	1.649	1.697

Assessed Valuation

2011	<u>\$2,662,552,323</u>		
2010		<u>\$2,671,557,182</u>	
2009*			<u>\$2,670,122,684</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>
2011	\$ 78,102,005	\$ 77,077,932	98.83%
T.Y. 2010	39,121,615	38,708,355	98.94%

\*Revaluation became effective 2009.

**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 two years.

<u>Period Ended</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
December 31, 2011	\$ 258,091	\$ 875,683	\$ 1,133,774	1.45%
December 31, 2010	226,093	662,434	888,527	2.27%

**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, 2011	\$28,173
December 31, 2010	28,173

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Period Ended</u>	<u>Fund Balance</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	December 31, 2011	\$5,739,359	\$1,815,000
	December 31, 2010	5,846,374	1,500,000

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Term</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
Timothy J. Driscoll	Mayor			
Ora Kornbluth	Councilwoman			
Carlos Aguasvivas	Councilman			
Charles Steinel	Councilman			
Thomas A. Lodato	Council President			
Robert Gillman	Councilman			
P. Christopher Tully	Councilman			
Alice Czykier	Tax Collector/Acting CFO			
Frederick McGarril	Borough Administrator			
Carole Chamberlain-Berman	Borough Clerk			
Ken Pfannen	Construction Code Official			
Harry Hillenius	Building Inspector/Zoning Official			
George Reggo	Tax Assessor			
Helene Herbert	Municipal Court Judge			
Kim Grimaldi	Deputy Court Administrator		\$50,000	Western Surety Co.
Michael Purvin	Borough Prosecutor			
Felicia Williams	Registrar of Vital Statistics			
Anne Marie Dela Cruz	Social Service Director			
Susan Muller	Social Service Director			
Edward Kneisler	Public Works Superintendent			
John Schettino	Borough Attorney			

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**

**Prior Year Comments – Unresolved**

Our audit of the Other Trust Fund revealed that there are certain miscellaneous reserve balances that do not have Dedication by Riders. It is recommended that the Trust Fund miscellaneous reserves be reviewed to determine which balances are inactive and can be cancelled by resolution and establish Dedication by Riders for all the active miscellaneous reserve balances.

**Current Year Comments**

Our audit of the payroll agency bank account revealed that there is only one authorized check signature. It is recommended that payroll agency bank account checks have two authorized signatures.

Our audit of the Municipal Court revealed the following:

- The general fine and bail bank accounts have a miscellaneous bank error and bad checks not entered into the ATS system from prior years.
- Our audit of the revenue collection cycle revealed that three out of five deposits tested were not made timely – five to six days after point of collection.

It is recommended that the Municipal Court:

- Review and clear of record old reconciling items on the general fine and bail bank accounts.
- All deposits be made within forty-eight hours from point of collection.

Our audit of the Construction Code revealed the following:

- The bank account for the DCA fees is not being reconciled on a monthly basis and certain bank statements were not available for audit.
- Our audit of the revenue collection cycle revealed that the incorrect fee was charged on three out of ten permits tested.
- The cash receipt ledger maintained for the other fees collected did not have monthly and year-to-date totals.

It is recommended that the Construction Code Department:

- The bank account for the DCA fees be reconciled on a monthly basis and all bank statements be retained for audit.
- All permit fees charged be in accordance with the Borough's fee ordinance.
- The cash receipt ledger maintained for the other fees collected be sub-totaled monthly and year-to-date.

Our audit of the payroll quarterly deductions revealed that there were numerous differences between the pension deducted per the payroll records and the pension remitted on the State reports. It is recommended that the quarterly pension deducted per the payroll be reconciled with the pension amounts remitted to the State.

**BOROUGH OF BERGENFIELD  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

**Current Year Comments (Continued)**

Our audit of pension eligibility revealed that the Board of Adjustment attorney is enrolled in the PERS Pension System of which he is not eligible. As of the date of the audit, the Borough has removed this individual from the PERS pension system and has sent a written request to the Division of Pensions to have this individual removed from the pension system retroactive to July 2008. Therefore, no recommendation is warranted.

Our audit of the cash disbursement cycle revealed that numerous purchase orders tested were dated after the invoice date. It is recommended that purchase orders be created when the goods and/or services are being ordered.

Our audit of the tax court judgment refunds revealed that a refund was issued twice resulting in an overpayment to the taxpayer. The Borough is in the process of seeking reimbursement from the taxpayer. It is recommended that internal control procedures be enhanced over the processing of tax court judgment refunds.

**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 \$17,500, 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:

Sidewalk Rehabilitation Program	Rehabilitation of McDermott Place and School Street
Collection of Grass Clipping, Yard Waste, Stumps, Logs and Leaves	17 Cubic Yard Waste Collector 2012 524K Wheel Loader

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**

**GENERAL COMMENTS (Continued)**

**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, 2011 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 July 29, 2011 and was complete.

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

<u>December 31,</u>	<u>Number of Liens</u>
2011	8
2010	8

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.

**BOROUGH OF BERGENFIELD  
RECOMMENDATIONS**

It is recommended that:

- \* 1. The Trust Fund miscellaneous reserves be reviewed to determine which balances are inactive and can be cancelled by resolution and establish Dedication by Riders for all the active miscellaneous reserve balances.
- 2. Payroll agency bank account checks have two authorized signatures.
- 3. It is recommended that the Municipal Court:
  - Review and clear of record old reconciling items on the general fine and bail bank accounts.
  - All deposits be made within forty-eight hours from point of collection.
- 4. It is recommended that the Construction Code Department:
  - The bank account for the DCA fees be reconciled on a monthly basis and all bank statements be retained for audit.
  - All permit fees charged be in accordance with the Borough's fee ordinance.
  - The cash receipt ledger maintained for the other fees collected be sub-totaled monthly and year-to-date.
- 5. The quarterly pension deducted per the payroll be reconciled with the pension amounts remitted to the State.
- 6. Purchase orders be created when the goods and/or services are being ordered.
- 7. Internal control procedures be enhanced over the processing of tax court judgment refunds.

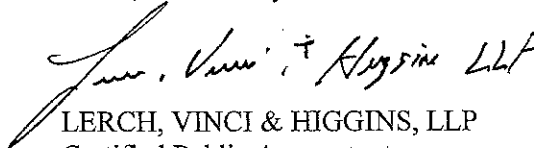
**Status of Prior Year's Audit Findings/Recommendations**

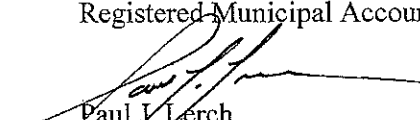
A review was performed on all prior year's recommendations and corrective action was taken on all; however, further action needs to be taken on the above recommendation denoted with an asterisk (\*).

\*\*\*\*\*

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 & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Paul J. Lerch  
Certified Public Accountant  
RMA Number CR00457