

**BOROUGH OF BERGENFIELD**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**RECEIVED**  
2018 JUN 13 P 2 39  
BOROUGH OF BERGENFIELD  
BOROUGH CLERK'S OFFICE



**BOROUGH OF BERGENFIELD  
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>
<b><u>PART I – Report on Audit of Financial Statements and Supplementary Schedules</u></b>	
<b>Independent Auditor’s Report</b>	1-3
<b>Financial Statements</b>	
A	Comparative Balance Sheets – Regulatory Basis - Current Fund 4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund 6
A-2	Statement of Revenues – Regulatory Basis – Current Fund 7-9
A-3	Statement of Expenditures – Regulatory Basis – Current Fund 10-17
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds 18-19
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund 20
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis – General Capital Fund 21
D	Comparative Balance Sheets – Regulatory Basis - General Fixed Assets Account Group 22
	Notes to Financial Statements 23-60
<b>Supplementary Schedules</b>	
<b><u>Current Fund</u></b>	
A-4	Statement of Current Cash - Treasurer 61
A-5	Statement of Change Fund 62
A-6	Statement of Petty Cash Fund 62
A-7	Statement of Due from State of New Jersey Senior Citizens' and Veterans' Deductions 62
A-8	Statement of Taxes Receivable and Analysis of Property Tax Levy 63
A-9	Statement of Tax Title Liens 64
A-10	Statement of Property Acquired for Taxes (At Assessed Valuation) 64
A-11	Statement of Revenue Accounts Receivable 65
A-12	Statement of 2016 Appropriation Reserves 66-67
A-13	Statement of Encumbrances Payable 68
A-14	Statement of Encumbrances Payable – Reserve for Grants 68
A-15	Statement of Reserve for Tax Appeals 68
A-16	Statement of Tax Overpayments 69
A-17	Statement of Other Liens Receivable 69
A-18	Statement of County Taxes Payable 69
A-19	Statement of Local District School Taxes 70
A-20	Statement of Prepaid Taxes 70
A-21	Statement of Appropriated Reserves 71
A-22	Statement of Unappropriated Reserves 72
A-23	Statement of Reserve for Master Plan 72
A-24	Statement of Accounts Payable 72
A-25	Statement of Due To Special Improvement District 73
A-26	Statement of Special Improvement District Taxes Receivable 73
A-27	Statement of Prepaid Special Improvement District Taxes 73
A-28	Statement of Tax Overpayments Special Improvement District Taxes 73
A-29	Statement of Grants Receivable 74
A-29	Statement of Accounts Payable 74

**BOROUGH OF BERGENFIELD**  
**TABLE OF CONTENTS**  
(Continued)

<u>Exhibits</u>		<u>Page</u>
<b>Supplementary Schedules (Continued)</b>		
<b><u>Trust Fund</u></b>		
B-1	Statement of Trust Cash and Investments	75
B-2	Statement of Reserve for Animal Control Expenditures – Animal Control Fund	76
B-3	Statement of Due from/to State of New Jersey Dog License Fees – Animal Control Fund	77
B-4	Statement of Due to Current Fund – Animal Control Fund	77
B-5	Statement of Due to Current Fund – Escrow Trust - Other Trust Fund	78
B-6	Statement of Reserve for Unemployment Insurance Benefits - Unemployment Trust Fund	78
B-7	Statement of Miscellaneous Reserves - Other Trust Fund	79
B-8	Statement of Due from/to Current Fund – Other Trust – Other Trust fund	80
B-9	Statement of Due to Current Fund – Flexible Spending Account – Other Trust Fund	80
B-10	Statement of Payroll Deductions Payable - Other Trust Fund	80
B-11	Statement of Net Payroll-Salary and Wages Payable – Other Trust Fund	81
B-12	Statement of Net Payroll – Due from Current Fund – Other Trust Fund	81
B-13	Statement of Payroll Deductions Payable – Due from Current Fund – Other Trust Fund	81
<b><u>General Capital Fund</u></b>		
C-2	Statement of General Capital Cash - Treasurer	82
C-3	Analysis of General Capital Cash	83
C-4	Statement of Deferred Charges to Future Taxation - Funded	83
C-5	Statement of Deferred Charges to Future Taxation - Unfunded	84
C-6	Statement of Improvement Authorizations	85
C-7	Statement of Bond Anticipation Notes	86
C-8	Statement of Capital Improvement Fund	87
C-9	Statement of Contracts Payable	87
C-10	Statement of Reserve for Payment of Bonds	87
C-11	Statement of Wastewater Loan Payable	88
C-12	Statement of Green Trust Loan Payable	89
C-13	Statement of General Serial Bonds	90
C-14	Statement of Bonds and Notes Authorized But Not Issued	91

**BOROUGH OF BERGENFIELD**  
**TABLE OF CONTENTS**  
(Continued)

		<u>Page</u>
<b><u>PART II – Government Auditing Standards</u></b>		
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	92-93
Sch. A	Schedule of Expenditures of Federal Awards	94
Sch. B	Schedule of Expenditures of State Financial Assistance	95
	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	96-97
	Schedule of Findings and Responses	98-100
	Summary Schedule of Prior Year Audit Findings and Responses	101
<b><u>PART III - Supporting Data and Letter of Comments and Recommendations</u></b>		
	Comparative Statements of Operations and Changes in Fund Balance - Current Fund	102
	Comparative Schedule of Calendar Year Tax Rate Information	103
	Comparison of Tax Levies and Collection Currently	103
	Delinquent Taxes and Tax Title Liens	104
	Property Acquired by Tax Title Lien Liquidation	104
	Comparative Schedule of Fund Balances	104
	Officials in Office and Surety Bonds	105
	General Comments	106-108
	Recommendations	109



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

---

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**







# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
ADWOA BOACHIE, CPA

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Bergenfield, as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2017, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Bergenfield as of December 31, 2017 and 2016, or changes in financial position, or, where applicable for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2017 and 2016. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 25 percent and 21 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2017 and 2016.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Bergenfield as of December 31, 2017 and 2016, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2017 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

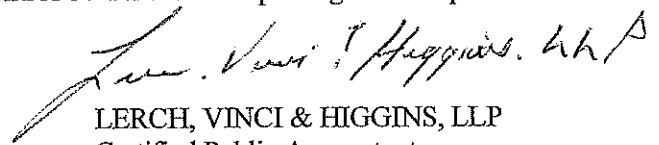
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Bergenfield as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated May 31, 2018 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 effectiveness of the Borough of Bergenfield's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Bergenfield's internal control over financial reporting and compliance.



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



Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
May 31, 2018

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2017 AND 2016**

ASSETS	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Cash	A-4	\$17,183,788	\$13,951,293
Cash - Change Funds	A-5	3,850	3,850
Due from the State of New Jersey			
Senior and Veteran's Discounts	A-7	10,744	13,494
Grants Receivable	A-29	<u>905,116</u>	<u>863,246</u>
		<u>18,103,498</u>	<u>14,831,883</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	1,309,102	1,045,127
Delinquent Property Taxes- Special Improvement District	A-26	15,145	
Tax Title Liens	A-9	349,391	333,413
Property Acquired for Taxes (at Assessed Valuation)	A-10	28,173	28,173
Other Liens Receivable	A-17	2,500	2,500
Revenue Accounts Receivable	A-11	-	11,667
Due from Animal Control Fund	B-4	6,767	7,308
Due from Other Trust Fund- FSA	B-9	2,500	
Due from Other Trust Fund- Trust	B-8	14,916	
Due from Other Trust Fund- Escrow	B-5	<u>32</u>	<u>-</u>
		<u>1,728,526</u>	<u>1,428,188</u>
Deferred Charges			
Emergency Authorization	A-3,A-30	<u>3,820</u>	<u>3,820</u>
 Total Assets		 <u>\$19,835,844</u>	 <u>\$16,263,891</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Appropriation Reserves	A-3,A-12	1,991,969	\$ 2,097,204
Encumbrances Payable	A-13	1,160,062	1,321,972
Encumbrances Payable - Reserve for Grants	A-14	311,317	447,968
Accounts Payable	A-24	213,601	163,588
Reserve for Tax Appeals	A-15	1,604,543	1,437,146
Tax Overpayments	A-16		5,697
Tax Overpayments- Special Improvement District	A-28	1,818	82,089
Prepaid Taxes	A-20	3,021,019	428,942
Prepaid Taxes- Special Improvement District	A-27	6,451	5,433
Due County for Added & Omitted Taxes	A-18	65,269	30,920
Reserve for:			
Master Plan	A-23	2,570	2,570
Appropriated Reserve for Grants	A-21	504,327	606,854
Unappropriated Reserve for Grants	A-22	86,507	86,755
Due to Special Improvement District	A-25	46,608	22,680
Due to Other Trust- Net Payroll	B-12	-	603
Due to Other Trust- Payroll Deduction	B-13	-	172
Due to Other Trust Fund	B-8	-	100
		<u>9,016,061</u>	<u>6,740,693</u>
Reserve for Receivables and Other Assets	A	1,728,526	1,428,188
Fund Balance	A-1	<u>9,091,257</u>	<u>8,095,010</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 19,835,844</u>	<u>\$ 16,263,891</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND DECEMBER 31, 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 2,700,000	\$ 2,664,028
Miscellaneous Revenue Anticipated	A-2	4,727,374	4,598,922
Receipts from Delinquent Taxes	A-2	935,717	611,300
Receipts from Current Taxes	A-2	84,476,203	82,902,713
Non-Budget Revenue	A-2	597,683	674,043
Other Credits to Income			
Cancel Appropriated Reserve Balances	A-21	1	54,715
Interfunds Returned, Net	A	7,308	50,897
Statutory Excess - Animal Control	A-1, B-2	6,767	7,308
Unexpended Balances of Appropriation Reserves	A-12	<u>1,649,123</u>	<u>1,531,994</u>
		<u>95,100,176</u>	<u>93,095,920</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	13,873,777	13,804,064
Other Expenses	A-3	15,838,640	15,317,652
Deferred Charges and Statutory Expenditures - Municipal	A-3	3,004,294	2,840,386
Capital Improvements	A-3	659,720	892,254
Municipal Debt Service	A-3	2,624,935	2,647,312
County Taxes Payable	A-18	6,991,908	6,688,775
Local District School Taxes Payable	A-19	48,375,738	47,436,611
Other Debits to Income			-
Restore Prior Year Appropriated Reserve for Grants	A-1		6,685
Refund Prior Year Revenue	A-4	9,022	
Senior and Veteran's Discounts Disallowed Prior Year	A-7	5,500	6,000
Interfunds Advanced	A	24,215	-
Cancellation of Grants Receivable Balances	A-1	-	<u>43,048</u>
Total Expenditures		<u>91,407,749</u>	<u>89,682,787</u>
Excess in Revenue		3,692,427	3,413,133
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-30	<u>3,820</u>	<u>3,820</u>
Statutory Excess to Fund Balance		3,696,247	3,416,953
Fund Balance, Beginning of Year	A-1	<u>8,095,010</u>	<u>7,342,085</u>
		11,791,257	10,759,038
Decreased by			
Utilization as Anticipated Revenue	A-1	<u>2,700,000</u>	<u>2,664,028</u>
Fund Balance, End of Year	A	<u>\$ 9,091,257</u>	<u>\$ 8,095,010</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Reference	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 2,700,000	-	\$ 2,700,000	-
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-11	30,000		33,064	\$ 3,064
Other	A-2	8,000		9,213	1,213
Fees and Permits	A-2	60,000		57,148	(2,852)
Fines and Costs					
Municipal Court	A-11	325,000		364,081	39,081
Interest and Costs on Taxes	A-11	150,000		202,424	52,424
Interest on Investments and Deposits	A-2	40,000		88,976	48,976
PILOT Senior Citizen Complex	A-11	77,000		89,457	12,457
Site Rental - Cablevision	A-11	80,000		88,815	8,815
Franchise Fees - Cablevision	A-11	182,000		182,618	618
Franchise Fees - Verizon	A-11	145,000		145,189	189
Rental of Tennis Courts	A-11	20,000		17,000	(3,000)
Cell Tower Rental Fee	A-11	40,000		60,754	20,754
Recycling Program	A-11	20,000		51,843	31,843
Recreation Fees	A-11	20,000		33,632	13,632
Energy Receipts Tax	A-11	1,807,735		1,807,735	-
Consolidated Municipal Property Tax Relief Aid	A-11	173,922		173,922	-
Uniform Construction Code Fees	A-11	500,000		635,241	135,241
Uniform Fire Safety Act	A-11	60,000		99,921	39,921
Hackensack Interlocal Agreement- Health Services	A-11			11,667	11,667
Recycling Tonnage Grant - Reserve	A-22	27,725	-	27,725	-
Driving Enforcement Fund - Reserve	A-22	5,342		5,342	-
Municipal Alliance	A-29		\$ 15,279	15,279	-
Body Armor Grant - Reserve	A-22/29	4,109	4,115	8,224	-
Clean Communities- Reserve	A-22	49,212		49,212	-
Alcohol Ed- Reserve	A-22	242		242	-
Drive Sober or Get Pulled Over Grant	A-29		5,500	5,500	-
Distracted Driving Grant	A-29		5,280	5,280	-
Bulletproof Vest Partnership Grant	A-29		2,025	2,025	-
Mayor's Wellness Program	A-29	1,000		1,000	-
Pedestrian Safety, Education and Enforcement Fund	A-29		15,000	15,000	-
New Jersey Forest Service - CSIP	A-29	30,000		30,000	-
South Presbyterian Church- Police Dept Safety Program Reserve	A-22	125		125	-
Bergen County - CDBG Bergen Ave Improvements	A-29	81,402		81,402	-
NJ Department of Transportation- West Central Ave	A-29		172,818	172,818	-
NJ Department of Transportation- Woodbine Ave	A-29	-	155,500	155,500	-
<b>Total Miscellaneous Revenues</b>	A-1	<u>3,937,814</u>	<u>375,517</u>	<u>4,727,374</u>	<u>414,043</u>
Receipts from Delinquent Taxes	A-1, A-8	700,000	-	935,717	235,717
Amount to be Raised by Taxes to Support Municipal Budget		29,152,761		29,942,413	789,652
Minimum Library Tax		916,144	-	916,144	-
<b>Total Amount to be Raised by Taxes for Support Municipal Budget</b>	A-2	<u>30,068,905</u>	<u>-</u>	<u>30,858,557</u>	<u>789,652</u>
<b>Total General Revenues</b>		<u>\$ 37,406,719</u>	<u>\$ 375,517</u>	<u>\$ 39,221,648</u>	<u>\$ 1,439,412</u>
Non-Budget Revenue	A-2,A-1			597,683	
				<u>\$ 31,456,240</u>	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 84,876,203
Less: Transfer to Reserve for Tax Appeals	A-15	<u>400,000</u>
	A-1	84,476,203
Less: Allocated to School and County Taxes	A-18,A-19	<u>55,367,646</u>
Balance for Support of Municipal Budget Appropriations		29,108,557
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,750,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 30,858,557</u>
Licenses- Other		
Borough Clerk	A-11	\$ 8,135
Board of Health	A-11	<u>1,078</u>
	A-2	<u>\$ 9,213</u>
Fees and Permits - Other		
Board of Health Registrar	A-11	\$ 37,212
Fire Department	A-11	16,645
Police Department	A-11	<u>3,291</u>
	A-2	<u>\$ 57,148</u>
Interest on Investments and Deposits		
Due from Other Trust Fund- Escrow	B-5	\$ 359
Cash Receipts	A-11	<u>88,617</u>
	A-2	<u>\$ 88,976</u>



**BOROUGH OF BERGENFIELD**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Reference

ANALYSIS OF NON-BUDGET REVENUES

FEMA	\$ 36,001
Borough Auction	55,093
Bergen County JIFDividend	33,071
Police Alarms	17,700
Seasonal Field Fees/Park Rentals	2,470
Zoning	2,492
Memo Bills	1,345
Insurance Refund	61,603
Cost of Sale Taxes	1,501
Prior Year Police Outside Detail	158,571
Dwelling Inspection	41,578
DMV Inspection Fees	6,209
Returned Check Fee	4,765
Transaction Fee- Tax Collection	3,160
Postage Refund	5,291
Buildings & Grounds/Streets and Roads- Prior Year	4,975
Medical Insurance Refund	106,734
LOSAP Refund	3,145
Workers Comp- Police Refund	6,336
Police Salary and Wages- Prior Year	16,618
Dumpster Fees/Garbage Can Fees	3,204
Miscellaneous	<u>25,821</u>
	A-1, A-4
	<u>\$ 597,683</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS - WITHIN "CAPS"	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>GENERAL GOVERNMENT</b>					
General Administration (Administrative Executive)					
Salaries and Wages	\$ 201,000	\$ 201,000	\$ 199,000	\$ 2,000	
Other Expenses	151,450	151,450	121,484	29,966	
Grant Consultant	36,000	36,000	33,000	3,000	
Mayor & Council					
Salaries and Wages	42,000	42,000	31,542	10,458	
Other Expenses	1,000	1,000	-	1,000	
Municipal Clerk					
Salaries and Wages	179,000	212,000	204,745	7,255	
Other Expenses	71,100	71,100	56,497	14,603	
Financial Administration (Treasury)					
Salaries and Wages	233,000	233,000	208,381	24,619	
Other Expenses	46,800	46,800	25,664	21,136	
Audit Services					
Other Expenses	82,000	82,000	62,937	19,063	
Revenue Administration (Tax Collection)					
Salaries and Wages	114,000	113,500	102,657	10,843	
Other Expenses	22,300	22,800	21,647	1,153	
Tax Assessment Administration					
Salaries and Wages	30,100	30,100	28,558	1,542	
Other Expenses	22,800	22,800	22,289	511	
Legal Services (Legal Department)					
Other Expenses	250,000	250,000	228,878	21,122	
Insurance					
Unemployment Insurance	30,000	30,000	30,000	-	
Workers Compensation Insurance	570,000	570,000	554,429	15,571	
Liability Insurance	425,000	425,000	413,328	11,672	
Group Insurance Plan for Employees	5,803,650	5,803,650	5,593,450	210,200	
Other Insurance	10,000	10,000	10,000	-	
Engineering Services - Other Expenses	160,000	210,000	160,608	49,392	
Planning Board					
Salaries and Wages	1,250	1,250	1,200	50	
Other Expenses	500	500		500	
Site Plan					
Salaries and Wages	1,250	1,250	1,200	50	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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)					
LAND USE ADMINISTRATION					
Zoning Board of Adjustment					
Salaries and Wages	\$ 1,250	\$ 1,250	\$ 1,200	\$ 50	
Other Expenses	10,250	10,250		10,250	
PUBLIC SAFETY					
Police Department					
Salaries and Wages	7,556,300	7,523,300	7,283,919	239,381	
Other Expenses	179,150	179,150	158,952	20,198	
Other Expenses - Acquisition of Police Vehicles	22,000	22,000	21,472	528	
Office of Emergency Management					
Salaries and Wages	5,000	5,000	4,562	438	
Other Expenses	12,500	12,500	8,534	3,966	
First Aid Organization					
Other Expenses	86,500	86,500	82,738	3,762	
Fire Official					
Salaries and Wages	136,000	136,000	85,731	50,269	
Other Expenses	19,350	19,350	19,197	153	
Fire Department					
Salaries and Wages	680,000	650,000	620,784	29,216	
Other Expenses	175,500	205,500	183,008	22,492	
Fire Hydrant Service	250,000	250,000	246,329	3,671	
Municipal Prosecutors Office					
Other Expenses	18,000	20,500	19,692	808	
Municipal Court					
Salaries and Wages	134,000	140,000	136,652	3,348	
Other Expenses	18,800	18,800	10,104	8,696	
Public Defender (P.L. 1997, C. 256)					
Other Expenses	8,000	8,000	7,000	1,000	
PUBLIC WORKS					
Streets and Roads Maintenance					
Salaries and Wages	1,061,702	1,061,702	942,620	119,082	
Other Expenses	255,000	255,000	100,731	154,269	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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>PUBLIC SAFETY (Continued)</b>					
Building and Grounds					
Other Expenses	\$ 137,500	\$ 147,500	\$ 147,500	-	
Solid Waste Collection					
Salaries and Wages	2,242,000	2,083,575	1,989,230	\$ 94,345	
Other Expenses	230,000	217,500	128,052	89,448	
Vehicle Maintenance (Including Police)					
Other Expenses	78,000	128,000	113,337	14,663	
<b>HEALTH AND HUMAN SERVICES</b>					
Board of Health					
Salaries and Wages	371,500	371,500	371,011	489	
Other Expenses	64,450	64,450	56,091	8,359	
Environmental Committee					
Other Expenses	500	500	250	250	
Ecology					
Other Expenses	100	100	-	100	
Welfare/Administration of Public Assistance					
Salaries and Wages	8,000	8,000	7,000	1,000	
Other Expenses	250	250		250	
<b>PARK AND RECREATION FUNCTIONS</b>					
Recreation Services and Programs					
Salaries and Wages	150,000	150,000	117,662	32,338	
Other Expenses	62,600	62,600	31,261	31,339	
Community Affairs - Senior Citizens					
Salaries and Wages	21,100	21,100	18,191	2,909	
Other Expenses	20,000	20,000	12,007	7,993	
Maintenance of Parks					
Salaries and Wages	565,000	535,000	446,086	88,914	
Other Expenses	92,500	92,500	76,244	16,256	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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)					
OTHER COMMON OPERATING FUNCTIONS (Unclassified)					
Celebration of Public Events					
Other Expenses	\$ 49,000	\$ 49,000	\$ 47,814	\$ 1,186	
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	354,500	352,401	2,099	
Other Expenses	27,100	27,100	18,441	8,659	
Construction Code Official					
Other Expenses	1,850	1,850	190	1,660	
Other Code Enforcement Functions					
Rent Leveling Board					
Salaries and Wages	1,250	1,250	1,200	50	
Other Expenses	200	200		200	
Barrier-Free					
Salaries and Wages	1,250	1,250	1,200	50	
Other Expenses	400	400	272	128	
Shade Tree Board					
Salaries and Wages	1,250	1,250	1,200	50	
Other Expenses	550	675	673	2	
UNCLASSIFIED					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity and Gas	230,000	230,000	220,849	9,151	
Street Lighting	245,000	245,000	177,569	67,431	
Telephone	65,000	65,000	56,946	8,054	
Water	75,000	75,000	52,375	22,625	
Gasoline	250,000	250,000	174,645	75,355	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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	\$ 940,000	\$ 940,000	\$ 847,302	\$ 92,698	-
Total Operations Within "CAPS"	25,375,352	25,317,052	23,511,718	1,805,334	-
Contingent	2,500	2,500	2,173	327	-
Total Operations Including Contingent Within "CAPS"	25,377,852	25,319,552	23,513,891	1,805,661	-
Detail:					
Salaries and Wages	14,487,702	13,873,777	13,153,370	720,407	-
Other Expenses (Including Contingent)	10,890,150	11,445,775	10,360,521	1,085,254	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
STATUTORY EXPENDITURES					
Contribution to:					
Defined Contribution Retirement Plan	41,500	41,500	22,177	19,323	
Social Security Syst. (O.A.S.I.)	610,000	610,000	572,734	37,266	
Police and Fireman's Retirement System	1,586,461	1,586,461	1,586,461	-	
Public Employees Retirement System	704,713	762,513	762,513	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,942,674	3,000,474	2,943,885	56,589	-
Total General Appropriations for Municipal Purposes Within "CAPS"	28,320,526	28,320,026	26,457,776	1,862,250	-
OPERATIONS - EXCLUDED FROM "CAPS"					
EDUCATIONAL FUNCTIONS					
Contribution to Free Public Library NJSA 40:54-8	1,375,300	1,375,300	1,323,306	51,994	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Cancelled</u>
			<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)				
UTILITY EXPENSES AND BULK PURCHASES				
Sewerage Processing and Disposal - BCUA				
Operation and Maintenance Costs	\$ 1,833,165	\$ 1,833,165	\$ 1,833,165	-
Debt Service Costs	709,126	709,126	709,126	
Sewerage Processing and Disposal - Tenafly	8,000	8,500	8,500	-
PUBLIC SAFETY				
Fire Department				
LOSAP - Other Expenses	65,000	65,000	64,734	\$ 266
LANDFILL/SOLID WASTE DISPOSAL				
Recycling Tax	33,000	33,000	30,910	2,090
OTHER COMMON OPERATING FUNCTIONS				
Reserve for Tax Appeals	100,000	100,000	100,000	-
DECLARED STATE OF EMERGENCY - SNOW REMOVAL	100,000	100,000	24,631	75,369
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES				
NJ Forest Service - CSIP	30,000	30,000	30,000	-
Alcohol Ed & Rehab Fund	242	242	242	
Municipal Alliance	-	15,279	15,279	
Municipal Alliance - Local Share		3,820	3,820	
Body Armour Grant	4,109	8,224	8,224	
Pedestrian Safety Grant	-	15,000	15,000	-
Drive Sober or Get Pulled Over Grant		5,500	5,500	
Clean Communities	49,212	49,212	49,212	
Police Safety	125	125	125	
Recycling Tonnage	27,725	27,725	27,725	
Mayor's Wellness Program	1,000	1,000	1,000	
Bulletproof Vest Partnership - USDOJ		2,025	2,025	
Drunk Driving Enforcement Fund	5,342	5,342	5,342	
Distracted Driving Grant	-	5,280	5,280	-
	<u>4,341,346</u>	<u>4,392,865</u>	<u>4,263,146</u>	<u>129,719</u>
Total Operations - Excluded from "CAPS"				-
Detail:				
Salaries and Wages				
Other Expenses	<u>4,341,346</u>	<u>4,392,865</u>	<u>4,263,146</u>	<u>129,719</u>
				-

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	\$ 250,000	\$ 250,000	\$ 250,000		
US Dept. of Housing - Carlson Place Improvements	81,402	81,402	81,402		
NJDOT - West Central Avenue		172,818	172,818		
NJDOT - Woodbine & Front Street	-	155,500	155,500	-	-
	<u>331,402</u>	<u>659,720</u>	<u>659,720</u>	<u>-</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	475,000	475,000	475,000		
Payment of Bond Anticipation Notes and Capital Notes	2,000,000	2,000,000	2,000,000		
Interest on Bonds	45,000	45,000	43,519		\$ 1,481
Interest on Notes	45,000	45,000	42,904		2,096
Loan Repayments for Principal and Interest	14,625	14,625	14,147		478
Wastewater Loan Principal and Interest	80,000	80,000	49,365	-	30,635
	<u>2,659,625</u>	<u>2,659,625</u>	<u>2,624,935</u>	<u>-</u>	<u>34,690</u>
Total Municipal Debt Service Excluded from "CAPS"					
Deferred Charge Emergency Authorization	3,820	3,820	3,820	-	-
	<u>7,336,193</u>	<u>7,716,030</u>	<u>7,551,621</u>	<u>\$ 129,719</u>	<u>34,690</u>
Total General Appropriations Excluded from "CAPS"					
Total General Appropriations	35,656,719	36,036,056	34,009,397	1,991,969	34,690
Reserve for Uncollected Taxes	1,750,000	1,750,000	1,750,000	-	-
	<u>\$37,406,719</u>	<u>\$37,786,056</u>	<u>\$ 35,759,397</u>	<u>\$ 1,991,969</u>	<u>\$ 34,690</u>
Total General Appropriations					
<u>Reference</u>	A-2	A-3	A-1	A, A-1	



**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Reference</u>	<u>Budget After Modification</u>	
Budget as Adopted	A-3	\$ 37,406,719	
Emergency Authorization N.J.S.A. 40A:4-55.1	A-30	3,820	
Added by N.J.S.A. 40A:4-87	A-3	<u>375,517</u>	
		<u>\$ 37,786,056</u>	
			<u>Paid or Charged</u>
Cash Disbursed	A-4		\$ 32,167,021
Reserve for Uncollected Taxes	A-2		1,750,000
Deferred Charge- Emergency	A-30		3,820
Encumbrances Payable	A-13		1,160,062
Transfer to Reserve for Tax Appeals	A-15		100,000
Transfer to Grants Appropriated	A-21		<u>578,494</u>
			<u>\$ 35,759,397</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash	B-1	\$ 314,683	\$ 320,692
		<u>314,683</u>	<u>320,692</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-1	28,050	28,423
		<u>28,050</u>	<u>28,423</u>
<b>OTHER TRUST FUND</b>			
Cash	B-1	3,960,007	4,330,372
Due from Current Fund- Net Payroll	B-12	-	603
Due from Current Fund- Payroll Deductions	B-13	-	172
Due From Current Fund - Other Trust	B-8	-	100
		<u>3,960,007</u>	<u>4,331,247</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B	1,386,318	1,148,657
Contribution Receivable	B	59,657	64,734
		<u>1,445,975</u>	<u>1,213,391</u>
Total Assets		<u>\$ 5,748,715</u>	<u>\$ 5,893,753</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<b>LIABILITIES AND RESERVES</b>			
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Reserve for Unemployment Compensation Insurance	B-6	\$ 314,683	\$ 320,692
		<u>314,683</u>	<u>320,692</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Due to Current Fund	B-4	6,767	7,308
Due to State of New Jersey	B-3	52	17
Reserve for Animal Control Expenditures	B-2	<u>21,231</u>	<u>21,098</u>
		<u>28,050</u>	<u>28,423</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund - Other Trust Flex Spending	B-9	2,500	-
Due to Current Fund - Escrow Trust	B-5	32	-
Due to Current Fund - Trust Other	B-8	14,916	-
Reserve for:			
Payroll Deductions and Withholdings	B-10	114,471	233,760
Miscellaneous Deposits	B-7	<u>3,828,088</u>	<u>4,097,487</u>
		<u>3,960,007</u>	<u>4,331,247</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP	B	<u>1,445,975</u>	<u>1,213,391</u>
Total Liabilities and Reserves		<u>\$ 5,748,715</u>	<u>\$ 5,893,753</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Cash	C-2, C-3	\$ 4,951,850	\$ 3,435,815
Deferred Charges to Future Taxation			
Funded	C-4	2,161,979	2,723,965
Unfunded	C-5	<u>12,361,600</u>	<u>11,416,600</u>
Total Assets		<u>\$ 19,475,429</u>	<u>\$ 17,576,380</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-13	\$ 2,070,000	\$ 2,545,000
Wastewater Loan Payable	C-11	-	74,861
EDA Loan Payable	C-12	91,979	104,104
Bond Anticipation Notes Payable	C-7	9,192,000	6,198,000
Contracts Payable	C-9	3,020,186	1,303,368
Improvement Authorizations			
Funded	C-6	1,118,068	961,130
Unfunded	C-6	2,541,511	5,133,591
Reserve for Payment of Bonds	C-10	277,736	277,736
Capital Improvement Fund	C-8	897,988	802,988
Fund Balance	C-1	<u>265,961</u>	<u>175,602</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,475,429</u>	<u>\$ 17,576,380</u>

There were bonds and notes authorized but not issued on December 31, 2017 and 2016 of \$3,169,600 and \$5,224,656, respectively. (Exhibit C-14)

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>Reference</u>	<u>2017</u>	<u>2016</u>
Balance, January 1	C	\$ 175,602	\$ 163,820
Increased by:			
Cancellation of Improvement Authorizations	C-1		11,782
Premium on Sale of Notes	C-2	<u>90,359</u>	<u>-</u>
Balance, December 31	C	<u>\$ 265,961</u>	<u>\$ 175,602</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS- REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Land	\$ 5,166,563	\$ 5,196,563
Construction in Progress	17,395	
Buildings and Building Improvements	9,353,475	8,773,825
Machinery and Equipment	<u>12,420,005</u>	<u>11,663,425</u>
Total Assets	<u>\$ 26,957,438</u>	<u>\$ 25,633,813</u>
Investment in General Fixed Assets	<u>\$ 26,957,438</u>	<u>\$ 25,633,813</u>

**NOTES TO FINANCIAL STATEMENTS**





**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

**B. Description of Regulatory Basis of Accounting**

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

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

**C. Basis of Presentation – Financial Statements**

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

The Borough has the following funds and account group:

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

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

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

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

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

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

**C. Basis of Presentation – Financial Statements (Continued)**

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2016 balances to conform to the December 31, 2017 presentation.

**Financial Statements – Regulatory Basis**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 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/Receivables** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

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

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

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

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

**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 \$2,000 and an estimated useful life in excess of two years.

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

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

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

General Fixed Assets purchased prior to December 31, 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.

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.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

Trust Funds
General Capital Fund

The 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 2017 and 2016 the Borough Council increased the original budget by \$379,337 and \$191,020. The increases were funded by additional aid allotted to the Borough and an emergency resolution for the local match on the Municipal Alliance grant. In addition, the governing body approved several budget transfers during 2017 and 2016.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

The Borough considers petty cash, change funds, cash in banks, certificates of deposit as cash and cash equivalents.

**A. Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2017 and 2016, the book value of the Borough's deposits were \$26,442,228 and \$22,070,445 and bank and brokerage firm balances of the Borough's deposits amounted to \$26,498,641 and \$22,608,605, 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>2017</u>	<u>2016</u>
Insured	<u>\$ 26,498,641</u>	<u>\$ 22,608,605</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, 2017 and 2016, the Borough's bank balances were not exposed to custodial credit risk.

**B. Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

As of December 31, 2017 and 2016, the Borough had the following investments:

	<u>Fair Value</u>
<u>2017</u>	
<u>Investment:</u>	
LOSAP (Unaudited)	\$ <u>1,386,318</u>
<u>2016</u>	
<u>Investment:</u>	
LOSAP (Unaudited)	\$ <u>1,148,657</u>

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, 2017 and 2016, \$1,386,318 and \$1,148,657 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
<u>2017</u>	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>1,386,318</u>
<u>2016</u>	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>1,148,657</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, 2017 and 2016, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services.

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

The fair value of the above-listed investment(s) was/were based on quoted market prices.

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



**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
<u>Current Fund</u>		
Property Taxes	\$ 1,309,102	\$ 1,045,127
Special Improvement District Taxes	15,145	
Tax Title Liens	<u>349,391</u>	<u>333,413</u>
	<u>\$ 1,673,638</u>	<u>\$ 1,378,540</u>

In 2017 and 2016, the Borough collected \$935,717 and \$611,300 from delinquent taxes, which represented 89% and 63%, respectively of the prior year delinquent taxes receivable balance.

**NOTE 5 DUE TO/FROM OTHER FUNDS**

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

	<u>2017</u>		<u>2016</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	\$ 24,215		\$ 7,308	\$ 875
Animal Control Fund		\$ 6,767		7,308
Other Trust Fund- Escrow		32		
Other Trust Fund-FSA		2,500		
Other Trust Fund- Net Payroll			603	
Other Trust Fund- Payroll Deduction			172	
Other Trust Fund	<u>-</u>	<u>14,916</u>	<u>100</u>	<u>-</u>
	<u>\$ 24,215</u>	<u>\$ 24,215</u>	<u>\$ 8,183</u>	<u>\$ 8,183</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.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2017</u></b>			
Current Fund			
Emergency Authorization	<u>\$3,820</u>	<u>\$3,820</u>	<u>\$ - 0-</u>
	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2016</u></b>			
Current Fund			
Emergency Authorization	<u>\$3,820</u>	<u>\$3,820</u>	<u>\$ - 0-</u>

**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 the current fund's budget for the succeeding year were as follows:

	<u>2017</u>		<u>2016</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 8,175,397	\$ 3,700,000	\$ 7,214,450	\$ 2,700,000
Non-Cash Surplus	<u>915,860</u>	<u>-</u>	<u>880,560</u>	<u>-</u>
	<u>\$ 9,091,257</u>	<u>\$ 3,700,000</u>	<u>\$ 8,095,010</u>	<u>\$ 2,700,000</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2017 and 2016.

<u>2017</u>	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2017</u>
Land	\$ 5,196,563		\$ (30,000)		\$ 5,166,563
Buildings and Building Improvements	8,773,825	\$ 579,650			9,353,475
Construction In Progress		17,395			17,395
Machinery and Equipment	<u>11,663,425</u>	<u>756,580</u>	<u>-</u>	<u>-</u>	<u>12,420,005</u>
	<u>\$ 25,633,813</u>	<u>\$ 1,353,625</u>	<u>\$ (30,000)</u>	<u>\$ -</u>	<u>\$ 26,957,438</u>
<u>2016</u>	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2016</u>
Land	\$ 5,196,563				\$ 5,196,563
Buildings and Building Improvements	8,768,601	\$ 5,224			8,773,825
Machinery and Equipment	<u>9,779,236</u>	<u>2,108,835</u>	<u>\$ (224,646)</u>	<u>-</u>	<u>11,663,425</u>
	<u>\$ 23,744,400</u>	<u>\$ 2,114,059</u>	<u>\$ (224,646)</u>	<u>\$ -</u>	<u>\$ 25,633,813</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9 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 fund projects. 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>2017</u>	<u>2016</u>
Issued		
General		
Bonds, Notes and Loans	\$ 11,353,979	\$ 8,921,965
Less Funds Temporarily Held to Pay Bonds and Notes	<u>277,736</u>	<u>283,792</u>
Net Debt Issued	<u>11,076,243</u>	<u>8,638,173</u>
Authorized But Not Issued		
General		
Bonds and Notes	<u>3,169,600</u>	<u>5,224,656</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 14,245,843</u>	<u>\$ 13,862,829</u>

**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 .516% and .512% at December 31, 2017 and 2016, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2017</u>			
General Debt	<u>\$ 14,523,579</u>	<u>\$ 277,736</u>	<u>\$ 14,245,843</u>
Total	<u>\$ 14,523,579</u>	<u>\$ 277,736</u>	<u>\$ 14,245,843</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2016</u>			
General Debt	<u>\$ 14,146,621</u>	<u>\$ 283,792</u>	<u>\$ 13,862,829</u>
Total	<u>\$ 14,146,621</u>	<u>\$ 283,792</u>	<u>\$ 13,862,829</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Borrowing Power**

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

	<u>2017</u>	<u>2016</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 96,580,587	\$ 94,815,152
Net Debt	<u>14,245,843</u>	<u>13,862,829</u>
Remaining Borrowing Power	<u>\$ 82,334,744</u>	<u>\$ 80,952,323</u>

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2017</u>	<u>2016</u>
\$3,020,000, 2015 Refunding Bonds, due in annual installments of \$515,000 to \$535,000 through August 1, 2021, interest at 1.710%	<u>\$ 2,070,000</u>	<u>\$ 2,545,000</u>
	<u>\$ 2,070,000</u>	<u>\$ 2,545,000</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 Waste Water Treatment Program and to the 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>2017</u>	<u>2016</u>
\$1,130,000, 1997 Loan, due in Semi-annual installment of \$74,861 through August, 2017, interest at 4.00% to 5.00%		\$ 74,861
\$227,500, 2004 Loan, due in Semi-annual installments of \$12,369 to \$13,936 through September 2024, interest at 2%	<u>\$ 91,979</u>	<u>104,104</u>
	<u>\$ 91,979</u>	<u>\$ 178,965</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2017 is as follows:

Calendar Year	General		Loans		Total
	Principal	Interest	Principal	Interest	
2018	\$ 515,000	\$ 35,397	\$ 12,369	\$ 1,778	\$ 564,544
2019	505,000	26,591	12,617	1,529	545,737
2020	515,000	17,955	12,871	1,276	547,102
2021	535,000	9,149	13,130	1,017	558,296
2022	-	-	13,393	753	14,146
2023-2026	-	-	27,599	693	28,292
Total	<u>\$ 2,070,000</u>	<u>\$ 89,092</u>	<u>\$ 91,979</u>	<u>\$ 7,046</u>	<u>\$ 2,258,117</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2017 and 2016 were as follows:

	Balance, December 31, 2016	Additions	Reductions	Balance, December 31, 2017	Due Within One Year
<b><u>2017</u></b>					
General Capital Fund					
Bonds Payable	\$ 2,545,000		\$ 475,000	\$ 2,070,000	\$ 515,000
Intergovernmental Loans Payable	178,965	-	86,986	91,979	12,369
General Capital Fund Long-Term Liabilities	<u>\$ 2,723,965</u>	<u>\$ -</u>	<u>\$ 561,986</u>	<u>\$ 2,161,979</u>	<u>\$ 527,369</u>
	Balance, December 31, 2015	Additions	Reductions	Balance, December 31, 2016	Due Within One Year
<b><u>2016</u></b>					
General Capital Fund					
Bonds Payable	\$ 3,020,000		\$ 475,000	\$ 2,545,000	\$ 475,000
Intergovernmental Loans Payable	266,111	-	87,146	178,965	86,986
General Capital Fund Long-Term Liabilities	<u>\$ 3,286,111</u>	<u>\$ -</u>	<u>\$ 562,146</u>	<u>\$ 2,723,965</u>	<u>\$ 561,986</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2017 and 2016 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2016</u>	<u>Renewed/ Re-issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2017</u>
<b><u>2017</u></b>						
<b><u>General Capital Fund</u></b>						
Various Public Improvements	2.00%	2/28/2018	\$ 6,198,000	\$ 9,192,000	\$ 6,198,000	\$ 9,192,000
Total			\$ 6,198,000	\$ 9,192,000	\$ 6,198,000	\$ 9,192,000
<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2015</u>	<u>Renewed/ Re-issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2016</u>
<b><u>2016</u></b>						
<b><u>General Capital Fund</u></b>						
Various Public Improvements	0.70%	2/28/2017	\$ 5,523,000	\$ 6,198,000	\$ 5,523,000	\$ 6,198,000
Total			\$ 5,523,000	\$ 6,198,000	\$ 5,523,000	\$ 6,198,000

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

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2017</u>			
	Safe Routes to School	\$ 212,442	2018
	Utility Infrastructure Repairs	420,109	2018
	Inflow and Infiltration Sanitary Sewer Repairs	265,659	2018
	NJ DOT Woodbine Street/Front Street	141,654	2018
	31 Yard Automizer with Chasis Garbage Truck	304,015	2018
	Sewer Jet/Catch Basin Cleaner	376,700	2018
	Road Resurfacing	579,799	2018
	CDBG Bergen Ave Improvements	111,043	2018
	Bergen County Cooperative Grant Program	242,692	2018
<u>2016</u>			
	Carlson Place Improvements	\$ 115,680	2017
	Lighting Improvements	601,480	2017
	Glenwood Drive Sanitary Replacement	129,119	2017

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$1,929,031 and \$2,159,892 at December 31, 2017 and 2016, 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, 2017 and 2016, the Borough has reserved in the Other Trust Fund \$1,653,121 and \$1,802,750, respectively to fund compensated absences in accordance with NJSA 40A:4-39.



**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities**

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2017 and 2016 were as follows:

	Balance, December 31, <u>2016</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2017</u>	Due Within <u>One Year</u>
<b><u>2017</u></b>					
Compensated Absences	\$ 2,159,892		\$ 230,861	\$ 1,929,031	
Net Pension Liability- PERS	23,441,250		4,529,596	18,911,654	
Net Pension Liability- PFRS	37,169,084	-	7,811,779	29,357,305	
Net OPEB Obligation	<u>1,100,000</u>	<u>1,789,500</u>	<u>688,000</u>	<u>2,201,500</u>	\$ -
	<u>\$ 63,870,226</u>	<u>\$ 1,789,500</u>	<u>\$ 13,260,236</u>	<u>\$ 52,399,490</u>	<u>\$ -</u>
	Balance, December 31, <u>2015</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2016</u>	Due Within <u>One Year</u>
<b><u>2016</u></b>					
Compensated Absences	\$ 2,127,751	\$ 244,016	\$ 211,875	\$ 2,159,892	
Net Pension Liability- PERS	17,776,239	6,369,724	704,713	23,441,250	
Net Pension Liability- PFRS	31,572,796	7,182,749	1,586,461	37,169,084	
Net OPEB Obligation	<u>-</u>	<u>1,740,000</u>	<u>640,000</u>	<u>1,100,000</u>	\$ -
	<u>\$ 51,476,786</u>	<u>\$ 15,536,489</u>	<u>\$ 3,143,049</u>	<u>\$ 63,870,226</u>	<u>\$ -</u>

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

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

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

**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. PERS is a cost-sharing multi-employer defined benefit pension plan.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

The State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](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 and refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Investment Valuation**

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

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

**Funded Status and Funding Progress**

As of July 1, 2016, the most recent actuarial valuation date, which was rolled forward to June 30, 2017, the aggregate funded ratio for all the State administered retirement systems, including local PERS and local PFRS is 35.79 percent with an unfunded actuarial accrued liability of \$142.3 billion. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 48.10 percent and \$23.3 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 58.60 percent and \$17.2 billion, respectively.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2016 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.00% for investment rate of return for all the retirement systems and (b) changes to projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for PERS and 2.10-9.98 percent based on age for PFRS.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 10.0% for PFRS, 7.20% for PERS and 5.50% for DCRP of employee’s annual compensation for 2017.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the years ended December 31, 2017 and 2016 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, 2017, 2016 and 2015, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31,</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2017	\$ 1,586,461	\$ 762,513	\$ 22,177
2016	1,540,777	680,809	
2015	1,363,714	668,791	

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

**Public Employees Retirement System (PERS)**

At December 31, 2017 and 2016, the Borough reported a liability of \$18,911,654 and \$23,441,250, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, respectively. The Borough’s proportionate share of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2017, the Borough’s proportionate share was .08124 percent, which was an increase of .00209 percent from its proportionate share measured as of June 30, 2016 of .07915 percent.

**BOROUGH OF BERGENFIELD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the year ended December 31, 2017 and 2016, the pension system has determined the Borough's pension expense to be \$1,297,333 and \$2,087,962, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$762,513 and \$680,809, respectively. At December 31, 2017 and 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2017		2016	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 445,304		\$ 435,936	
Changes of Assumptions	3,810,047	\$ 3,796,078	4,855,775	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	128,776		893,836	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>373,153</u>	<u>385,964</u>	<u>-</u>	<u>\$ 535,988</u>
Total	<u>\$ 4,757,280</u>	<u>\$ 4,182,042</u>	<u>\$ 6,185,547</u>	<u>\$ 535,988</u>

At December 31, 2017 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2018	\$ 456,552
2019	456,552
2020	429,812
2021	(424,454)
2022	(343,224)
Thereafter	<u>-</u>
	<u>\$ 575,238</u>

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The Borough's total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability reported for the year ended December 31, 2016 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2017</u>	<u>2016</u>
Inflation Rate	2.25%	3.08%
Salary Increases:		
Through 2026	1.65-4.15%	1.65-4.15%
	Based on Age	Based on Age
Thereafter	2.65-5.15%	2.65-5.15%
	Based on Age	Based on Age
Investment Rate of Return	7.00%	7.65%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2016 and 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 and 2016, as reported for the years ended December 31, 2017 and 2016, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2017</u>		<u>2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%		
Cash Equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment Grade Credit	10.00%	3.78%	8.00%	1.79%
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation-Indexed Bonds			1.50%	3.44%
US Equity	30.00%	8.19%	26.00%	8.53%
Non-US Developed Markets Equity	11.50%	9.00%	13.25%	6.83%
Emerging Markets Equity	6.50%	11.64%	6.50%	9.95%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Return			12.50%	4.68%
Real Estate (Property)			2.00%	6.91%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
Public High Yield	2.50%	6.82%		
Global Diversified Credit	5.00%	7.10%		
Credit Oriented Hedge Funds	1.00%	6.60%		
Debt Related Private Equity	2.00%	10.63%		
Debt Related Real Estate	1.00%	6.61%		
Private Real Asset	2.50%	11.83%		
Equity Related Real Estate	6.25%	9.23%		
Buyouts/Venture Capital	8.25%	13.08%		

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2017	5.00%
2016	June 30, 2016	3.98%

**BOROUGH OF BERGENFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

**Discount Rate (Continued)**

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

\* The municipal bond return rate used is 3.58% and 2.85% as of the measurement dates of June 30, 2017 and 2016, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Sensitivity of Net Pension Liability**

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2017 and 2016 calculated using the discount rate of 5.00% and 3.98%, respectively, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00% and 2.98%, respectively) or 1-percentage-point higher (6.00% and 4.98%, respectively) than the current rate:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
<u>2017</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 23,461,190</u>	<u>\$ 18,911,654</u>	<u>\$ 15,121,326</u>
	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
<u>2016</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 28,724,516</u>	<u>\$ 23,441,250</u>	<u>\$ 19,079,456</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2017 and 2016. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.



**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Pension Plan Fiduciary Net Position*

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

**Police and Firemen's Retirement System (PFRS)**

At December 31, 2017 and 2016, the Borough reported a liability of \$29,357,305 and \$37,169,086, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2017 and 2016, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 and 2015, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2017, the Borough's proportionate share was .19061 percent, which was a decrease of .00397 percent from its proportionate share measured as of June 30, 2016 of .19458 percent.

For the years ended December 31, 2017 and 2016, the pension system has determined the Borough pension expense to be \$2,798,674 and \$4,233,526, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$1,586,461 and \$1,540,777, respectively. At December 31, 2017 and 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2017		2016	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 190,453	\$ 172,303		\$ 243,649
Changes of Assumptions	3,620,083	4,807,868	\$ 5,148,224	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	560,206		2,604,363	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,186,982</u>	<u>900,279</u>	<u>1,603,773</u>	<u>507,951</u>
Total	<u>\$ 5,557,724</u>	<u>\$ 5,880,450</u>	<u>\$ 9,356,360</u>	<u>\$ 751,600</u>

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Police and Firemen's Retirement System (PFRS) (Continued)**

At December 31, 2017 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2018	\$ 738,268
2019	738,267
2020	231,848
2021	(1,355,094)
2022	(676,015)
Thereafter	-
	<u>\$ (322,726)</u>

***Actuarial Assumptions***

The Borough's total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability reported for the year ended December 31, 2016 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

**PFRS**

	<u>2017</u>	<u>2016</u>
Inflation Rate	2.25%	3.08%
Salary Increases:		
Through 2026	2.10-8.98% Based on Age	2.10-8.98% Based on Age
Thereafter	3.10-9.98% Based on Age	3.10-9.98% Based on Age
Investment Rate of Return	7.00%	7.65%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2016 and July 1, 2015 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Police and Firemen's Retirement System (PFRS) (Continued)**

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 and 2016, as reported for the years ended December 31, 2017 and 2016, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2017</u>		<u>2016</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%		
Cash	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Investment Grade Credit	10.00%	3.78%	8.00%	1.79%
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation-Indexed Bonds			1.50%	3.44%
US Equity	30.00%	8.19%	26.00%	8.53%
Non-US Developed Markets Equity	11.50%	9.00%	13.25%	6.83%
Emerging Markets Equity	6.50%	11.64%	6.50%	9.95%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Return			12.50%	4.68%
Real Estate (Property)			2.00%	6.91%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
Public High Yield	2.50%	6.82%		
Global Diversified Credit	5.00%	7.10%		
Credit Oriented Hedge Funds	1.00%	6.60%		
Debt Related Private Equity	2.00%	10.63%		
Debt Related Real Estate	1.00%	6.61%		
Private Real Asset	2.50%	11.83%		
Equity Related Real Estate	6.25%	9.23%		
Buyouts/Venture Capital	8.25%	13.08%		

*Discount Rate*

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2017	6.14%
2016	June 30, 2016	5.55%

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

*Discount Rate (Continued)*

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.58% and 2.85% as of the measurement dates of June 30, 2017 and 2016, respectively. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Sensitivity of Net Pension Liability*

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2017 and 2016 calculated using the discount rate of 6.14% and 5.55%, respectively, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14% and 4.55 %, respectively) or 1-percentage-point higher (7.14% and 6.55%, respectively) than the current rate:

	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
<u>2017</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 38,680,667</u>	<u>\$ 29,357,305</u>	<u>\$ 21,697,103</u>
	1% Decrease <u>(4.55%)</u>	Current Discount Rate <u>(5.55%)</u>	1% Increase <u>(6.55%)</u>
<u>2016</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 47,926,808</u>	<u>\$ 37,169,084</u>	<u>\$ 28,396,807</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2017 and 2016. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Special Funding Situation – PFRS***

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

At December 31, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,288,265 and \$3,121,281, respectively. For the years ended December 31, 2017 and 2016, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$402,229 and \$398,661, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$164,427 and \$119,598, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

***Pension Plan Fiduciary Net Position***

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 13 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. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

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 580 state and local participating employers and contributing entities for Fiscal Year 2017.

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

**State Health Benefits Program Funds (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.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$85.4 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$25.5 billion for state active and retired members, \$16.1 billion for local active and retired members and \$43.8 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 includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the 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 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, 2016 OPEB 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 an assumed investment rate of return of 4.50 percent.

**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, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$184.6 million for 10,994 eligible retired members for Fiscal Year 2017. This benefit covers the Police and Firemen's Retirement System.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund 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 \$52.1 million in Fiscal Year 2017 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, 2017, 2016 and 2015 were \$2,313,165, \$2,127,350 and \$1,980,137, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2017, 2016 and 2015 were \$104,045, \$88,774 and \$85,971, respectively.

**Plan Description**

The Borough provides a post employment prescription and dental benefits in addition to the health benefits provided to their retirees through the state health benefit plan for certain eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the Borough. In accordance with Borough ordinances, contracts and/or policies, the Borough provides.

**Funding Policy**

The required contribution is funded on a pay-as-you-go basis. For the year 2017 and 2016, the Borough contributed \$688,000 and \$640,000, respectively to the plan, for current premiums. Plan members receiving benefits are not required to contribute towards the coverage.



**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The Borough's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (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) over a period not to exceed thirty years. The following table shows the components of the Borough's annual OPEB cost for the year 2017 and 2016, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to the plan.

	<u>2017</u>	<u>2016</u>
Annual Required Contribution	\$ 1,740,000	\$ 1,740,000
Interest on Net OPEB Obligation	49,500	
Adjustment to Annual Required Contribution	-	-
Total (Annual OPEB Cost (Expense))	<u>1,789,500</u>	<u>1,740,000</u>
Contributions Made	<u>(688,000)</u>	<u>(640,000)</u>
Increase in Net OPEB Obligation	1,101,500	1,100,000
Net OPEB Obligation - Beginning of Year	1,100,000	-
Net OPEB Obligation - End of Year	<u>\$ 2,201,500</u>	<u>\$ 1,100,000</u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2017 and 2016 were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligations</u>
2017	\$ 1,789,500	38.4%	\$ 2,201,500
2016	1,740,000	36.8%	1,100,000

**Funded Status and Funding Progress**

As of December 31, 2016, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$24,260,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$24,260,000. The covered payroll (annual payroll of active employees covered by the plan) was \$13,040,000, and the ratio of the UAAL to the covered payroll was 186 percent.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2016, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. Both rates included a 3 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017 was 28 years.

**NOTE 14 RISK MANAGEMENT**

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

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 14 RISK MANAGEMENT (Continued)**

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2017	\$ 30,000	\$ 17,643	\$ 53,652	\$ 314,683
2016	30,000	16,265	29,228	320,692
2015	50,000	10,752	25,290	303,655

**NOTE 15 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, 2017 and 2016. 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, 2017 and 2016, the Borough reserved \$1,604,543 and \$1,437,146 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.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 15 CONTINGENT LIABILITIES (Continued)**

**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, 2017 and 2016, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 16 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, 2017 and 2016, the Borough had no estimated arbitrage earnings due to the IRS.

**NOTE 17 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 \$1,269 and \$1,269 for 2017 and 2016, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The Borough also contributed \$1,269 and \$1,269 for 2017 and 2016, respectively for each eligible volunteer first aid squad members into the Plan. The total Borough contributions were \$59,657 and \$64,734 for 2017 and 2016, respectively.

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.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)**

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

**NOTE 18 HURRICANE SANDY**

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2017. As of December 31, 2017, the Borough has received \$36,001 in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

**NOTE 19 TAX ABATEMENTS**

For the years ended December 31, 2017 and 2016, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law"), the Five-Year Exemption and Abatement Law (the "FYEA") and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- Prior to the enactment of the Long Term Tax Exempt Law (NJSA 40A:20 et.seq.) and under the provisions of the Senior Citizens Nonprofit Rental Housing Tax Law (NJSA 55:141-1), which has since been repealed, allows for the clearance, re-planning, development or redevelopment of blighted areas by means of a non-profit rental housing project for the elderly, developed, erected and owed by a non-profit corporations under the Federal Senior Citizens Housing Loan Program, and pursuant to section 202 of the Federal Housing Act of 1959, as amended; authorizing and providing for the exemption in part of such non-profit rental housing projects from taxation under the law. A qualified municipality could abate for up to 50 years the property taxes on newly construction senior housing. The process beings when the municipality passes by ordinance or resolution, as appropriate, that such residential rental senior housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor to make a PILOT payment to the municipality in an amount equal to a percentage of the annual gross revenue from each senior housing project. For the years ended December 31, 2017 and 2016 the Borough abated property taxes totaling \$434,970 and \$428,085, respectively, under this law. The Borough received \$89,457 and \$88,960 in PILOT payments under this program for the years ended December 31, 2017 and 2016, respectively.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 20 SUBSEQUENT EVENTS**

**Bond Anticipation Notes**

On February 28, 2018 the Borough issued bond anticipation notes in the amount of \$9,300,000 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to TD Securities, LLC at an interest rate of 2.50%. These notes dated February 28, 2018 will mature on February 28, 2019.

**Debt Authorized**

On March 20, 2018 the Borough adopted a bond ordinance authorizing the issuance \$3,800,000 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.

**CURRENT FUND**





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

Balance, December 31, 2016	\$13,951,293
Increased by Receipts:	
Taxes Receivable	\$84,181,814
Homestead Benefit	1,054,664
Special Improvement District- Taxes Receivable	63,339
Non-Budget Revenue	597,683
Revenue Accounts Receivable	4,152,341
Due from State of New Jersey	143,750
Tax Overpayments	23,676
Tax Overpayments- SID	1,818
Prepaid Taxes	3,021,019
Reserve for Grants- Unappropriated	86,507
Grants Receivable	436,463
Prepaid Taxes- SID	1,018
Receipts From Animal Control Fund	7,308
Receipts From Other Trust	157,922
Receipts From Other Trust- Escrow	327
Petty Cash	<u>1,000</u>
	<u>93,930,649</u>
	107,881,942
Decreased by Disbursements:	
2017 Budget Appropriations	32,167,021
2016 Appropriation Reserves	1,720,040
County Taxes Payable	6,957,559
Local School District Taxes Payable	48,375,738
Tax Overpayments	29,373
Refund Prior Year Revenue	9,022
Reserve for Tax Appeals	332,603
Reserve for Grants- Appropriated	808,085
Due to Special Improvement District	121,500
Payments to Other Trust	172,938
Payments to Other Trust- FSA	2,500
Payments to Other Trust- Net Payroll	603
Payments to Other Trust- Payroll Deduction	172
Petty Cash	<u>1,000</u>
	<u>90,698,154</u>
Balance, December 31, 2017	<u>\$17,183,788</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF CHANGE FUND**

Balance, December 31, 2016	\$ <u>3,850</u>
Balance, December 31, 2017	\$ <u>3,850</u>

EXHIBIT A-6

**STATEMENT OF PETTY CASH FUND**

Increased by:	
Cash Receipts	\$ <u>1,000</u>
Decreased by:	
Cash Disbursements	\$ <u>1,000</u>

EXHIBIT A-7

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

Balance, December 31, 2016		\$ 13,494
Increased by:		
Senior Citizens Deductions Per Tax Billings	\$ 23,250	
Veterans Deductions Per Tax Billings	123,500	
Senior Citizens Deductions Allowed by Tax Collector	750	
Veterans Deductions Allowed by Tax Collector	1,250	
Veterans Deductions Allowed by Tax Collector- 2016	<u>1,500</u>	
		<u>150,250</u>
		163,744
Decreased by:		
Cash Received from State	143,750	
Senior Citizens' Deductions Disallowed by Tax Collector- 2016	7,000	
Senior Citizens' Deductions Disallowed by Tax Collector- 2017	<u>2,250</u>	
		<u>153,000</u>
Balance, December 31, 2017		\$ <u>10,744</u>

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

Year	Balance, December 31, 2016	2017 Levy	Added in 2017	Senior Citizens' and Veterans' Deductions Disallowed	Collected In 2016	2017	Homestead Benefit	Senior Citizens' and Veterans' Deductions Allowed	Cancelled Title Liens	Transferred to Tax Title Liens	Balance, December 31, 2017
2011	\$ 40,276										\$ 40,276
2012	44,550										44,550
2013	47,916		\$ 2,451								45,465
2014	55,792		2,050	\$ 250				\$ 250	\$ 250		53,742
2015	57,332		252					\$ 250			56,830
2016	<u>799,261</u>		<u>197,241</u>	<u>6,750</u>		<u>930,964</u>		<u>1,250</u>	<u>11,899</u>		<u>59,139</u>
	<u>1,045,127</u>		<u>197,241</u>	<u>7,000</u>		<u>935,717</u>		<u>1,500</u>	<u>12,149</u>		<u>300,002</u>
2017	-	\$ 85,393,083	\$ 611,460	2,250	\$ 428,942	\$ 83,246,097	\$ 1,054,664	\$ 148,750	\$ 103,262	\$ 15,978	\$ 1,009,100
	<u>\$ 1,045,127</u>	<u>\$ 85,393,083</u>	<u>\$ 808,701</u>	<u>\$ 9,250</u>	<u>\$ 428,942</u>	<u>\$ 84,181,814</u>	<u>\$ 1,054,664</u>	<u>\$ 150,250</u>	<u>\$ 115,411</u>	<u>\$ 15,978</u>	<u>\$ 1,309,102</u>

Analysis of 2017 Tax Levy

TAX YIELD	
General Purpose Tax	\$ 85,393,083
Added Taxes (NJSA 54:4-63.1 et seq)	<u>611,460</u>
	<u>\$ 86,004,543</u>
TAX LEVY	
Local District School Tax (Abstract)	\$ 48,375,738
County Tax (Abstract)	6,926,639
Due County for Added and Omitted Taxes (54:4-63.1)	<u>65,269</u>
	55,367,646
Local Tax for Municipal Purposes	30,068,905
Add Additional Taxes Levied	<u>567,992</u>
	<u>30,636,897</u>
	<u>\$ 86,004,543</u>

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

Balance, December 31, 2016	\$ 333,413
Increased by:	
Transfer from Current Year Taxes Receivable	<u>15,978</u>
Balance, December 31, 2017	<u>\$ 349,391</u>

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

Balance, December 31, 2016	<u>\$ 28,173</u>
Balance, December 31, 2017	<u>\$ 28,173</u>

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

	Balance, December 31, <u>2016</u>	Accrued <u>2017</u>	<u>Collected</u>	Balance, December 31, <u>2017</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 33,064	\$ 33,064	
Licenses		8,135	8,135	
Construction Code Official				
Fees and Permits		635,241	635,241	
Board of Health/Registrar of				
Vital Statistics				
Fees and Permits		37,212	37,212	
Licenses		1,078	1,078	
Fire Prevention				
Fees and Permits		16,645	16,645	
Police Departments				
Fees and Permits		3,291	3,291	
Municipal Court				
Fines and Costs		364,081	364,081	
Interest and Costs on Taxes		202,424	202,424	
Interest on Deposits and				
Investments		88,617	88,617	
Recycling Program		51,843	51,843	
Recreation Fees		33,632	33,632	
Uniform Fire Safety		99,921	99,921	
PILOT Senior Citizen Complex		89,457	89,457	
Energy Receipts Tax		1,807,735	1,807,735	
Consolidated Municipal Property Tax Relief Aid		173,922	173,922	
Interlocal Health Agreement- Hackensack	\$ 11,667		11,667	
Franchise Fees- Verizon		145,189	145,189	
Franchise Fees- Cablevision		182,618	182,618	
Site Rental - Cablevision		88,815	88,815	-
Rental of Tennis Courts		17,000	17,000	
Cell Tower Rent	-	60,754	60,754	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>\$ 11,667</u>	<u>\$ 4,140,674</u>	<u>\$ 4,152,341</u>	<u>\$ -</u>
			<u>\$ 4,152,341</u>	
Cash Receipts			<u>\$ 4,152,341</u>	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF 2016 APPROPRIATION RESERVES**

	Balance, December 31, <u>2016</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages</b>				
Mayor & Council	\$ 1,266	\$ 1,266		\$ 1,266
General Administration	1,523	1,523		1,523
Municipal Clerk	13,687	13,687	\$ 5,684	8,003
Financial Administration	3,286	25,286	25,286	-
Revenue Administration	9,419	9,419	-	9,419
Tax Assessment Administration	26,796	796	706	90
Planning Board	281	281	-	281
Site Plan	1,250	1,250		1,250
Zoning Board of Adjustment	50	50		50
Police Department	231,566	231,566	-	231,566
Fire Official	4,357	4,357		4,357
Fire Department	80,808	80,808	916	79,892
Prosecutor	1,225	-		-
Municipal Court	5,196	5,196		5,196
Public Defender	2,970	-		-
Streets and Roads Maintenance	137,163	137,163	29,705	107,458
Solid Waste	125,166	125,166	74,597	50,569
Board of Health	15,671	15,671		15,671
Recreation Services and Programs	9,875	9,875		9,875
Community Affairs-Senior Citizens	876	-		-
Maintenance of Parks	58,709	58,709	23,220	35,489
Building Inspector	22,314	22,314	14,023	8,291
Community Affairs-Senior Citizens	-	876		876
Rent Level	50	50		50
Barrier Free Board	1,250	1,250		1,250
Shade Tree	142	142		142
Free Public Library	-	41,024		41,024
Interlocal Health Services- Hackensack	-	8,974	-	8,974
<b>Total Salaries and Wages</b>	<u>754,896</u>	<u>796,699</u>	<u>174,137</u>	<u>622,562</u>
<b>Other Expenses</b>				
General Administration	26,951	36,987	16,381	20,606
Grant Consultant	22,000	25,000	6,000	19,000
Mayor & Council	2,000	2,000	-	2,000
Municipal Clerk	8,820	9,570	1,867	7,703
Financial Administration	32,071	37,226	11,879	25,347
Audit Services	11,416	70,716	67,710	3,006
Tax Collection	16,016	20,572	6,938	13,634
Tax Assessment Administration	15,509	22,509	18,000	4,509
Legal Services	85,164	96,263	32,343	63,920
Engineering	47,893	65,893	34,331	31,562
Planning Board	500	500	190	310
Zoning Board	10,250	10,250	-	10,250
Police Department	9,686	41,749	31,989	9,760
Police Cars	3,805	24,851	21,046	3,805
Office of Emergency Management	1,184	5,326	4,142	1,184
First Aid Organization	3,378	3,971	593	3,378
Fire Official	207	3,345	2,389	956
Fire Department	14,862	88,183	73,094	15,089
Fire Hydrant Service	-	25,370	20,498	4,872
Public Defender	-	2,970	1,500	1,470
Municipal Court	8,083	8,485	1,904	6,581

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF 2016 APPROPRIATION RESERVES**

	Balance, December 31, <u>2016</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Streets and Roads Maintenance	\$ 58,414	\$ 74,642	\$ 17,931	\$ 56,711
Buildings and Grounds	6,489	38,242	34,172	4,070
Solid Waste Collection	3,324	27,352	16,961	10,391
Vehicle Maintenance	306	15,471	10,183	5,288
Board of Health	9,577	10,873	2,501	8,372
Environmental Committee	375	375	-	375
Ecology	100	100	-	100
Welfare/Administration of Public Asst.	250	250	-	250
Recreation Services and Programs	11,187	31,039	18,072	12,967
Maintenance of Parks	19,513	37,981	19,969	18,012
Community Affairs- Senior Citizens	715	715	-	715
Celebration of Public Events	7,308	11,047	3,739	7,308
Building Inspector	12,088	12,799	739	12,060
Construction Code Official	882	882	-	882
Rent Leveling Board	200	200	-	200
Barrier Free Board	96	97	-	97
Shade Tree Board	550	550	-	550
Electricity & Gasoline	63,990	78,990	43,114	35,876
Street Lighting	36,371	61,371	14,558	46,813
Telephone	16,246	20,093	4,326	15,767
Water	-	12,529	10,219	2,310
Gasoline	109,664	92,614	39,577	53,037
Sanitary Landfill - Tipping Fees	66,251	295,691	169,805	125,886
Sanitary Landfill - Recycling Tax	2,002	8,499	4,049	4,450
Contingent	1,032	1,032	-	1,032
Social Security System	53,088	53,088	4,679	48,409
Defined Contribution Retirement Plan	10,000	23,000	16,434	6,566
Contribution to Free Public Library	61,490	20,466	-	20,466
LOSAP	4,856	4,856	-	4,856
Prosecutor	-	1,525	300	1,225
Sewage Processing and Disposal-Tenafly	-	8,216	8,215	1
Liability Insurance	1,250	1,250	1,250	-
Group Insurance Plan for Employees- Gen Gov't	145,921	473,754	329,619	144,135
Worker Compensation Insurance	14,743	152,108	137,365	14,743
Group Insurance	89,561	89,561	-	89,561
Other Insurance	7,888	101,621	93,733	7,888
Declared State of Emergency- Snow Removal	100,000	100,000	100,000	-
Road Improvement Program	81,562	141,612	141,612	-
Interlocal Health Care Services	25,224	16,250	-	16,250
Total Other Expenses	<u>1,344,324</u>	<u>2,622,477</u>	<u>1,595,916</u>	<u>1,026,561</u>
Grand Total	<u>\$ 2,099,220</u>	<u>\$ 3,419,176</u>	<u>\$ 1,770,053</u>	<u>\$ 1,649,123</u>
2016 Appropriation Reserves		\$ 2,097,204		
Encumbrances Transferred to 2016 Reserves		<u>1,321,972</u>		
		<u>\$ 3,419,176</u>		
Cash Disbursed			\$ 1,720,040	
Transfer to Accounts Payable			<u>50,013</u>	
			<u>\$ 1,770,053</u>	

**BOROUGH OF BERGENFIELD  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2016		\$ 1,321,972
Increased by:		
Charges to 2017 Budget Appropriations		<u>1,160,062</u>
		2,482,034
Decreased by:		
Transferred to 2016 Appropriation Reserves		<u>1,321,972</u>
Balance, December 31, 2017		<u>\$ 1,160,062</u>

EXHIBIT A-14

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

Balance, December 31, 2016		\$ 447,968
Increased by:		
Charges to 2017 Reserve for Grants- Appropriated		<u>311,317</u>
		759,285
Decreased by:		
Transfer to Reserve for Grants- Appropriated		<u>447,968</u>
Balance, December 31, 2017		<u>\$ 311,317</u>

EXHIBIT A-15

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2016		\$ 1,437,146
Increased by:		
Transfer from Budget Appropriations	\$ 100,000	
Transfer from Current Collections	<u>400,000</u>	
		<u>500,000</u>
		1,937,146
Decreased by:		
Cash Paid to Appellants		<u>332,603</u>
Balance, December 31, 2017		<u>\$ 1,604,543</u>



**BOROUGH OF BERGENFIELD  
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2016	\$	5,697
Increased by:		
Cash Receipts		<u>23,676</u>
		29,373
Decreased by:		
Refunded		<u>29,373</u>
Balance, December 31, 2017	\$	<u><u>-</u></u>

EXHIBIT A-17

**STATEMENT OF OTHER LIENS RECEIVABLE**

Balance, December 31, 2016	\$	<u>2,500</u>
Balance, December 31, 2017	\$	<u><u>2,500</u></u>

EXHIBIT A-18

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2016	\$	30,920
Increased by:		
2017 Levy		
General County Tax (Abstract)	\$	6,649,945
County Open Space Preservation		276,694
Due County for Added and Omitted Taxes		<u>65,269</u>
		<u>6,991,908</u>
		7,022,828
Decreased by:		
Payments		<u>6,957,559</u>
Balance, December 31, 2017	\$	<u><u>65,269</u></u>

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

Increased by:	
Levy - Calendar Year	<u>\$ 48,375,738</u>
Decreased by:	
Payments	<u>\$ 48,375,738</u>

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2016	\$ 428,942
Increased by:	
Collection of 2018 Taxes	<u>3,021,019</u>
	3,449,961
Decreased by:	
Apply to 2017 Tax Receivable	<u>428,942</u>
Balance, December 31, 2017	<u>\$ 3,021,019</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF APPROPRIATED RESERVES**

	Balance, December 31, 2016	Transfer from Current Year Appropriations	Cancel Prior Year Encumbrance	Cancellation	Paid or Charged	Balance, December 31, 2017
U.S. Department of Housing (CDBG) - Bergen Ave Imprvts		\$ 81,402			\$ 81,402	
U.S. Department of Housing (CDBG) - Carlson Place Imprvts			76,000		76,000	24,000
Bergen County Open Space- Tunis R Cooper Roof Repair	\$ 24,000		80,000		80,000	-
Bergen County Open Space- Multi-Field Lighting			62,254		62,254	-
Bergen County Open Space- Memorial Field Lighting	250,000				212,442	37,558
NJ Dept. of Transportation- Safe Routes	149,000	155,500			304,500	-
NJDOT- Woodbine and Front Street		172,818				172,818
NJDOT- West Central Avenue			200,000		200,000	-
NJDOT- West Church St. Drainage/CSX		15,000		6,400	9,600	15,000
Pedestrian Safety, Education & Enforcement Fund	16,000				1,818	-
Sustainable Jersey Small Grants Program	1,819	15,279	5,205	3,186	11,446	14,468
Municipal Alliance	8,616	3,820	1,733		3,535	3,619
Municipal Alliance- Local Match	1,601	8,224			3,042	5,182
Body Armor Grant						40,000
Highlands Council- TDR Feasibility Study	40,000	27,725	19,638		32,560	20,201
Recycling Tonnage Grant	5,398	49,212	3,015		33,856	118,462
Clean Communities	100,091	242				3,007
Alcohol Education and Rehabilitation	2,765	30,000				30,000
NJ Forest Service		5,500				5,500
Drive Sober or Get Pulled Over Grant		125			125	-
Police Safety		1,000			1,000	-
Mayor's Wellness Program		2,025				2,025
Bulletproof Vest Partnership		5,280			5,280	-
Distracted Driving Grant		5,342			542	12,487
Drunk Driving Enforcement Fund	7,564		123			
	\$ 606,854	\$ 578,494	\$ 447,968	\$ 9,587	\$ 1,119,402	\$ 504,327
		Grants Receivable		\$ 9,586		
		Operations		1		
				\$ 9,587		
		Cash Disbursements			\$ 808,085	
		Encumbrances-Grants			311,317	
					\$ 1,119,402	

**BOROUGH OF BERGENFIELD  
STATEMENT OF UNAPPROPRIATED RESERVES**

	Balance, December 31, <u>2016</u>	Cash <u>Receipts</u>	Anticipated as 2017 Budget <u>Revenue</u>	Balance, December 31, <u>2017</u>
South Presbyterian Church	\$ 125		\$ 125	
Drunk Driving Enforcement Fund	5,342		5,342	-
Clean Communities	49,212	\$ 41,808	49,212	\$ 41,808
Alcohol Education- Municipal Court	242		242	-
Recycling Tonnage	27,725	39,699	27,725	39,699
Body Armor Fund	4,109	-	4,109	-
Sustainable Energy- PSE&G	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	<u>\$ 86,755</u>	<u>\$ 86,507</u>	<u>\$ 86,755</u>	<u>\$ 86,507</u>

EXHIBIT A-23

**STATEMENT OF RESERVE FOR MASTER PLAN**

Balance, December 31, 2016	<u>\$ 2,570</u>
Balance, December 31, 2017	<u>\$ 2,570</u>

EXHIBIT A-24

**STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2016	\$ 163,588
Increased by:	
Transfer from 2016 Appropriation Reserves	<u>50,013</u>
Balance, December 31, 2017	<u>\$ 213,601</u>

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

Balance, December 31, 2016		\$ 22,680
Increased by:		
Collection of Assessment Receivable	\$ 63,339	
Transfer from Over-Payments	<u>82,089</u>	
		<u>145,428</u>
		168,108
Decreased by:		
Payments		<u>121,500</u>
Balance, December 31, 2017		<u>\$ 46,608</u>

## EXHIBIT A-26

**STATEMENT OF SPECIAL IMPROVEMENT DISTRICT TAXES RECEIVABLE**

Increased by:		
Net Tax Levy for 2017		\$ 78,484
Decreased by:		
Collections		<u>63,339</u>
Balance, December 31, 2017		<u>\$ 15,145</u>

## EXHIBIT A-27

**STATEMENT OF PREPAID SPECIAL IMPROVEMENT DISTRICT TAXES**

Balance, December 31, 2016		\$ 5,433
Increased by:		
Collection of 2018 Taxes		<u>1,018</u>
Balance, December 31, 2017		<u>\$ 6,451</u>

## EXHIBIT A-28

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

Balance, December 31, 2016		\$ 82,089
Increased by:		
Cash Receipts		<u>1,818</u>
		83,907
Decreased by:		
Transfer to Amounts Due to SID		<u>82,089</u>
Balance, December 31, 2017		<u>\$ 1,818</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, 2016	Accrued in 2017	Collected	Canceled	Balance, December 31, 2017
U.S. Department of Housing (CDBG) - Main St Sewers	\$ 100,000	\$ 81,402	\$ 100,000		\$ 81,402
U.S. Department of Housing (CDBG) - Bergen Ave Imprvts.	76,000		76,000		24,000
U.S. Department of Housing (CDBG) - Carlson Place	24,000				62,254
Bergen County Open Space- Tunis R Cooper Roof Repair	62,254				80,000
Bergen County Open Space- Memorial Field Lighting	80,000				5,500
Bergen County Open Space- Multi-Field Lighting	-	5,500			-
Drive Sober or Get Pulled Over	-	5,280	5,280		2,025
Distracted Driving Grant	-	2,025			30,000
Bulletproof Partnership Grant	-	30,000			172,818
New Jersey Forest Service- CSIP	50,713				155,500
NJDOT- Emergency Repairs West Church Street Drainage	-		79,375		40,000
NJDOT- West Central Ave	-				-
NJDOT- Woodbine Ave	250,000		149,000		172,818
NJDOT- Safe Routes to School Program	149,000				76,125
NJDOT- Woodbine and Front	40,000				250,000
Highlands Council- TDR Feasibility Study	-				-
Body Armor	-	4,115	4,115		40,000
Pedestrian Safety, Education & Enforcement Fund	16,000	15,000	9,600	6,400	15,000
Mayor's Wellness Program	1,000	1,000	1,000		
Municipal Alliance Grant	15,279	15,279	12,093	3,186	15,279
	\$ 863,246	\$ 487,919	\$ 436,463	\$ 9,586	\$ 905,116

**STATEMENT OF DEFERRED CHARGES**

	Balance, December 31, 2016	Added in 2017	Raised in 2017 Budget	Balance, December 31, 2017
Emergency Authorization (40A-4-47)	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820
	\$ 3,820	\$ 3,820	\$ 3,820	\$ 3,820

**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, 2016	\$ 320,692	\$ 28,423	\$ 4,330,372
Increased by Receipts:			
Borough's Share of Dog Licenses	\$	9,146	
Cat License Fees		1,060	
Budget Appropriation	\$ 30,000		
Employee Contributions	17,643		
State Dog License Fees		1,905	
Interest on Deposits			\$ 359
Receipts from Current Fund			176,213
Receipts from Payroll Agency			11,739,525
Miscellaneous Reserves			2,705,679
Net Payroll			8,924,353
	<u>47,643</u>	<u>12,111</u>	<u>23,546,129</u>
Decreased by Disbursements:			
Payment to State of New Jersey -			
State Dog License Fees		1,870	
Unemployment Claims	53,652	2,228	
Expenditures under R.S. 4:19-15.11			2,975,078
Miscellaneous Reserves			11,858,814
Payroll Deductions Payable			8,924,353
Net Payroll		8,386	158,249
Payments to Current Fund			<u>23,916,494</u>
	<u>53,652</u>	<u>12,484</u>	<u>27,876,501</u>
Balance, December 31, 2017	<u>\$ 314,683</u>	<u>\$ 28,050</u>	<u>\$ 3,960,007</u>

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

Balance, December 31, 2016	\$	21,098
Increased by:		
Dog License Fees	\$	7,868
Cat License Fees		1,060
Miscellaneous and Late Fees		<u>1,278</u>
		<u>10,206</u>
		31,304
Decreased by:		
Expenditures Under R.S. 4:19-15.11		
Cat and Dog License Fees- Realized as Current Fund		
Budgeted Revenue		1,078
Statutory Excess Due to Current Fund		6,767
Cash Disbursements		<u>2,228</u>
		<u>10,073</u>
Balance, December 31, 2017	\$	<u><u>21,231</u></u>

Animal License Fees Collected

<u>Year</u>	
2015	\$ 10,814
2016	<u>10,417</u>
	<u>\$ 21,231</u>

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

Balance, December 31, 2016	\$ 17
Increased by:	
State Fees Collected	<u>1,905</u>
	1,922
Decreased by:	
Payments to State	<u>1,870</u>
Balance, December 31, 2017	<u>\$ 52</u>

EXHIBIT B-4

**STATEMENT OF DUE TO CURRENT FUND**  
**ANIMAL CONTROL FUND**

Balance, December 31, 2016	\$ 7,308
Increased by:	
Statutory Excess	<u>6,767</u>
Decreased by:	
Payments Made to Current Fund	<u>7,308</u>
Balance, December 31, 2017	<u>\$ 6,767</u>

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

Increased by:		
Interest on Deposits and Investments	\$	<u>359</u>
Decreased by:		
Payments to Current Fund		<u>327</u>
Balance, December 31, 2017	\$	<u><u>32</u></u>

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

Balance, December 31, 2016	\$	320,692
Increased by:		
Budget Appropriation	\$	30,000
Employee Contributions		<u>17,643</u>
		<u>47,643</u>
		368,335
Decreased by:		
Unemployment Insurance Benefit Claims		<u>53,652</u>
Balance, December 31, 2017	\$	<u><u>314,683</u></u>

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

	Balance, December 31, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2017</u>
POAA	\$ 2,614	\$ 2,538	\$ 714	\$ 4,438
Fire Code Penalties	54,860	10,767	13,323	52,304
Construction Code Penalties	165,024	3,950	51,321	117,653
Developers Escrow	270,879	117,794	149,472	239,201
Street Openings	37,780	4,000	1,000	40,780
Police Donations	1,138	-	-	1,138
Confiscated Funds	6,255	-	-	6,255
Tree Replacement	17,850	13,500	-	31,350
Sewer Bond	1,000	1,000	-	2,000
Holiday at the Pond	6,474	-	1,942	4,532
Police Outside Detail	131,340	240,695	250,120	121,915
Tax Title Lien Redemption	291,349	1,362,330	1,299,199	354,480
Premiums on Tax Title Liens	1,036,200	750,700	950,800	836,100
Family Fun Day	13,209	23,350	811	35,748
Environmental Program	1,711	-	-	1,711
Accumulated Absence Liability Trust Fund	1,802,750	23,000	172,629	1,653,121
Goodwill/Elm St. Relief	13,967	150	-	14,117
Flexible Spending Account	3,935	19,762	21,480	2,217
Recreation	2,445	-	-	2,445
Snow Removal	101,728	100,000	12,356	189,372
Veteran's Park Donations	31,460	2,100	7,019	26,541
Federal Forfeiture of Funds	103,519	29,188	42,892	89,815
Barrier Free - Play for All	-	855	-	855
<b>Total</b>	<b><u>\$ 4,097,487</u></b>	<b><u>\$ 2,705,679</u></b>	<b><u>\$ 2,975,078</u></b>	<b><u>\$ 3,828,088</u></b>

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

Balance, December 31, 2016 (Due From)	\$ 100
Increased by:	
Payments to Current Fund	<u>157,922</u>
	158,022
Decreased by:	
Receipts from Current Fund	<u>172,938</u>
Balance, December 31, 2017 9 (Due To)	<u>\$ 14,916</u>

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

Increased by:	
Cash Receipts - Advance	<u>\$ 2,500</u>
Balance, December 31, 2017	<u>\$ 2,500</u>

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

Balance, December 31, 2016	<u>\$ 233,760</u>
Increased by:	
Cash Receipts	<u>11,739,525</u>
	11,973,285
Decreased by:	
Cash Disbursements	<u>11,858,814</u>
Balance, December 31, 2017	<u>\$ 114,471</u>

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

Increased by:	
Cash Receipts	<u>\$ 8,924,353</u>
Decreased by:	
Cash Disbursements	<u>\$ 8,924,353</u>

EXHIBIT B-12

**STATEMENT OF NET PAYROLL- DUE FROM CURRENT FUND**  
**OTHER TRUST FUND**

Balance, December, 31, 2013	\$ 603
Decreased by:	
Cash Collected from Current Fund	<u>603</u>
Balance, December, 31, 2017	<u>\$ -</u>

EXHIBIT B-13

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE- DUE FROM CURRENT FUND**  
**OTHER TRUST FUND**

Balance, December, 31, 2016	\$ 172
Decreased by:	
Cash Received from Current Fund	<u>172</u>
Balance, December, 31, 2017	<u>\$ -</u>

**{THIS PAGE INTENTIONALLY LEFT BLANK}**



**GENERAL CAPITAL FUND**



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

Balance, December 31, 2016		\$ 3,435,815
Increased by:		
Bond Anticipation Notes	\$ 9,192,000	
Note Principal Paid by Budget Appropriation	2,000,000	
Capital Improvement Fund	250,000	
Premium on Sale of Notes	<u>90,359</u>	
		<u>11,532,359</u>
		14,968,174
Decreased by:		
Improvement Authorizations	2,670,592	
Contracts Payable	1,147,732	
Bond Anticipation Notes	<u>6,198,000</u>	
		<u>10,016,324</u>
Balance, December 31, 2017		<u>\$ 4,951,850</u>

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

		Balance, December 31, <u>2017</u>
Contracts Payable		\$ 3,020,186
Capital Improvement Fund		897,988
Fund Balance		265,961
Reserve for Payment of Bonds		277,736
 Improvement Authorizations:		
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
2289/2337/2343	Expansion of Free Public Library	74,492
2318	Various Capital Improvements	206,567
2324	Purchase of Real Property	27,765
2355/2447	Various Public Improvements	416,081
2398	Various Public Improvements	68,574
2405	Various Public Improvements	20,221
2435	Various Public Improvements	8,709
2448	Various Public Improvements	295,659
2453	Various Public Improvements	9,677
2461	Various Public Improvements	188,746
2475	Various Public Improvements	649,686
2490	Various Public Improvements	1,269,454
2507	Various Public Improvements	<u>(2,745,652)</u>
		 <u>\$ 4,951,850</u>

EXHIBIT C-4

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

Balance, December 31, 2016	\$ 2,723,965
Decreased by:	
Paid by 2017 Budget Appropriation:	
Bonds	\$ 475,000
Green Trust Loan	12,125
Waste Water Loan	<u>74,861</u>
	<u>561,986</u>
Balance, December 31, 2017	<u>\$ 2,161,979</u>

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

Ordinance Number	Improvement Description	Balance, December 31, 2016	Authorized 2017	Cancellation	Notes Paid by Budget Appropriation	Balance, December 31, 2017	Analysis of Balance December 31, 2017		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2448	Various Public Improvements	\$ 1,104,133			\$ 1,104,133	\$ 592,000	\$ 592,000	\$ 592,000	
2453	Various Public Improvements	1,208,368			616,368	1,000,000	1,000,000	1,000,000	
2461	Various Public Improvements	1,225,063			225,063	2,600,000	2,600,000	2,600,000	
2475	Various Public Improvements	2,654,380			54,380	5,224,600	5,000,000	\$ 224,600	
2490	Various Public Improvements	5,224,656	\$ 2,945,000	-	56	2,945,000	\$ 2,745,652	199,348	
2507	Various Public Improvements	-			-				
		<u>\$ 11,416,600</u>	<u>\$ 2,945,000</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 12,361,600</u>	<u>\$ 9,192,000</u>	<u>\$ 423,948</u>	

Bond Anticipation Notes

	\$ 9,192,000	
Improvement Authorizations Unfunded		\$ 2,541,511
Less: Unexpended Bond Anticipation Note Proceeds		
Ord. #2453	\$ 9,677	
Ord. #2461	188,746	
Ord. #2475	649,686	
Ord. #2490	<u>1,269,454</u>	
		<u>2,117,563</u>
	\$ 423,948	

**BOROUGH OF BERGENFIELD  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Number	Date	Amount	Balance, December 31, 2016		2017 Authorization		Cancel Contract Payable	Paid or Charged	Cancellation	Balance, December 31, 2017	
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Charges Unfunded				Funded	Unfunded
2289/2337/2343	12/18/01	\$ 3,305,000	\$ 74,492							\$ 74,492	
2318	12/29/03	682,123	206,567							206,567	
2324	05/18/04	1,650,000	27,765							27,765	
2355/2447											
	05/17/05	1,573,000	416,214							416,081	
2371	04/04/06	432,000	4,191							-	
2393	11/20/2007		48,000				48,000			-	
2398	11/20/07	1,325,284	68,574							68,574	
2405/2446	05/20/08	1,395,160	37,415							20,221	
2435	12/07/10	188,765	17,912				17,194			8,709	
2448	12/6/2011	1,500,000		\$ 308,352			9,458			295,659	
2453	8/7/2012	1,375,000	-	22,958			16,047			-	\$ 9,677
2461	9/7/2013	1,392,700		366,613			7,127			-	188,746
2475	3/17/2015	2,800,000		956,368			20,408			-	649,686
2490	4/5/2016	5,500,000		3,479,300			177,867			-	1,494,054
2497	7/19/2016	60,000	60,000				352,212			-	-
2507	3/21/2017	3,100,000			\$ 155,000		2,084,616			-	199,348
						\$ 2,945,000	60,000			-	-
			\$ 961,130	\$ 5,133,591	\$ 155,000	\$ 2,945,000	\$ 5,690,778	\$ -	\$ -	\$ 1,118,068	\$ 2,541,511

Cash Disbursed \$ 2,670,592  
 Contracts Payable 3,020,186  
\$ 5,690,778

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

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Date of Original Date</u>	<u>Amount of Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2017</u>
2448	Various Public Improvements	5/2/2012	\$ 1,428,000	3/2/2016	2/28/2017	0.70%	\$ 1,104,133	\$	\$ 1,104,133	
2453	Various Public Improvements	3/1/2013	1,309,000	3/28/2016 2/28/2017	2/28/2017 2/28/2018	0.70% 2.00%	1,208,944	\$ 592,000	1,208,944	\$ 592,000
2461	Various Public Improvements	2/28/2014	1,326,000	3/2/2016 2/28/2017	2/28/2017 2/28/2018	0.70% 2.00%	1,225,063	1,000,000	1,225,063	1,000,000
2475	Various Public Improvements	3/2/2016	2,659,860	3/2/2016 2/28/2017	2/28/2017 2/28/2018	0.70% 2.00%	2,659,860	2,600,000	2,659,860	2,600,000
2490	Various Public Improvements	2/28/2017	5,000,000	2/28/2017	2/28/2018	2.00%	-	5,000,000	-	5,000,000
							<u>\$ 6,198,000</u>	<u>\$ 9,192,000</u>	<u>\$ 6,198,000</u>	<u>\$ 9,192,000</u>
							Renewals	\$ 4,192,000	\$ 4,192,000	
							Issued for Cash	5,000,000	-	
							Paid with Excess Note Proceeds		6,056	
							Paid by Budget Appropriation	-	1,999,944	
							<u>\$ 9,192,000</u>	<u>\$ 9,192,000</u>	<u>\$ 6,198,000</u>	<u>\$ 6,198,000</u>

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

Balance, December 31, 2016	\$ 802,988
Increased by:	
2017 Budget Appropriation	<u>250,000</u>
	1,052,988
Decrease by:	
Appropriation to Finance Improvement Authorization	<u>155,000</u>
Balance, December 31, 2017	<u>\$ 897,988</u>

EXHIBIT C-9

**STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2016	\$ 1,303,368
Increased by:	
Charges to Improvement Authorizations	<u>3,020,186</u>
	4,323,554
Decreased by:	
Cancellation	\$ 155,636
Cash Disbursements	<u>1,147,732</u>
	<u>1,303,368</u>
Balance, December 31, 2017	<u>\$ 3,020,186</u>

EXHIBIT C-10

**STATEMENT OF RESERVE FOR PAYMENT OF BONDS**

Balance, December 31, 2016	\$ 277,736
Balance, December 31, 2017	<u>\$ 277,736</u>



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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2017 Date	Interest Rate	Balance, December 31, 2016	Decreased	Balance, December 31, 2017
Wastewater Treatment Loan	1997/98	\$ 1,130,000	2017	4.0 - 5.0 %	\$ 74,861	\$ 74,861	\$ -
					<u>\$ 74,861</u>	<u>\$ 74,861</u>	<u>\$ -</u>
					Paid by Budget Appropriation Including Cancellations		<u>\$ 74,861</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loan Outstanding	Interest Rate	Balance, December 31, 2016	Decreased	Balance, December 31, 2017
Ord. #2324 Purchase of Real Property	2003/04	\$ 227,500	\$ 12,369				
			2019 12,617				
			2020 12,871				
			2021 13,130				
			2022 13,393				
			2023 13,663				
			2024 13,936	2.00%	\$ 104,104	\$ 12,125	\$ 91,979
				<u>\$ 104,104</u>	<u>\$ 12,125</u>	<u>\$ 91,979</u>	
				Paid by Budget Appropriation		<u>\$ 12,125</u>	



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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, December 31, 2016	2017 Authorizations	Notes Paid by Budget Appropriation	Notes Issued	Balance, December 31, 2017
2490	Various Public Improvements	\$ 5,224,656		\$ 56	\$ 5,000,000	\$ 224,600
2507	Various Public Improvements	-	\$ 2,945,000	-	-	2,945,000
		<u>\$ 5,224,656</u>	<u>\$ 2,945,000</u>	<u>\$ 56</u>	<u>\$ 5,000,000</u>	<u>\$ 3,169,600</u>

**PART II**

---

**GOVERNMENT AUDITING STANDARDS SECTION**

**YEAR ENDED DECEMBER 31, 2017**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
ADWOA BOACHIE, CPA

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

### INDEPENDENT AUDITOR’S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bergenfield as of and for the year ended December 31, 2017, and the related notes to the financial statements, and have issued our report thereon dated May 31, 2018. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

#### **Internal Control over Financial Reporting**

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

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

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

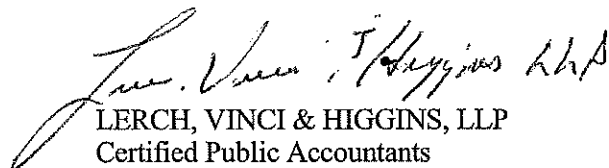
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Bergenfield's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.


However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Bergenfield in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

### **Purpose of this Report**

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



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



Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
May 31, 2018



**BOROUGH OF BERGENFIELD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Federal CFDA Number	Grant Year	Grant Amount	2017 Receipts	Balance, December 31, 2016	Revenue Realized	Expenditures	Adjustment	Balance, December 31, 2017	Cumulative Expenditures
<b>U.S. Department of Housing and Urban Development</b>									
(Passed through County Dept. of Community Development)									
Community Devel. Block Grants									
14.218	2014	\$ 100,000	\$ 100,000						\$ 100,000
	2016	76,000	76,000						76,000
	2017	81,402			\$ 81,402	\$ 81,402			81,402
14.269	2017		28,262						
<b>Law and Public Safety</b>									
Public Assistance Grants									
97.036	2017		7,739						
<b>Law and Public Safety- Division of Highway Traffic Safety</b>									
Drunk Driving									
20.601	2015	7,925		\$ 7,564		419		\$ 7,145	780
	2017	5,342			5,342			5,342	
20.616	2017	5,280	5,280		5,280	5,280			5,280
National Priority Safety Programs- Distracted Driving									
97.036	2017	36,001	36,001		36,001		\$ (36,001)		36,001
<b>Public Assistance Grant</b>									
FEMA									
<b>Total</b>									
				\$ 7,564	\$ 128,025	\$ 87,101	\$ (36,001)	\$ 12,487	

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

**BOROUGH OF BERGENFIELD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

State Grant Program	Grant Number	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2016	Revenue Realized	Expended	Adjustments	Balance, December 31, 2017	Cumulative Expenditures
<u>Division of Criminal Justice</u>										
Body Armor Fund	1020-718-001-2009-090160	2017	\$ 8,224	\$ 4,115	\$ 21,631	\$ 8,224	\$ 3,042		\$ 5,182	\$ 3,042
Bulletproof Partnership	N/A	2017	2,025	-	-	2,025	-		2,025	-
<u>Department of Environmental Protection</u>										
Clean Communities Program	4900-765008-178900	2013	\$ 37,763	\$ 43,047	\$ 35,413		21,631		-	37,763
		2015	35,413	43,047	43,047		9,010		26,403	9,010
		2016	43,047	49,512	43,047				43,047	
		2017	49,212	41,808		49,212			49,212	
Recycling Tonnage Grant	4900-752001-178810	2015	27,964	-	5,398		5,398	*	-	27,964
		2017	27,725	39,699	-	27,725	7,524		20,201	7,524
<u>Department of Transportation of State and High</u>	20.205									
Safe Routes to School Program		2013	250,000		250,000		212,442		37,558	212,442
Woodbine & Front		2016	149,000	149,000	149,000		149,000		-	149,000
West Central Ave		2017	172,818			172,818			172,818	
Woodbine		2017	155,500	79,375		155,500	155,500			155,500
Municipal Alliance Fund	N/A	2016	30,558	12,093	8,616	15,279	5,430	\$ (3,186)	-	27,372
		2017	15,279			811			14,468	411
New Jersey Forest Service-CSIP	N/A	2017	30,000			30,000			30,000	
Sustainable Jersey Small Grants Program	N/A	2016	2,000	2,000	1,819		1,818	(1)	-	1,999
Pedestrian Safety, Education & Enforcement Fund	N/A	2016	16,000	9,600	16,000		9,600	(6,400)	-	9,600
		2017	15,000			15,000			15,000	
Division of Highway Traffic Safety										
Drive Sober or Get Pulled Over	N/A	2017	5,500			5,500			5,500	
Division of Judiciary- Municipal Court										
Alcohol Education & Rehabilitation Fund	9735-760-001-060000	2013	1,972		524				524	1,448
		2015	886		886				886	
		2016	1,355	242	1,355				1,355	
		2017	242			242			242	
					\$ 533,689	\$ 481,525	\$ 581,206	\$ (9,587)	\$ 424,421	\$ 424,421

\*\*\* Balance Cancelled  
Note: This schedule is not subject to a single audit in accordance with NJ OMB Circular 15-08

**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, 2017**

**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 schedules of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	<u>\$ 128,025</u>	<u>\$ 481,525</u>	<u>\$ 609,550</u>

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

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

**BOROUGH OF BERGENFIELD  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2017, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State/Total</u>
Dept. of Environmental Protection- Wastewater	L-04387	<u>\$ 91,979</u>

**BOROUGH OF BERGENFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

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

**Federal Awards Section**

Not Applicable

**State Awards Section**

Not Applicable

**BOROUGH OF BERGENFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE ENDED DECEMBER 31, 2017**

***Part II – Schedule of Financial Statement Findings***

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

None



**BOROUGH OF BERGENFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

Not Applicable.

**BOROUGH OF BERGENFIELD  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.

**PART III**

---

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**



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

	<u>Year 2017</u>		<u>Year 2016</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 2,700,000	2.84 %	\$ 2,664,028	2.88 %
Miscellaneous - From Other Than Local				
Property Tax Levies	5,325,057	5.60	5,272,965	5.27
Collection of Delinquent Taxes and Tax Title Liens	935,717	0.98	611,300	0.66
Collection of Current Tax Levy	84,476,203	88.83	82,902,713	89.42
Other Credits	<u>1,663,199</u>	<u>1.75</u>	<u>1,644,914</u>	<u>1.77</u>
 Total Income	 <u>95,100,176</u>	 <u>100.00 %</u>	 <u>93,095,920</u>	 <u>100.00 %</u>
<b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	36,001,366	39.38 %	35,501,668	39.59 %
County Taxes	6,991,908	7.65	6,688,775	7.46
Local District School Taxes	48,375,738	52.92	47,436,611	52.89
Other Expenditures - Debits	<u>38,737</u>	<u>0.05</u>	<u>55,733</u>	<u>0.06</u>
 Total Expenditures	 <u>91,407,749</u>	 <u>100.00 %</u>	 <u>89,682,787</u>	 <u>100.00 %</u>
 Excess in Revenue	 3,692,427		 3,413,133	
Adjustments to Income before Fund Balance: Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	   <u>3,820</u>		   <u>3,820</u>	
Statutory Excess to Fund Balance	3,696,247		3,416,953	
Fund Balance, Beginning of Year	<u>8,095,010</u>		<u>7,342,085</u>	
	11,791,257		10,759,038	
Less Utilization as Anticipated Revenue	<u>2,700,000</u>		<u>2,664,028</u>	
Fund Balance, End of Year	<u>\$ 9,091,257</u>		<u>\$ 8,095,010</u>	

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Calendar Year Tax Rate</u>	\$ <u>3.222</u>	\$ <u>3.171</u>	\$ <u>3.122</u>
<u>Apportionment of Tax Rate</u>			
Municipal*	\$ 1.135	\$ 1.120	\$ 1.104
County- Regular Tax	0.251	0.250	0.242
County- Open Space	0.010	0.003	0.003
Local School	1.826	1.798	1.773

\* Municipal Apportionment Total Includes Municipal Library.

Assessed Valuation

2017	<u>2,650,312,940</u>		
2016		<u>\$ 2,639,600,740</u>	
2015			<u>\$ 2,632,704,540</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>
2017	\$ 86,004,543	\$ 84,876,203	98.69%
2016	84,090,167	83,077,713	98.80%
2015	82,430,424	81,552,113	98.93%

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Period Ended</u>	<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, 2017	\$ 349,391	\$ 1,309,102	\$ 1,658,493	1.93%
December 31, 2016	333,413	1,045,127	1,378,540	1.64%
December 31, 2015	317,688	963,626	1,281,314	1.55%

**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, 2017	\$ 28,173
December 31, 2016	28,173
December 31, 2015	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, 2017	\$ 9,091,257	\$ 3,700,000
	December 31, 2016	8,095,010	2,700,000
	December 31, 2015	7,342,085	2,664,028

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

<u>Name</u>	<u>Title</u>	<u>Dates</u>
Norman Schmelz	Mayor	2019
Arvin Amatorio	Councilperson	2017
Thomas Lodato	Councilperson	2018
Hernando Rivera	Councilperson	2018
Ora Kornbluth	Councilperson	2019
Buddy Deauna	Councilperson	2019
Rafael Marte	Councilperson	2017
Corey Gallo	Borough Administrator	
Marie Quinones	Borough Clerk	
Rich Cahill	CFO	
Juan Ortiz	Tax Collector	
John Schettino	Municipal Attorney	
Harry Hillenius	Building Inspector/ Zoning Official	
Helene Herbert	Municipal Court Judge	
Michael Ravenda	Construction Code Official	
George Reggo	Tax Assessor	
Linda H. Schwager, Esq.	Borough Prosecutor	

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 review of the checks issued from the Flexible Spending Account (FSA) revealed that there was only one authorized signature on these checks and on further review the authorized signature is for a former Borough employee. It is recommended that that all checks issued from the Flexible Spending Account (FSA) contain two authorized signatures.

Our audit of the fixed asset additions and disposals revealed that the Borough isn't recording all the fixed assets in the Edmunds Fixed asset computer software module or updating for the disposals. It was also noted that there were certain unrecorded fixed asset additions and certain fixed asset additions that were entered into the fixed asset module with the incorrect values. It is recommended that the Borough update the fixed asset records in the Edmunds fixed asset computer software module to reflect all assets acquired/owned by the Borough

**Current Year Comments**

Our audit of the Borough contracts revealed that the Borough awarded an emergency contract for sanitary sewer repairs in excess of the bid threshold without competitive bidding and approval in the official minutes of the Borough. The Borough provided supporting documentation that supported the need for the emergency sanitary sewer repairs. However formal governing body approval for the declaration of the emergency and the award of said contract wasn't obtained. In addition there was a contract award for Phase II of the 2016 Road Program that wasn't approved in the official minutes of the Borough. It is recommended that all contracts in excess of the bid threshold be approved in the official minutes of the Borough and all declared emergencies be approved by the governing body.

**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 \$40,000, except by contract or agreement."

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

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

Safe Routes to School Project	DPW Truck Wash
Utility Infrastructure Repairs	Inflow and Infiltration Sanitary Infrastructure Repairs
Woodbine and Front Street Improvements	West Church Fire Station Warning Beacon
Electrical Maintenance Services	Bergen Ave. Improvements
Heating and Cooling Services	

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.

**BOROUGH OF BERGENFIELD  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

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

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.

**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, 2017 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 November 29, 2017 and was complete.

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

<u>December 31,</u>	<u>Number of Liens</u>
2017	7
2016	7
2015	7

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  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Suggestions to Management**

Our review of the Borough's disaster recovery plan/back-up procedures for their computer software/data revealed that they do not have an adequate plan in place that would allow them to recover all data from their servers and be operational in another location in the event of a disaster. It is suggested to management that the borough develop a formal disaster recover/back-up plan that will allow them to recover all data from their servers and be operational in another location. In addition to the development this plan needs to be tested to ensure that it is adequate to meet the Borough's needs.

Our review of the Fixed Assets revealed that the Borough had an external Fixed Asset Inventory completed in 2011 and that the Borough is maintaining all the additions in the Edmunds Fixed Asset Module. It is suggested that consideration be given to having an external Fixed Asset Inventory completed and then update the Edmunds Fixed Asset Module with the new inventory.

**APPRECIATION**

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

**BOROUGH OF BERGENFIELD  
RECOMMENDATIONS**

It is recommended that:

1. All contracts in excess of the bid threshold be approved in the official minutes of the Borough and all declared emergencies be approved by the governing body.

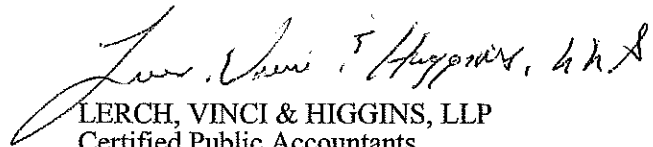
**Status of Prior Year's Audit Findings/Recommendations**

A review was performed on all prior year's recommendations and corrective action was taken on all.

\*\*\*\*\*

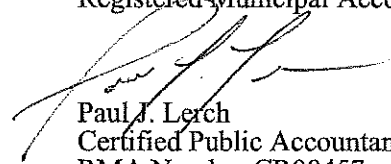
The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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.



James Vincent Higgins, CPA

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



Paul J. Lerch

Paul J. Lerch  
Certified Public Accountant  
RMA Number CR00457