

**BOROUGH OF BERGENFIELD**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRISTINA CUIFFO, 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, 2020 and 2019, 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, 2020, 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, 2020 and 2019, or changes in financial position for the years then ended.

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

As discussed in Note 16 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2020 and 2019. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 30 percent and 30 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2020 and 2019.

***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, 2020 and 2019, 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, 2020 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.

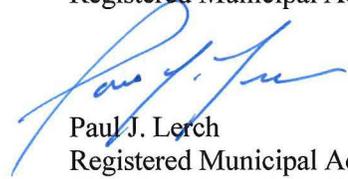
The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 June 3, 2021 on our consideration of the Borough of Bergenfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Bergenfield's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Bergenfield's internal control over financial reporting and compliance.

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

  
Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
June 3, 2021

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**

ASSETS	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash	A-4	\$17,645,776	\$14,585,853
Cash - Change Funds	A-5	3,850	3,850
Grants Receivable	A-29	<u>3,105,066</u>	<u>1,767,598</u>
		<u>20,754,692</u>	<u>16,357,301</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	885,992	1,141,766
Delinquent Property Taxes- Special Improvement District	A-26		10,760
Tax Title Liens	A-9	777,079	721,962
Property Acquired for Taxes (at Assessed Valuation)	A-10	28,173	28,173
Other Liens Receivable	A-17	2,500	2,500
Due from Animal Control Fund	B-4	6,062	6,938
Due from Other Trust Fund- FSA	B-9	2,500	2,500
Due from Other Trust Fund - Police Outside Duty	B-10	4,513	
Due from Other Trust Fund-Escrow	B-11	29	103
Due from General Capital Fund	C-10	<u>-</u>	<u>8,281</u>
		<u>1,706,848</u>	<u>1,922,983</u>
Total Assets		<u>\$22,461,540</u>	<u>\$18,280,284</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-12	\$ 3,681,741	\$ 3,357,669
Encumbrances Payable	A-13	1,635,629	1,719,059
Encumbrances Payable - Reserve for Grants	A-14	145,294	150,859
Accounts Payable	A-24	50,832	29,879
Reserve for Tax Appeals	A-15	2,747,084	1,520,643
Tax Overpayments	A-16	20,519	13,875
Prepaid Taxes	A-20	769,840	548,954
Prepaid Taxes- Special Improvement District	A-27		623
Due from the State of New Jersey Senior and Veteran's Discounts	A-7	5,839	6,589
Due County for Added & Omitted Taxes	A-18	71,780	30,300
Reserve for:			
Master Plan	A-23	2,570	2,570
Appropriated Reserve for Grants	A-21	2,696,967	640,525
Unappropriated Reserve for Grants	A-22		28,969
Due to Special Improvement District	A-25	21,658	10,433
Due to Other Trust Fund	B-8	<u>300,000</u>	<u>300,000</u>
		12,149,753	8,360,947
Reserve for Receivables and Other Assets	A	1,706,848	1,922,983
Fund Balance	A-1	<u>8,604,939</u>	<u>7,996,354</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$22,461,540</u>	 <u>\$18,280,284</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 4,953,424	\$ 5,409,320
Miscellaneous Revenue Anticipated	A-2	6,459,350	5,240,515
Receipts from Delinquent Taxes	A-2	1,115,752	861,975
Receipts from Current Taxes	A-2	87,197,427	86,455,333
Non-Budget Revenue	A-2	632,555	752,936
Other Credits to Income			
Interfunds Returned	A	9,231	6,470
Cancel Grant Appropriated Reserve Balances	A-21	76,630	
Statutory Excess - Animal Control	A-1, B-2	6,062	6,085
Unexpended Balances of Appropriation Reserves	A-12	<u>3,008,357</u>	<u>1,517,711</u>
		<u>103,458,788</u>	<u>100,250,345</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	14,218,282	13,915,444
Other Expenses	A-3	16,582,265	16,853,986
Deferred Charges and Statutory Expenditures - Municipal	A-3	3,426,150	3,804,706
Capital Improvements	A-3	3,802,587	2,090,487
Municipal Debt Service	A-3	1,808,102	2,675,338
County Taxes Payable	A-18	8,026,885	7,483,505
Local District School Taxes Payable	A-19	49,886,063	49,523,856
Other Debits to Income			
Refund Prior Year Revenue	A-4	2,780	521
Senior and Veteran's Discounts Disallowed Prior Year	A-8	3,382	3,079
Prior Year Tax Appeals Granted	A-20	135,770	
Interfunds Advanced	A	<u>4,513</u>	<u>-</u>
Total Expenditures		<u>97,896,779</u>	<u>96,350,922</u>
Excess in Revenue		5,562,009	3,899,423
Fund Balance, Beginning of Year	A-1	<u>7,996,354</u>	<u>9,506,251</u>
		13,558,363	13,405,674
Decreased by			
Utilization as Anticipated Revenue	A-1	<u>4,953,424</u>	<u>5,409,320</u>
Fund Balance, End of Year	A	<u>\$ 8,604,939</u>	<u>\$ 7,996,354</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, 2020**

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 4,953,424	-	\$ 4,953,424	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	30,000		34,064	\$ 4,064
Other	A-2	7,000		4,823	(2,177)
Fees and Permits	A-2	55,000		59,268	4,268
Fines and Costs					
Municipal Court	A-11	250,000		67,764	(182,236)
Interest and Costs on Taxes	A-11	150,000		291,545	141,545
Interest on Investments and Deposits	A-2	125,000		102,228	(22,772)
PILOT Senior Citizen Complex	A-11	77,000		94,555	17,555
Site Rental - Cablevision	A-11	80,000		107,566	27,566
Franchise Fees - Cablevision	A-11	177,512		177,512	
Franchise Fees - Verizon	A-11	133,288		133,288	
Cell Tower Rental Fee	A-11	32,000		34,134	2,134
Recycling Program	A-11	11,000		6,955	(4,045)
Recreation Fees	A-11	20,000		8,040	(11,960)
Energy Receipts Tax	A-11	1,981,657		1,981,657	
Consolidated Municipal Property Tax Relief Aid	A-11				
Uniform Construction Code	A-11	600,000		531,864	(68,136)
Uniform Fire Safety Act	A-11	80,000		94,911	14,911
Interlocal - Bergenfield Board of Education	A-11	122,000		126,043	4,043
Recycling Tonnage Grant - Reserve	A-22	28,969		28,969	
Alcohol Education	A-29		\$ 250	250	
Municipal Alliance	A-29	13,933		13,933	
Clean Communities	A-29		40,262	40,262	
Bergen County Census Grant	A-29		10,000	10,000	
Bulletproof Vest Partnership Grant	A-29		2,435	2,435	
Body Armor	A-29	4,697		4,697	
Bergen County Open Space- Twin Boro/Vivyen Park Improvements	A-29	260,826		260,826	
State of NJ - Green Acres - Twin Boro Filed Improvements	A-29	2,000,000		2,000,000	
NJ DOT - W. Clinton Road Rehab Roadway Project	A-29	241,761	-	241,761	-
 Total Miscellaneous Revenues	 A-1	 <u>6,481,643</u>	 <u>52,947</u>	 <u>6,459,350</u>	 <u>(75,240)</u>
Receipts from Delinquent Taxes	A-1, A-8	800,000	-	1,115,752	315,752
Amount to be Raised by Taxes to Support Municipal Budget		29,670,658		30,120,667	450,009
Minimum Library Tax		1,063,812	-	1,063,812	-
 Total Amount to be Raised by Taxes for Support Municipal Budget	 A-2	 <u>30,734,470</u>	 <u>-</u>	 <u>31,184,479</u>	 <u>450,009</u>
Total General Revenues		<u>\$ 42,969,537</u>	<u>\$ 52,947</u>	<u>\$ 43,713,005</u>	<u>\$ 690,521</u>
Non-Budget Revenue	A-2,A-1			632,555	
				<u>\$ 44,345,560</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, 2020**

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 88,297,427
Less: Pending Tax Appeals	A-15	1,100,000
Less: Allocated to School and County Taxes	A-18,A-19	<u>57,912,948</u>
Balance for Support of Municipal Budget Appropriations		29,284,479
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,900,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 31,184,479</u>
Licenses- Other		
Borough Clerk	A-11	\$ 3,944
Board of Health	A-11	<u>879</u>
	A-2	<u>\$ 4,823</u>
Fees and Permits - Other		
Board of Health Registrar	A-11	\$ 33,240
Fire Department	A-11	23,316
Police Department	A-11	<u>2,712</u>
	A-2	<u>\$ 59,268</u>
Interest on Investments and Deposits		
Due from Other Trust Fund- Escrow	B-11	\$ 476
Cash Receipts	A-11	<u>101,752</u>
	A-2	<u>\$ 102,228</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Reference

ANALYSIS OF NON-BUDGET REVENUES

Advertising Fee		\$	1,168
Bergen County JIF Dividend			6,571
Police Alarms			16,275
Sewer Connection Fee			772
Seasonal Field Fees/Park Rentals			1,315
Tax Search Fees			5
Zoning			2,160
Memo Bills			1,690
Towing			2,950
Insurance Refund- Prior Year			11,967
Cost of Sale Taxes			3,181
Prior Year Police Outside Detail			163,520
Police Outside Duty Admin Fees			63,398
Dwelling Inspection			60,250
DMV Inspection Fees			450
Returned Check Fee			3,976
Transaction Fee- Tax Collection			18,274
BOE- Gas Reimbursement- Prior Year			18,307
Police Salary and Wages- Prior Year			17,603
Subdivision Fee			5
Prior Year DPW Refund			3,735
2% Administration Fee - Senior Citizen and Veterans Deductions			2,222
Board of Elections			60
CARES Grant Reimbursement			232,236
Miscellaneous			<u>465</u>
	A-1	\$	<u>632,555</u>
	Cash Receipts	A-4	\$ 628,042
Due from Other Trust Fund - Police Outside Duty	B-10		<u>4,513</u>
		\$	<u>632,555</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration (Administrative Executive)					
Salaries and Wages	\$ 242,000	\$ 242,000	\$ 240,000	\$ 2,000	
Other Expenses	223,250	223,250	199,148	24,102	
Grant Consultant	39,600	39,600	39,600		
Mayor & Council					
Salaries and Wages	56,000	56,000	40,901	15,099	
Other Expenses	1,000	1,000	300	700	
Municipal Clerk					
Salaries and Wages	258,500	258,500	247,944	10,556	
Other Expenses	67,350	67,350	44,500	22,850	
Financial Administration (Treasury)					
Salaries and Wages	263,300	263,300	231,771	31,529	
Other Expenses	51,200	51,200	37,894	13,306	
Audit Services					
Other Expenses	75,000	75,000	66,005	8,995	
Revenue Administration (Tax Collection)					
Salaries and Wages	117,200	117,200	115,235	1,965	
Other Expenses	32,950	32,950	32,476	474	
Tax Assessment Administration					
Salaries and Wages	30,000	30,000	28,050	1,950	
Other Expenses	32,925	32,925	26,182	6,743	
Legal Services (Legal Department)					
Other Expenses	310,000	410,000	350,253	59,747	
Engineering Services - Other Expenses	160,000	160,000	79,161	80,839	
Insurance					
Workers Compensation Insurance	620,000	620,000	598,012	21,988	
Liability Insurance	470,000	470,000	438,242	31,758	
Group Insurance Plan for Employees	5,470,822	5,385,822	4,474,404	911,418	
Health Benefit Waivers	30,000	30,000	21,205	8,795	
Planning Board					
Salaries and Wages	1,250	1,250	1,200	50	
Other Expenses	500	500	485	15	
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, 2020**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
LAND USE ADMINISTRATION					
Zoning Board of Adjustment					
Salaries and Wages	\$ 2,400	\$ 2,400	\$ 2,400		
Other Expenses	10,250	10,250	9,645	\$ 605	
PUBLIC SAFETY					
Police Department					
Salaries and Wages	7,697,300	7,697,300	6,639,245	1,058,055	
Other Expenses	192,950	192,950	183,214	9,736	
Other Expenses - Acquisition of Police Vehicles	48,000	48,000	46,597	1,403	
Office of Emergency Management					
Salaries and Wages	5,500	5,500	5,500		
Other Expenses	7,800	7,800	7,800		
First Aid Organization					
Other Expenses	86,500	86,500	82,925	3,575	
Fire Official					
Salaries and Wages	148,000	148,000	114,884	33,116	
Other Expenses	17,750	17,750	11,780	5,970	
Fire Department					
Salaries and Wages	818,000	818,000	748,633	69,367	
Other Expenses	202,300	202,300	132,229	70,071	
Fire Hydrant Service	250,000	250,000	233,152	16,848	
Municipal Prosecutors Office					
Other Expenses	30,000	30,000	27,000	3,000	
Municipal Court					
Salaries and Wages	119,700	119,700	116,317	3,383	
Other Expenses	51,300	51,300	40,577	10,723	
Public Defender (P.L. 1997, C. 256)					
Other Expenses	7,000	7,000	4,000	3,000	
PUBLIC WORKS					
Streets and Roads Maintenance					
Salaries and Wages	961,000	790,000	604,224	185,776	
Other Expenses	239,000	239,000	234,620	4,380	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
PUBLIC SAFETY (Continued)					
Building and Grounds					
Other Expenses	\$ 133,000	\$ 158,000	\$ 130,036	\$ 27,964	
Solid Waste Collection					
Salaries and Wages	2,346,000	2,371,000	2,335,435	35,565	
Other Expenses	369,500	394,500	387,377	7,123	
Vehicle Maintenance (Including Police)					
Other Expenses	148,000	148,000	130,405	17,595	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	228,932	233,932	226,041	7,891	
Other Expenses	153,086	153,086	140,045	13,041	
Environmental Committee					
Other Expenses	500	500		500	
Stima Free Initiative	3,000	3,000		3,000	
Welfare/Administration of Public Assistance					
Salaries and Wages	8,000	8,000	7,000	1,000	
Other Expenses	2,500	2,500		2,500	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	125,000	125,000	23,700	6,300	\$ 95,000
Other Expenses	80,100	80,100	22,438	57,662	
Community Affairs - Senior Citizens					
Salaries and Wages	22,000	22,000	1,092	20,908	
Other Expenses	30,000	30,000	13,715	16,285	
Maintenance of Parks					
Salaries and Wages	428,000	428,000	249,474	178,526	
Other Expenses	85,000	85,000	78,389	6,611	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
OTHER COMMON OPERATING FUNCTIONS (Unclassified)					
Celebration of Public Events					
Other Expenses	\$ 97,000	\$ 97,000	\$ 7,323	\$ 89,677	
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	426,200	426,200	419,875	6,325	
Other Expenses	28,000	28,000	16,348	11,652	
Construction Code Official					
Other Expenses	2,000	2,000		2,000	
Other Code Enforcement Functions					
Rent Leveling Board					
Salaries and Wages	1,250	1,250	1,200	50	
Barrier-Free					
Salaries and Wages	1,250	1,250	1,200	50	
Other Expenses	400	400		400	
Shade Tree Board					
Salaries and Wages	1,250	1,250	1,200	50	
Other Expenses	550	550	345	205	
UNCLASSIFIED					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity and Gas	240,000	240,000	193,121	46,879	
Street Lighting	245,000	245,000	227,174	17,826	
Telephone	110,000	126,000	122,593	3,407	
Water	95,000	95,000	60,605	34,395	
Gasoline	250,000	250,000	220,443	29,557	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill - Tipping Fees	\$ 974,000	\$ 974,000	\$ 918,774	\$ 55,226	-
Total Operations Within "CAPS"	26,083,365	26,023,365	22,494,258	3,434,107	\$ 95,000
Contingent	2,500	2,500	550	1,950	-
Total Operations Including Contingent Within "CAPS"	26,085,865	26,025,865	22,494,808	3,436,057	95,000
Detail:					
Salaries and Wages	14,339,282	14,198,282	12,424,926	1,678,356	
Other Expenses (Including Contingent)	11,746,583	11,827,583	10,069,882	1,757,701	95,000
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
STATUTORY EXPENDITURES					
Contribution to:					
Defined Contribution Retirement Plan	40,000	40,000	22,439	17,561	
Social Security Syst. (O.A.S.I.)	620,000	620,000	548,344	71,656	
Police and Fireman's Retirement System	1,786,561	1,786,561	1,786,561	-	
Public Employees Retirement System	794,589	794,589	794,589	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	3,241,150	3,241,150	3,151,933	89,217	-
Total General Appropriations for Municipal Purposes Within "CAPS"	29,327,015	29,267,015	25,646,741	3,525,274	95,000
OPERATIONS - EXCLUDED FROM "CAPS"					
EDUCATIONAL FUNCTIONS					
Contribution to Free Public Library NJSA 40:54-8	1,417,800	1,417,800	1,386,267	31,533	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Balance <u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
UTILITY EXPENSES AND BULK PURCHASES					
Sewerage Processing and Disposal - BCUA					
Operation and Maintenance Costs	\$ 1,978,055	\$ 1,978,055	\$ 1,978,055		
Debt Service Costs	766,298	766,298	766,298		
Sewerage Processing and Disposal - Tenafly					
	8,500	8,500	8,500		
PUBLIC SAFETY					
Fire Department					
LOSAP - Other Expenses	80,000	140,000	22,803	\$ 117,197	
LANDFILL/SOLID WASTE DISPOSAL					
Recycling Tax	33,000	33,000	33,000		
RESERVE FOR TAX APPEALS					
	200,000	200,000	200,000		
DECLARED STATE OF EMERGENCY - CORONAVIRUS RESPONSE (40A:4-45(b) AND (40A:4-45.3(bb))					
	100,000	100,000	100,000		
INTERLOCAL - BERGENFIELD BOARD OF EDUCATION - SLEO					
Salaries and Wages	115,000	115,000	114,263	737	
Other Expenses	7,000	7,000		7,000	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Municipal Alliance	13,933	13,933	13,933		
Municipal Alliance - Local Share	3,483	3,483	3,483		
Alcohol Education and Rehab Fund		250	250		
Bergen County Census Grant		10,000	10,000		
Body Armour Grant	4,697	4,697	4,697		
Recycling Tonnage	28,969	28,969	28,969		
Bulletproof Vest Partnership - USDOJ		2,435	2,435		
Clean Communities	-	40,262	40,262	-	-
Total Operations - Excluded from "CAPS"	<u>4,756,735</u>	<u>4,869,682</u>	<u>4,713,215</u>	<u>156,467</u>	<u>-</u>
Detail:					
Salaries and Wages	115,000	115,000	114,263	737	-
Other Expenses	<u>4,641,735</u>	<u>4,754,682</u>	<u>4,598,952</u>	<u>155,730</u>	<u>-</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<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>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000		
State of NJ - Green Acres - Twin Boro Field Improvements	2,000,000	2,000,000	2,000,000		
NJDOT - Clinton Roadway Rehab Project	241,761	241,761	241,761		
County of Bergen- Open Space- Twin Boro/Vivven Park Imp.	260,826	260,826	260,826	-	-
 Total Capital Improvement Excluded from "CAPS"	 <u>3,802,587</u>	 <u>3,802,587</u>	 <u>3,802,587</u>	 -	 -
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,515,000	1,515,000	1,515,000		
Interest on Bonds	279,000	279,000	278,955		\$ 45
Loan Repayments for Principal and Interest	14,200	14,200	14,147	-	53
 Total Municipal Debt Service Excluded from "CAPS"	 <u>1,808,200</u>	 <u>1,808,200</u>	 <u>1,808,102</u>	 -	 98
Deferred Charges - Unfunded Ordinance #2527	185,000	185,000	185,000		
Deferred Charges - Unfunded Ordinance #2546	1,190,000	1,190,000	-	-	1,190,000
 Total Deferred Charges-Municipal Excluded from "CAPS"	 <u>1,375,000</u>	 <u>1,375,000</u>	 <u>185,000</u>	 -	 <u>1,190,000</u>
 Total General Appropriations Excluded from "CAPS"	 <u>11,742,522</u>	 <u>11,855,469</u>	 <u>10,508,904</u>	 <u>\$ 156,467</u>	 <u>1,190,098</u>
 Total General Appropriations	 41,069,537	 41,122,484	 36,155,645	 3,681,741	 1,285,098
Reserve for Uncollected Taxes	1,900,000	1,900,000	1,900,000	-	-
 Total General Appropriations	 <u>\$42,969,537</u>	 <u>\$43,022,484</u>	 <u>\$ 38,055,645</u>	 <u>\$ 3,681,741</u>	 <u>\$ 1,285,098</u>
 <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, 2020**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-3	\$ 42,969,537	
Added by N.J.S.A. 40A:4-87	A-3	<u>52,947</u>	
		<u>\$ 43,022,484</u>	
Cash Disbursed	A-4		\$ 31,713,400
Reserve for Uncollected Taxes	A-2		1,900,000
Encumbrances Payable	A-13		1,635,629
Reserve for Tax Appeals	A-15		200,000
Transfer of Grants to Appropriated Reserves	A-21		<u>2,606,616</u>
			<u>\$ 38,055,645</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	\$ <u>302,722</u>	\$ <u>290,924</u>
		<u>302,722</u>	<u>290,924</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-1	<u>24,504</u>	<u>26,904</u>
		<u>24,504</u>	<u>26,904</u>
OTHER TRUST FUND			
Cash	B-1	4,276,836	3,411,515
Due From Current Fund - Other Trust	B-8	<u>300,000</u>	<u>300,000</u>
		<u>4,576,836</u>	<u>3,711,515</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	2,036,364	1,640,712
Contribution Receivable	B	<u>86,710</u>	<u>89,338</u>
		<u>2,123,074</u>	<u>1,730,050</u>
Total Assets		<u>\$ 7,027,136</u>	<u>\$ 5,759,393</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>LIABILITIES AND RESERVES</b>			
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-5	\$ 10,719	
Reserve for Unemployment Compensation Insurance	B-6	<u>292,003</u>	<u>\$ 290,924</u>
		<u>302,722</u>	<u>290,924</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Due to Current Fund	B-4	6,062	6,938
Due to State of New Jersey	B-3	496	498
Reserve for Animal Control Expenditures	B-2	<u>17,946</u>	<u>19,468</u>
		<u>24,504</u>	<u>26,904</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund - Other Trust Flex Spending	B-9	2,500	2,500
Due to Current Fund- Police Outside Duty	B-10	4,513	
Due to Current Fund - Escrow Trust	B-11	29	103
Reserve for:			
Payroll Deductions and Withholdings	B-13	122,579	117,352
Miscellaneous Deposits	B-7	<u>4,447,215</u>	<u>3,591,560</u>
		<u>4,576,836</u>	<u>3,711,515</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP	B	<u>2,123,074</u>	<u>1,730,050</u>
Total Liabilities and Reserves		<u>\$ 7,027,136</u>	<u>\$ 5,759,393</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>			
Cash	C-2, C-3	\$ 5,738,107	\$ 6,267,816
Deferred Charges to Future Taxation			
Funded	C-4	11,289,122	12,816,993
Unfunded	C-5	<u>17,080,000</u>	<u>13,465,000</u>
Total Assets		<u>\$ 34,107,229</u>	<u>\$ 32,549,809</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-12	\$ 11,235,000	\$ 12,750,000
EDA Loan Payable	C-11	54,122	66,993
Contracts Payable	C-8	4,145,097	2,805,903
Due to Current Fund	C-10		8,281
Improvement Authorizations			
Funded	C-6	4,071,588	3,441,136
Unfunded	C-6	13,250,280	12,151,354
Reserve for Payment of Bonds	C-9	277,736	277,736
Capital Improvement Fund	C-7	637,988	612,988
Fund Balance	C-1	<u>435,418</u>	<u>435,418</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 34,107,229</u>	<u>\$ 32,549,809</u>

There were bonds and notes authorized but not issued on December 31, 2020 and 2019 of \$17,080,000 and \$13,465,000, respectively. (Exhibit C-13)

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	C	\$ 435,418	\$ 335,243
Increased by:			
Premium on Sale of Bonds	C-1	_____ -	_____ 100,175
Balance, December 31	C	<u>\$ 435,418</u>	<u>\$ 435,418</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS- REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Land	\$ 6,136,563	\$ 6,136,563
Land Improvements	419,753	21,750
Construction in Progress	759,025	717,848
Buildings and Building Improvements	9,478,932	9,440,141
Machinery and Equipment	<u>15,962,447</u>	<u>15,720,794</u>
 Total Assets	 <u>\$ 32,756,720</u>	 <u>\$ 32,037,096</u>
 Investment in General Fixed Assets	 <u>\$ 32,756,720</u>	 <u>\$ 32,037,096</u>

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

**B. 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, 2020 AND 2019**

**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.

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2019 balances to conform to the December 31, 2020 presentation.

**Financial Statements – Regulatory Basis**

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

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

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

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

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

**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.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

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

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

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.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**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 2020 and 2019 the Borough Council increased the original budget by \$52,947 and \$481,385. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2020 and 2019.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

- A. **Cash Deposits**

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

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

**A. Cash Deposits (Continued)**

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, 2020 and 2019, the book value of the Borough's deposits were \$27,991,795 and \$24,586,862 and bank and brokerage firm balances of the Borough's deposits amounted to \$27,874,837 and \$24,635,144, 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>2020</u>	<u>2019</u>
Insured	<u>\$ 27,874,837</u>	<u>\$ 24,635,114</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, 2020 and 2019, 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, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

**B. Investments (Continued)**

As of December 31, 2020 and 2019, the Borough had the following investments:

	<u>Fair Value</u>
<b><u>2020</u></b>	
<u>Investment:</u>	
LOSAP (Unaudited)	\$ <u>2,036,364</u>
<b><u>2019</u></b>	
<u>Investment:</u>	
LOSAP (Unaudited)	\$ <u>1,640,712</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, 2020 and 2019 \$2,036,364 and \$1,640,712 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
<b><u>2020</u></b>	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>2,036,364</u>
<b><u>2019</u></b>	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>1,640,712</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

**B. Investments (Continued)**

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 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2020 and 2019, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services and A- by Standard and Poors.

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

The fair value of the above-listed investment was based on quoted market prices.

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.

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2020 and 2019 consisted of the following:

<u>Current Fund</u>	<u>2020</u>	<u>2019</u>
Property Taxes	\$ 885,992	\$ 1,141,766
Special Improvement District Taxes		10,760
Tax Title Liens	<u>777,079</u>	<u>721,962</u>
	<u>\$ 1,663,071</u>	<u>\$ 1,874,488</u>

In 2019 and 2018, the Borough collected \$1,115,752 and \$861,975 from delinquent taxes, which represented 98% and 91%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**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>2020</u>		<u>2019</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	\$ 13,104	\$ 300,000	\$ 17,822	\$ 300,000
General Capital Fund				8,281
Animal Control Fund		6,062		6,938
Other Trust Fund- Escrow		29		103
Other Trust Fund-FSA		2,500		2,500
Other Trust Fund-Outside Duty		4,513		-
Other Trust Fund	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
	<u>\$ 313,104</u>	<u>\$ 313,104</u>	<u>\$ 317,822</u>	<u>\$ 317,822</u>

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

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

**NOTE 6 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 balance 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>2020</u>		<u>2019</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	\$ 5,499,873	\$ 5,054,786	\$ 6,228,756	\$ 4,953,424
Non-Cash Surplus	<u>3,105,066</u>	<u>-</u>	<u>1,767,598</u>	<u>-</u>
	<u>\$ 8,604,939</u>	<u>\$ 5,054,786</u>	<u>\$ 7,996,354</u>	<u>\$ 4,953,424</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 7 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2020 and 2019.

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2020</u>
<b><u>2020</u></b>					
Land	\$ 6,136,563				\$ 6,136,563
Land Improvements	21,750	\$ 398,003			419,753
Buildings and Building Improvements	9,440,141	38,791			9,478,932
Construction In Progress	717,848	41,177			759,025
Machinery and Equipment	<u>15,720,794</u>	<u>297,405</u>	<u>\$ (55,752)</u>	<u>-</u>	<u>15,962,447</u>
	<u>\$ 32,037,096</u>	<u>\$ 775,376</u>	<u>\$ (55,752)</u>	<u>\$ -</u>	<u>\$ 32,756,720</u>
	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2019</u>
<b><u>2019</u></b>					
Land	\$ 5,166,563	\$ 970,000			\$ 6,136,563
Land Improvements		21,750			21,750
Buildings and Building Improvements	9,440,141	-			9,440,141
Construction In Progress	85,791	632,057			717,848
Machinery and Equipment	<u>13,457,581</u>	<u>2,263,213</u>	<u>-</u>	<u>-</u>	<u>15,720,794</u>
	<u>\$ 28,150,076</u>	<u>\$ 3,887,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,037,096</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

	<u>2020</u>	<u>2019</u>
Issued		
General		
Bonds, Notes and Loans	\$ 11,289,122	\$ 12,816,993
Less Funds Temporarily Held to Pay Bonds and Notes	<u>277,736</u>	<u>277,736</u>
Net Debt Issued	<u>11,011,386</u>	<u>12,539,257</u>
Authorized But Not Issued		
General		
Bonds and Notes	<u>17,080,000</u>	<u>13,465,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 28,091,386</u>	<u>\$ 26,004,257</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 .886% and .861% at December 31, 2020 and 2019, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2020</u></b>			
General Debt	\$ 28,369,122	\$ 277,736	\$ 28,091,386
Total	<u>\$ 28,369,122</u>	<u>\$ 277,736</u>	<u>\$ 28,091,386</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2019</u></b>			
General Debt	\$ 26,281,993	\$ 277,736	\$ 26,004,257
Total	<u>\$ 26,281,993</u>	<u>\$ 277,736</u>	<u>\$ 26,004,257</u>

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**Statutory Borrowing Power**

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

	<u>2020</u>	<u>2019</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 110,918,279 <u>28,091,387</u>	\$ 105,746,033 <u>26,004,257</u>
Remaining Borrowing Power	<u>\$ 82,826,892</u>	<u>\$ 79,741,776</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>2020</u>	<u>2019</u>
\$11,700,000, 2019 General Improvement Bonds, due in annual installments of \$1,000,000 to \$1,250,000 through February 15, 2029, interest from 2.00% to 3.00%	\$ 10,700,000	\$ 11,700,000
\$3,020,000, 2015 Refunding Bonds, due in annual installments of \$535,000 through August 1, 2021, interest at 1.710%	<u>535,000</u>	<u>1,050,000</u>
	<u>\$ 11,235,000</u>	<u>\$ 12,750,000</u>

**General Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Green Trust loan 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>2020</u>	<u>2019</u>
\$227,500, 2004 Loan, due in Semi-annual installments of \$13,130 to \$13,936 through September 2024, interest at 2%	<u>\$ 54,122</u>	<u>\$ 66,993</u>
	<u>\$ 54,122</u>	<u>\$ 66,993</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT (Continued)**

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

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2020 is as follows:

Calendar Year	<u>General</u>		<u>Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,535,000	\$ 250,149	\$ 13,130	\$ 1,017	\$ 1,799,296
2022	1,200,000	219,000	13,393	753	1,433,146
2023	1,200,000	195,000	13,663	484	1,409,147
2024	1,200,000	171,000	13,936	209	1,385,145
2025	1,200,000	147,000			1,347,000
2026-2029	<u>4,900,000</u>	<u>291,000</u>	<u>-</u>	<u>-</u>	<u>5,191,000</u>
Total	<u>\$ 11,235,000</u>	<u>\$ 1,273,149</u>	<u>\$ 54,122</u>	<u>\$ 2,463</u>	<u>\$ 12,564,734</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2020 and 2019 were as follows:

	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<b><u>2020</u></b>					
General Capital Fund					
Bonds Payable	\$ 12,750,000		\$ 1,515,000	\$ 11,235,000	\$ 1,535,000
Intergovernmental Loans Payable	<u>66,993</u>	<u>-</u>	<u>12,871</u>	<u>54,122</u>	<u>13,130</u>
General Capital Fund Long-Term Liabilities	<u>\$ 12,816,993</u>	<u>\$ -</u>	<u>\$ 1,527,871</u>	<u>\$ 11,289,122</u>	<u>\$ 1,548,130</u>
	Balance, December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<b><u>2019</u></b>					
General Capital Fund					
Bonds Payable	\$ 1,555,000	\$ 11,700,000	\$ 505,000	\$ 12,750,000	\$ 1,515,000
Intergovernmental Loans Payable	<u>79,610</u>	<u>-</u>	<u>12,617</u>	<u>66,993</u>	<u>12,871</u>
General Capital Fund Long-Term Liabilities	<u>\$ 1,634,610</u>	<u>\$ 11,700,000</u>	<u>\$ 517,617</u>	<u>\$ 12,816,993</u>	<u>\$ 1,527,871</u>

**BOROUGH OF BERGENFIELD  
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**NOTE 8 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough’s short-term debt activity for the years ended December 31, 2020 and 2019 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2019</u>	<u>Renewed/ Re-issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2020</u>
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**2020**

General Capital Fund

THERE WERE NONE

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2018</u>	<u>Renewed/ Re-issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2019</u>
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**2019**

General Capital Fund

Various Public Improvements	2.50%	2/28/2019	\$ 9,300,000	\$ -	\$ 9,300,000	\$ -
Total			\$ 9,300,000	\$ -	\$ 9,300,000	\$ -

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general 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**  
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**NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2020</u>	Utility Infrastructure Repairs	\$ 580,109	2021
	Record Retention Services	415,271	2021
	Construction Management Services for New Municipal Building	367,197	2021
	W Clinton Ave Roadway Rehab.	372,368	2021
	2020 Road Improvement Project	738,410	2021
	Pipe Line Service	235,369	2021
<u>2019</u>	Utility Infrastructure Repairs	\$ 580,109	2020
	Construction Management Services for New Municipal Building	379,778	2020
	2019 Road Improvement Program	509,850	2020
	Record Retention Services	487,187	2020
	Memorial Field Backstops & Fence	333,535	2020

**NOTE 10 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, sick leave, terminal leave 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 \$2,071,207 and \$2,152,352 at December 31, 2020 and 2019, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2020 and 2019, the Borough has reserved in the Other Trust Fund \$1,521,797 and \$1,434,395, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**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.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities (Continued)**

The Borough's changes in other long-term liabilities for the years ended December 31, 2020 and 2019 were as follows:

	Balance, December 31, 2019	Increases	Reductions	Balance, December 31, 2020	Due Within One Year
<b><u>2020</u></b>					
Compensated Absences	\$ 2,152,352	\$ 131,453	\$ 212,598	\$ 2,071,207	
Net Pension Liability- PERS (1)	14,680,693			14,680,693	
Net Pension Liability- PFRS (1)	21,644,768			21,644,768	
Net OPEB Obligation	32,583,855			32,583,855	
Net OPEB Obligation- Other for Prescription and Dental	30,225,524	5,835,514	-	36,061,038	-
	<u>\$ 101,287,192</u>	<u>\$ 5,966,967</u>	<u>\$ 212,598</u>	<u>\$ 107,041,561</u>	<u>\$ -</u>

	Balance, December 31, 2018	Increases	Reductions	Balance, December 31, 2019	Due Within One Year
<b><u>2019</u></b>					
Compensated Absences	\$ 1,868,578	\$ 534,526	\$ 250,752	\$ 2,152,352	
Net Pension Liability- PERS	15,571,794		891,101	14,680,693	
Net Pension Liability- PFRS	25,189,074		3,544,306	21,644,768	
Net OPEB Obligation	49,620,575		17,036,720	32,583,855	
Net OPEB Obligation- Other for Prescription and Dental	28,232,956	1,992,568	-	30,225,524	-
	<u>\$ 120,482,977</u>	<u>\$ 2,527,094</u>	<u>\$ 21,722,879</u>	<u>\$ 101,287,192</u>	<u>\$ -</u>

- (1) GASB Statement numbers 68 and 75 financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS**

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

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

**BOROUGH OF BERGENFIELD**  
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**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

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

**BOROUGH OF BERGENFIELD**  
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**NOTE 11 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 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2020 was not available and for 2019 is \$18.1 billion, and the plan fiduciary net position as a percentage of the total pension liability is 56.27% at June 30, 2019. The collective net pension liability of the participating employers for local PFRS at June 30, 2020 was not available and for 2019 is \$14.2 billion and the plan fiduciary net position as a percentage of total pension liability is 65.00% at June 30, 2019.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which was rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2020 and 2019 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2020 and 2019 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2020, 2019 and 2018 were equal to the required contributions.

During the years ended December 31, 2020, 2019 and 2018, 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>
2020	\$ 1,786,561	\$ 794,589	\$ 22,439
2019	1,829,230	813,318	27,015
2018	1,682,967	752,613	25,548

In addition for the years ended December 31, 2020, 2019 and 2018 the Borough contributed for long-term disability insurance premiums (LTDI) \$2,016, \$4,991 and \$1,577, respectively for PERS and \$0 for PFRS.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2020 for the measurement date of June 30, 2020 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2021-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 68 financial information for the year ended December 31, 2020 is not presented in the notes to the financial statements.

**Public Employees Retirement System (PERS)**

At December 31, 2019, the Borough reported a liability of \$14,680,693 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2019, the Borough’s proportionate share was .08091 percent, which was an increase of .00172 percent from its proportionate share measured as of June 30, 2018 of .07919 percent.

For the years ended December 31, 2019, the pension system has determined the Borough’s pension expense to be \$631,448, for PERS based on the actuarial valuations which were less than the actual contributions reported in the Borough’s financial statements of \$813,318. At December 31, 2019, the Borough’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 263,499	\$ 64,853
Changes of Assumptions	1,465,921	5,095,622
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		231,740
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>643,835</u>	<u>399,217</u>
Total	<u>\$ 2,373,255</u>	<u>\$ 5,791,432</u>

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

At December 31, 2019 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:

Year Ending <u>December 31,</u>	<u>Total</u>
2020	\$ (395,077)
2021	(1,249,343)
2022	(1,168,111)
2023	(565,016)
2024	(40,630)
Thereafter	<u>-</u>
	<u>\$ (3,418,177)</u>

***Actuarial Assumptions***

The Borough's total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2019</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019.

The actuarial assumptions used in the July 1, 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BOROUGH OF BERGENFIELD  
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**NOTE 11 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, 2019, as reported for the years ended December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***Discount Rate***

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

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	6.28%

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11 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:

	<u>2019</u>
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 3.50% as of the measurement dates of June 30, 2019. 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, 2019 calculated using the discount rate of 6.28% 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 5.28% or 1-percentage-point higher 7.28% than the current rate:

	<b>1% Decrease <u>(5.28%)</u></b>	<b>Current Discount Rate <u>(6.28%)</u></b>	<b>1% Increase <u>(7.28%)</u></b>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 18,544,101</u>	<u>\$ 14,680,693</u>	<u>\$ 11,425,225</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2019. 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**  
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**NOTE 11 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, 2019, the Borough reported a liability of \$21,644,768 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2019, the Borough’s proportionate share was .15275 percent, which was a decrease of .0334 percent from its proportionate share measured as of June 30, 2018 of .18615 percent.

For the years ended December 31, 2019, the pension system has determined the Borough pension expense to be \$1,711,349 for PFRS based on the actuarial valuations which were less than the actual contributions reported in the Borough’s financial statements of \$1,829,230. At December 31, 2019, 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:

	<u>2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 182,710	\$ 137,037
Changes of Assumptions	741,668	6,995,391
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		293,280
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>353,402</u>	<u>1,971,749</u>
Total	<u>\$ 1,277,780</u>	<u>\$ 9,397,457</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11 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, 2019 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>
2020	\$ (1,240,894)
2021	(2,442,244)
2022	(2,356,022)
2023	(1,339,127)
2024	(741,390)
Thereafter	<u>-</u>
	<u>\$ (8,119,677)</u>

***Actuarial Assumptions***

The Borough’s total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

<u>PFRS</u>	<u>2019</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019.

The actuarial assumptions used in the July 1, 2018 valuations was based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**BOROUGH OF BERGENFIELD  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11 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, 2019 and 2018, as reported for the years ended December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***Discount Rate***

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

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	6.85%

**BOROUGH OF BERGENFIELD  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11 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:

	<u>2019</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2076
Municipal Bond Rate *	From July 1, 2076 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement dates of June 30, 2019. 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, 2019 calculated using the discount rate of 6.85% 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 5.85% or 1-percentage-point higher 7.85% than the current rate:

	1% Decrease <u>(5.85%)</u>	Current Discount Rate <u>(6.85%)</u>	1% Increase <u>(7.85%)</u>
<u>2019</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 29,255,717</u>	<u>\$ 21,644,678</u>	<u>\$ 15,345,446</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2019. 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, 2020 AND 2019**

**NOTE 11 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, 2019, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,417,750. For the years ended December 31, 2019, 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 \$397,115 which are more than the actual contributions the State made on behalf of the Borough of \$230,285. At December 31, 2019 (measurement date June 30, 2019) the State’s share of the PFRS net pension liability attributable to the Borough was .17687 percent, which was a decrease of .00928 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .18615 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough’s financial statements.

***Pension Plan Fiduciary Net Position***

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS**

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

**Plan Description and Benefits Provided**

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

**State Health Benefit Program Fund – Local Government Retired (the Plan)** (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

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

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2020 was not available and for 2019 is \$13.5 billion and the plan fiduciary net position as a percentage of the total OPEB liability is 1.98% at June 30, 2019.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which was rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the June 30, 2018 OPEB actuarial valuations, the actuarial assumptions and methods used in this valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contribution**

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

The employers participating in the OPEB plan made contributions of \$346.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$43.9 million for fiscal years 2019.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2020, 2019 and 2018 were \$1,481,083, \$2,342,708 and \$2,313,165, respectively, which equaled the required contributions for each year. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2020, 2019 and 2018 were \$138,864, \$117,509 and \$104,045, respectively.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB 75 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2020 for the measurement date of June 30, 2020 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2021-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 75 financial information for the year ended December 31, 2020 is not presented in the notes to the financial statements.

At December 31, 2019 the Borough reported a liability of \$32,583,855 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Borough’s proportionate share of the net OPEB liability was based on the ratio of the Borough’s proportionate share of the OPEB liability attributable to the Borough at June 30, 2019 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2019. As of the measurement date of June 30, 2019 the Borough’s proportionate share was .24054 percent, which was a decrease of .00251 percent from its proportionate share measured as of June 30, 2018 of .24305 percent.

For the years ended December 31, 2019 the Plan has determined the Borough’s OPEB expense/(benefit) to be \$(1,015,385) based on the actuarial valuations which were less than the actual contributions reported in the Borough’s financial statements of \$1,481,083. At December 31, 2019, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

	<u>2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 9,528,789
Changes of Assumptions		11,546,993
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	\$ 26,840	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	2,690,637	6,834,389
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 2,717,477</u>	<u>\$ 27,910,171</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

At December 31, 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2020	\$ (4,186,083)
2021	(4,186,083)
2022	(4,186,083)
2023	(4,192,795)
2024	(4,194,471)
Thereafter	<u>(4,247,179)</u>
	<u>\$ (25,192,694)</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

*Actuarial Assumptions*

The Borough’s total OPEB liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2019</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%
Rate Thereafter	Not Applicable
Mortality	
PERS	Pub-2010 General Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.
PFRS	Pub-2010 Safety Classification Headcount- Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and for 2019 the members years of service .

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

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

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

**Discount Rate**

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	3.50%

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

***Sensitivity of Net OPEB Liability to Changes in the Discounts Rate***

The following presents the Borough’s proportionate share of the OPEB net liability as of December 31, 2019 calculated using the discount rate of 3.50% as well as what the Borough’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.50% respectively or 1-percentage-point higher 4.50% than the current rate:

<u>2019</u>	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 37,675,225	\$ 32,583,855	\$ 28,446,444

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2019. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the Plan.

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

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

The following presents the Borough’s proportionate share of the OPEB net liability as of December 31, 2019 calculated using the healthcare trend rates as disclosed above as well as what the Borough’s proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2019</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 27,496,758</u>	<u>\$ 32,583,855</u>	<u>\$ 39,073,303</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2019. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the pension system.

**Borough Administered Post-Retirement Health Benefits Program**

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

**Plan Description**

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

**Benefits Provided**

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

**Employees Covered by Postemployment Benefits**

At December 31, 2020 and 2019, the following employees were covered by postemployment health care benefits:

	<u>2020</u>	<u>2019</u>
Active Employees	137	137
Inactive Employees or Beneficiaries Currently Receiving Benefits	132	125
Inactive Employees Entitles to But Not Yes Receiving Benefits	_____	_____
	<u>269</u>	<u>262</u>

At December 31, 2020 and 2019, the Borough's total OPEB liabilities were \$36,061,398 and \$30,225,524. Net OPEB liability was measured as of December 31, 2020, and the OPEB liability was determined by an actuarial valuation as of January 1, 2020 and 2019, respectively.

For the years ended December 31, 2020 and 2019, the Borough has determined it's OPEB expense to be \$2,123,230 and \$1,462,753, respectively, based on the actuarial valuations which are more than the actual contributions reported in the Borough's financial statements of \$749,309 and \$762,549, respectively. At December 31, 2019 and 2018, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	<u>2020</u>		<u>2019</u>	
	<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		\$ 833,855		\$ 604,852
Changes of Assumptions	\$ 6,201,601		\$ 1,510,645	
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments				
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions				
Contributions made Subsequent to the Measurement Date	-	-	-	-
Total	<u>\$ 6,201,601</u>	<u>\$ 833,855</u>	<u>\$ 1,510,645</u>	<u>\$ 604,852</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ 776,289
2022	776,289
2023	776,289
2024	776,289
2025	776,289
Thereafter	<u>1,486,297</u>
	<u>\$ 5,367,742</u>

***Actuarial Assumptions***

The Borough's total OPEB liability reported for the year ended December 31, 2020 was based on the December 31, 2020 measurement date as determined by an actuarial valuation as of January 1, 2020 which was rolled forward to December 31, 2020. The total OPEB liability reported for the year ended December 31, 2019 was based on the December 31, 2019 measurement date as determined by an actuarial valuation as of January 1, 2020 which was rolled forward to December 31, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>	<u>2019</u>
Inflation Rate	3.00%	3.00%
Salary Increases	3.00%	3.00%
Discount Rate	1.93%	3.26%
Healthcare Cost Trend Rates	8% decreased to 5% ultimate	8% decreased to 5% ultimate
Retirees' Share of Benefit-Related Costs	None	None

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

Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2020 salaries were reported as \$12,521,973.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

*Changes in the Total OPEB Liability*

The change in the Borough's OPEB liability for the years ended December 31, 2020 and 2019 based on measurement date of January 1, 2020 are as follows:

	<b>Total OPEB Liability 2020</b>	<b>Total OPEB Liability 2019</b>
Balance - Beginning of Year	\$ 30,225,164	\$ 28,232,596
Changes for the Year:		
Service Cost	\$ 373,803	\$ 327,483
Interest on the Total OPEB Liability	973,138	1,013,801
Changes of Benefit Terms		
Differences Between Expected and Actual Experience	(369,486)	(312,578)
Changes in Assumptions	5,607,728	1,726,451
Benefit Payments	(749,309)	(726,549)
<b>Net Changes</b>	<u>5,835,874</u>	<u>1,992,568</u>
Balance - End of Year	<u>\$ 36,061,038</u>	<u>\$ 30,225,164</u>

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate*

The following presents the Borough's net OPEB liability as of December 31, 2020 and 2019 calculated using the discount rate of 1.93% and 3.26% respectively, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 0.93% and 2.26% respectively or 1-percentage-point higher 2.93% and 4.26%, respectively than the current rate:

	<b>1% Decrease (0.93%)</b>	<b>Current Discount Rate (1.93%)</b>	<b>1% Increase (2.93%)</b>
<b>2020</b>			
Net OPEB Liability	<u>\$ 40,276,880</u>	<u>\$ 36,061,038</u>	<u>\$ 31,845,916</u>
<b>2019</b>			
Net OPEB Liability	<u>\$ 34,766,700</u>	<u>\$ 30,225,164</u>	<u>\$ 25,684,348</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

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

The following presents the Borough's net OPEB liability as of December 31, 2020 and 2019 calculated using the healthcare trend rates as disclosed above as well as what the Borough's net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease (7.0% to 4.0%)</b>	<b>Healthcare Cost Trend Rates (8.0% to .5%)</b>	<b>1% Increase (9.0% to 6.0%)</b>
<b><u>2020</u></b>			
Net OPEB Liability	<u>\$ 33,834,520</u>	<u>\$ 36,061,038</u>	<u>\$ 38,626,839</u>
	<b>1% Decrease (7.0% to 4.0%)</b>	<b>Healthcare Cost Trend Rates (8.0% to .5%)</b>	<b>1% Increase (9.0% to 6.0%)</b>
<b><u>2019</u></b>			
Net OPEB Liability	<u>\$ 28,333,027</u>	<u>\$ 30,225,164</u>	<u>\$ 32,408,070</u>

**NOTE 13 RISK MANAGEMENT**

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

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

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

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 13 RISK MANAGEMENT (Continued)**

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>
2020		\$ 17,946	\$ 16,687	\$ 292,003
2019		17,925	60,989	290,924
2018	\$ 30,000	17,915	28,610	333,988

**NOTE 14 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2020 and 2019. 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, 2020 and 2019, the Borough reserved \$2,747,084 and \$1,520,643, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2020 and 2019, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 15 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2020 and 2019, the Borough has not estimated arbitrage earnings due to the IRS, if any.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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

The Borough of Bergenfield Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 19, 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 \$1,314 and \$1,314 for 2020 and 2019, respectively, for each eligible volunteer member into the Plan.

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

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

**NOTE 17 TAX ABATEMENTS**

For the years ended December 31, 2020 and 2019, 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 owned 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 begins 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, 2020 and 2019 the Borough abated property taxes totaling \$445,500 and \$440,370, respectively, under this law. The Borough received \$94,595 and \$90,906 in PILOT payments under this program for the years ended December 31, 2020 and 2019, respectively.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 18 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Borough) (the “COVID-19 Crisis”). On March 13, 2020, President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, has also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which alter the behavior of businesses and people, are expected to have negative impacts on regional, state and local economies and significant declines in the financial markets in the United States and volatility attributed to concerns about the duration of the pandemic and its continued economic impact. Recently, the United States Congress has passed relief and stimulus legislation. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and financial markets. It is too early to predict if the legislation will have its intended affect.

In compliance with the Governor’s executive orders, the Borough has instituted necessary precautions and procedures, so as to allow the Borough to continue to provide services during this time. The Borough is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Borough will continue to collect property taxes and other municipal revenues. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders beginning April 29, 2020 permitting the resumption of certain activities. Additional Executive Orders relating to the resumption of certain activities may be executed by Governor Murphy in the future as part of the planned multi-stage approach to restart the State’s economy. At this time, it is not possible to predict any other financial impacts as a result of this pandemic on the Borough’s operations; however, such amounts, if any, could be material.

**NOTE 19 SUBSEQUENT EVENTS**

**Debt Authorized**

On April 20, 2021 the Borough adopted a bond ordinance authorizing the issuance \$3,985,000 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, 2019		\$14,585,853
Increased by Receipts:		
Taxes Receivable	\$88,747,475	
Special Improvement District- Taxes Receivable	10,601	
Non-Budget Revenue	628,042	
Revenue Accounts Receivable	3,854,862	
Due from State of New Jersey	112,618	
Tax Overpayments	20,519	
Prepaid Taxes	634,070	
Grants Receivable	1,160,814	
Prepaid Taxes- SID	1	
Receipts From Animal Control Fund	7,817	
Receipts From Other Trust Fund - Escrow	550	
Receipts From General Capital Fund	8,281	
Petty Cash	<u>1,100</u>	
		<u>95,186,750</u>
		109,772,603
Decreased by Disbursements:		
2020 Budget Appropriations	31,713,400	
2019 Appropriation Reserves	1,741,489	
County Taxes Payable	7,985,405	
Local School District Taxes Payable	49,886,063	
Tax Overpayments	13,875	
Refund Prior Year Revenue	2,780	
Reserve for Tax Appeals	73,559	
Accounts Payable	5,929	
Encumbrances Payable - Reserve for Grants	150,859	
Reserve for Grants- Appropriated	252,368	
Payments to Other Trust Fund	300,000	
Petty Cash	<u>1,100</u>	
		<u>92,126,827</u>
Balance, December 31, 2020		<u>\$17,645,776</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF CHANGE FUND**

Balance, December 31, 2019	\$ <u>3,850</u>
Balance, December 31, 2020	\$ <u><u>3,850</u></u>

**STATEMENT OF PETTY CASH FUND**

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

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

Balance, December 31, 2019		\$ 6,589
Decreased by:		
Cash Received from State	\$ 112,618	
Senior Citizens' and Veterans Deductions Disallowed by Tax Collector- 2020	500	
Senior Citizens' and Veterans Deductions Disallowed by Tax Collector- 2019	<u>3,382</u>	
		<u>116,500</u>
		123,089
Increased by:		
Senior Citizens Deductions Per Tax Billings	14,750	
Veterans Deductions Per Tax Billings	98,750	
Senior Citizens' and Veterans Deductions Allowed by Tax Collector- 2020	2,750	
Senior Citizens' and Veterans Deductions Allowed by Tax Collector- 2019	<u>1,000</u>	
		<u>117,250</u>
Balance, December 31, 2020		\$ <u><u>5,839</u></u>

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

<u>Year</u>	<u>Balance, December 31, 2019</u>	<u>2020 Levy</u>	<u>Added in 2020</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collected In</u>		<u>Homestead Benefit</u>	<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance, December 31, 2020</u>
2016	\$ 912										\$ 912
2017	2,410										2,410
2018	250					\$ 250					-
2019	<u>1,138,194</u>	<u>-</u>	<u>\$ 6,032</u>	<u>\$ 3,382</u>	<u>-</u>	<u>1,114,502</u>	<u>-</u>	<u>\$ 1,000</u>	<u>\$ 32,106</u>	<u>-</u>	<u>-</u>
	<u>1,141,766</u>	<u>-</u>	<u>6,032</u>	<u>3,382</u>	<u>-</u>	<u>1,114,752</u>	<u>-</u>	<u>1,000</u>	<u>32,106</u>	<u>-</u>	<u>3,322</u>
2020	<u>-</u>	<u>\$ 89,384,743</u>	<u>-</u>	<u>500</u>	<u>\$ 548,954</u>	<u>87,632,723</u>	<u>-</u>	<u>116,250</u>	<u>149,529</u>	<u>\$ 55,117</u>	<u>882,670</u>
	<u>\$ 1,141,766</u>	<u>\$ 89,384,743</u>	<u>\$ 6,032</u>	<u>\$ 3,882</u>	<u>\$ 548,954</u>	<u>\$ 88,747,475</u>	<u>\$ -</u>	<u>\$ 117,250</u>	<u>\$ 181,635</u>	<u>\$ 55,117</u>	<u>\$ 885,992</u>

Analysis of 2020 Tax Levy

TAX YIELD

General Purpose Tax	\$ 88,579,697
Added Taxes (NJSA 54:4-63.1 et seq)	<u>805,046</u>
	<u>\$ 89,384,743</u>

TAX LEVY

Local District School Tax (Abstract)	\$ 49,886,063
County Tax (Abstract)	7,955,105
Due County for Added and Omitted Taxes (54:4-63.1)	<u>71,780</u>
	57,912,948
Local Tax for Municipal Purposes	30,734,470
Add Additional Taxes Levied	<u>737,325</u>
	<u>31,471,795</u>
	<u>\$ 89,384,743</u>

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

Balance, December 31, 2019	\$ 721,962
Increased by:	
Transfer from Current Year Taxes Receivable	<u>55,117</u>
Balance, December 31, 2020	<u>\$ 777,079</u>

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

Balance, December 31, 2019	<u>\$ 28,173</u>
Balance, December 31, 2020	<u>\$ 28,173</u>

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

	Balance, December 31, <u>2019</u>	Accrued <u>2020</u>	<u>Collected</u>	Balance, December 31, <u>2020</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 34,064	\$ 34,064	
Licenses		3,944	3,944	
Construction Code Official				
Fees and Permits		531,864	531,864	
Board of Health/Registrar of				
Vital Statistics				
Fees and Permits		33,240	33,240	
Licenses		879	879	
Fire Prevention				
Fees and Permits		23,316	23,316	
Police Departments				
Fees and Permits		2,712	2,712	
Municipal Court				
Fines and Costs		67,764	67,764	
Interest and Costs on Taxes		291,545	291,545	
Interest on Deposits and				
Investments		101,752	101,752	
Recycling Program		6,955	6,955	
Recreation Fees		8,040	8,040	
Uniform Fire Safety		94,911	94,911	
PILOT Senior Citizen Complex		94,555	94,555	
Energy Receipts Tax		1,981,657	1,981,657	
Interlocal - Bergenfield Board of Education		126,043	126,043	
Franchise Fees- Verizon		133,288	133,288	
Franchise Fees- Cablevision		177,512	177,512	
Site Rental - Cablevision		107,566	107,566	
Cell Tower Rent	-	34,134	34,134	-
	<u>\$ -</u>	<u>\$ 3,855,741</u>	<u>\$ 3,855,741</u>	<u>\$ -</u>
			Cash Receipts	\$ 3,854,862
			Due From Animal Control	879
				<u>\$ 3,855,741</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance, December 31, <u>2019</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages</b>				
Mayor & Council	\$ 15,100	\$ 15,100		\$ 15,100
General Administration	2,874	2,874		2,874
Municipal Clerk	3,149	3,149		3,149
Financial Administration	19,858	14,858		14,858
Tax Collection	2,866	2,866		2,866
Tax Assessment Administration	11,614	11,614		11,614
Planning Board	50	50		50
Site Plan	650	650		650
Zoning Board of Adjustment	31	31		31
Building Inspector	43,246	43,246		43,246
Rent Level	50	50		50
Shade Tree Board	250	250		250
Barrier Free Board	50	50		50
Police Department	482,259	482,259	\$ 300,000	182,259
Office of Emergency Management	500	500		500
Fire Official	32,656	32,656		32,656
Fire Department	49,632	49,632		49,632
Streets and Roads Maintenance	98,925	98,925		98,925
Solid Waste	87,999	87,999		87,999
Board of Health	7,038	7,038		7,038
Welfare/Administration of Public Assistance	993	993		993
Recreation Services and Programs	40,011	40,011		40,011
Community Affairs-Senior Citizens	2,562	2,562		2,562
Maintenance of Parks	96,815	96,815		96,815
Public Library	17,931	17,931		17,931
Interlocal - Bergenfield Board of Education	8,111	8,111		8,111
Municipal Court	5,891	5,891	-	5,891
<b>Total Salaries and Wages</b>	<b>1,031,111</b>	<b>1,026,111</b>	<b>300,000</b>	<b>726,111</b>
<b>Other Expenses</b>				
General Administration	39,203	39,203	8,294	30,909
Grant Consultant	6,000	6,000	6,000	-
Mayor & Council	700	700		700
Municipal Clerk	18,517	18,517	496	18,021
Financial Administration	9,222	14,222	10,817	3,405
Audit Services	64,685	64,685	62,697	1,988
Tax Collection	4,343	4,343	649	3,694
Tax Assessment Administration	9,971	9,971	1,500	8,471
Legal Services	563,540	563,540	481,532	82,008
Engineering	136,108	136,108	4,803	131,305
Planning Board	305	305		305
Zoning Board of Adjustment	2,860	2,860	325	2,535
Building Inspector	6,183	6,183	336	5,847
Construction Code Official	2,000	2,000		2,000
Rent Level	200	200		200
Shade Tree Board	377	377		377
Barrier Free Board	400	400		400
Environmental Committee	500	500		500
Police Department	52,607	52,607	28,348	24,259
Police Cars	2,120	2,120	1,820	300
Office of Emergency Management	7,024	7,024	789	6,235
First Aid Organization	4,376	4,376	1,189	3,187
Fire Official	5,431	5,431	686	4,745

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance, December 31, <u>2019</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Fire Department	\$ 71,902	\$ 71,902	\$ 66,186	\$ 5,716
Fire Hydrant Service	18,360	18,360		18,360
LOSAP	65,000	65,000	65,000	-
Prosecutor	12,158	12,158	3,363	8,795
Streets and Roads Maintenance	86,481	86,481	34,196	52,285
Solid Waste Collection	92,851	92,851	48,201	44,650
Buildings and Grounds	57,210	57,210	31,436	25,774
Vehicle Maintenance	29,249	29,249	16,355	12,894
Board of Health	11,868	11,868	1,001	10,867
Stigma Free	1,749	1,749		1,749
Welfare/Administration of Public Asst.	2,500	2,500		2,500
Recreation Services and Programs	28,819	28,819	7,330	21,489
Community Affairs- Senior Citizens	11,693	11,693	100	11,593
Maintenance of Parks	15,384	15,384	8,669	6,715
Public Library	14,336	14,336		14,336
Celebration of Public Events	202	202	83	119
Electricity & Gasoline	55,967	55,967	35,658	20,309
Street Lighting	66,822	66,822	38,165	28,657
Telephone	20,880	20,880	14,923	5,957
Water	14,767	14,767		14,767
Sewerage Processing - Tenafly	8,500	8,500	6,044	2,456
Gasoline	89,147	89,147	54,737	34,410
Sanitary Landfill - Tipping Fees	310,721	310,721	166,071	144,650
Sanitary Landfill - Recycling Tax	7,107	7,107	4,268	2,839
Contingent	2,500	2,500	540	1,960
Social Security System	48,552	48,552	2,526	46,026
Defined Contribution Retirement Plan	12,985	12,985	2,247	10,738
Interlocal - Bergenfield Board of Education	3,261	3,261	3,261	-
Municipal Court	6,901	6,901	947	5,954
Public Defender	2,350	2,350	1,425	925
Liability Insurance	118,641	118,641	100,000	18,641
Worker Compensation Insurance	166,424	166,424	144,025	22,399
Group Insurance Plan for Employees- Gen Gov't	1,649,819	1,649,819	301,333	1,348,486
Health Benefit Waiver	3,839	3,839	-	3,839
	<u>4,045,617</u>	<u>4,050,617</u>	<u>1,768,371</u>	<u>2,282,246</u>
Total Other Expenses				
Grand Total	<u>\$ 5,076,728</u>	<u>\$ 5,076,728</u>	<u>\$ 2,068,371</u>	<u>\$ 3,008,357</u>
2019 Appropriation Reserves		\$ 3,357,669		
Encumbrances Transferred to 2019 Reserves		<u>1,719,059</u>		
		<u>\$ 5,076,728</u>		
Cash Disbursed			\$ 1,741,489	
Transfer to Accumulated Leave			300,000	
Transfer to Accounts Payable			<u>26,882</u>	
			<u>\$ 2,068,371</u>	

**BOROUGH OF BERGENFIELD  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2019		\$ 1,719,059
Increased by:		
Charges to 2020 Budget Appropriations		<u>1,635,629</u>
		3,354,688
Decreased by:		
Transferred to 2019 Appropriation Reserves		<u>1,719,059</u>
Balance, December 31, 2020		<u>\$ 1,635,629</u>

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

Balance, December 31, 2019		\$ 150,859
Increased by:		
Charges to 2020 Reserve for Grants- Appropriated		<u>145,294</u>
		296,153
Decreased by:		
Cash Disbursements		<u>150,859</u>
Balance, December 31, 2020		<u>\$ 145,294</u>

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2019		\$ 1,520,643
Increased by:		
Contested Amount of 2020 Taxes Collected Which are Pending State Appeals	\$ 1,100,000	
2020 Budget Appropriation	<u>200,000</u>	
		<u>1,300,000</u>
		2,820,643
Decreased by:		
Cash Paid to Appellants		<u>73,559</u>
Balance, December 31, 2020		<u>\$ 2,747,084</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2019	\$	13,875
Increased by:		
Cash Receipts		<u>20,519</u>
		34,394
Decreased by:		
Refunded		<u>13,875</u>
Balance, December 31, 2020	\$	<u>20,519</u>

**STATEMENT OF OTHER LIENS RECEIVABLE**

Balance, December 31, 2019	\$	<u>2,500</u>
Balance, December 31, 2020	\$	<u>2,500</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2019	\$	30,300
Increased by:		
2020 Levy		
General County Tax (Abstract)	\$	7,634,647
County Open Space Preservation		320,458
Due County for Added and Omitted Taxes		<u>71,780</u>
		<u>8,026,885</u>
		8,057,185
Decreased by:		
Payments		<u>7,985,405</u>
Balance, December 31, 2020	\$	<u>71,780</u>

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

Increased by:		
Levy - Calendar Year		<u>\$ 49,886,063</u>
Decreased by:		
Payments		<u>\$ 49,886,063</u>

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2019		\$ 548,954
Increased by:		
Prior Year Tax Appeals Granted	\$ 135,770	
Collection of 2021 Taxes	<u>634,070</u>	
		<u>769,840</u>
		1,318,794
Decreased by:		
Apply to 2020 Tax Receivable		<u>548,954</u>
Balance, December 31, 2020		<u>\$ 769,840</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF APPROPRIATED RESERVES**

	Balance, December 31, <u>2019</u>	Transfer from Current Year <u>Appropriations</u>	Cancel Prior Year <u>Encumbrance</u>	<u>Cancellation</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2020</u>
Bergen County Open Space Trust- Twin Boro/Vivien Park Improvements		\$ 260,826				\$ 260,826
State of NJ - Green Acres - Twin Boro Filed Improvements		2,000,000				2,000,000
Bergen County Census Grant		10,000			\$ 2,045	7,955
U.S. Department of Housing (CDBG) - ADA Cooperative Curb Ramp Program	\$ 17,943					17,943
U.S. Department of Housing (CDBG)- West Clinton Ave	98,430					98,430
NJ DOT - West Clinton Road Rehab Roadway Project		241,761		\$ 76,630	165,131	-
NJ DOT - Safe Routes To School	52,719			52,719		-
NJ DOT - West Central Avenue II	29,267		\$ 1,381			30,648
NJ DOT - North Prospect Road Rehab	218,240				218,240	-
Pedestrian Safety, Education & Enforcement Fund	4,520					4,520
Municipal Alliance- FY 2021		13,933		9,511		4,422
Municipal Alliance- Local Match- FY 2021		3,483				3,483
Municipal Alliance- FY 2020	15,279			13,652	1,627	-
Municipal Alliance- Local Match- FY 2020	3,820				2,100	1,720
Body Armor Grant	-	4,697			4,697	-
Recycling Tonnage Grant	30,771				3,055	27,716
Recycling Tonnage Grant - 2020		28,969				28,969
Clean Communities	147,526	40,262	4,599			192,387
Alcohol Education and Rehabilitation	3,860	250				4,110
Sustainable Jersey	10,000				5,000	5,000
Bulletproof Vest Partnership		2,435				2,435
Drunk Driving Enforcement Fund	8,150	-	-	-	1,747	6,403
	<u>\$ 640,525</u>	<u>\$ 2,606,616</u>	<u>\$ 5,980</u>	<u>\$ 152,512</u>	<u>\$ 403,642</u>	<u>\$ 2,696,967</u>

Grants Receivable	\$ 75,882
Fund Balance	<u>76,630</u>
	<u>\$ 152,512</u>

Cash Disbursements	\$ 252,368
Cancelled Encumbrances-Grants	5,980
Encumbrances-Grants	<u>145,294</u>
	<u>\$ 403,642</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF UNAPPROPRIATED RESERVES**

	Balance, December 31, <u>2019</u>	Cash <u>Receipts</u>	Anticipated as 2020 Budget <u>Revenue</u>	Balance, December 31, <u>2020</u>
Recycling Tonnage	\$ 28,969	\$ -	\$ 28,969	\$ -
	<u>\$ 28,969</u>	<u>\$ -</u>	<u>\$ 28,969</u>	<u>\$ -</u>

**STATEMENT OF RESERVE FOR MASTER PLAN**

Balance, December 31, 2019	<u>\$ 2,570</u>
Balance, December 31, 2020	<u><u>\$ 2,570</u></u>

**STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2019	\$ 29,879
Increased by:	
Transfer from 2019 Appropriation Reserves	<u>26,882</u>
	56,761
Decreased by:	
Cash Disbursements	<u>5,929</u>
Balance, December 31, 2020	<u><u>\$ 50,832</u></u>

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

Balance, December 31, 2019		\$ 10,433
Increased by:		
Prepaid Assessments Applied	\$ 624	
Collection of Assessment Receivable	<u>10,601</u>	
Payments		<u>-</u>
Balance, December 31, 2020		<u>\$ 21,658</u>

**STATEMENT OF SPECIAL IMPROVEMENT DISTRICT TAXES RECEIVABLE**

Balance, December 31, 2019		\$ 10,760
Decreased by:		
Collections Due to Special Improvement District	\$ 10,601	
Cancelled	<u>159</u>	
		<u>10,760</u>
Balance, December 31, 2020		<u>\$ -</u>

**STATEMENT OF PREPAID SPECIAL IMPROVEMENT DISTRICT TAXES**

Balance, December 31, 2019		\$ 623
Increased by:		
Collection of 2021 Taxes		<u>1</u>
		624
Decreased by:		
Due to Special Improvement District		<u>624</u>
Balance, December 31, 2020		<u>\$ -</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2019</u>	Accrued in <u>2020</u>	<u>Collected</u>	<u>Canceled</u>	Balance, December 31, <u>2020</u>
U.S. Department of Housing (CDBG) - Irving Pl. & Demott	\$ 163,979		\$ 163,979		
U.S. Department of Housing (CDBG) - Hughes Road and Madison	86,883		86,883		
U.S. Department of Housing (CDBG) - W. Clinton Ave	98,430				\$ 98,430
Bergen County Open Space- Mem. Field Backstop & Fence	78,500				78,500
Bergen County Open Space- Barrier Free Playground	31,338				31,338
Bergen County ADA Cooperative Curb Ramp Program	368,000				368,000
Bulletproof Partnership Grant	6,952	\$ 2,435	6,952		2,435
New Jersey Forest Service- CSIP	3,000		3,000		
NJDOT- West Central Ave	172,818		172,818		
NJDOT- Woodbine Ave	76,125		76,125		
NJDOT- Safe Routes to School Program	203,269		150,550	\$ 52,719	
NJDOT- West Central Ave	234,025		109,070		124,955
NJDOT N Prospect Road Rehab	218,240		163,680		54,560
Pedestrian Safety, Education & Enforcement Fund	5,760				5,760
Bergen County Open Space - Twin Boro/Vivyen Park Improvements		260,826			260,826
NJDOT - W. Clinton Road Rehab Project		241,761	181,321		60,440
Body Armor		4,697	4,697		
Bergen County Census Grant		10,000			10,000
Clean Communities		40,262	40,262		
State of NJ - Green Acres - Twin Boro Field Improvements		2,000,000			2,000,000
Sustainable Jersey	5,000				5,000
Alcohol Education Rehab		250	250		
Municipal Alliance Grant - 2021		13,933		9,511	4,422
Municipal Alliance Grant - 2020	15,279	-	1,227	13,652	400
	<u>\$ 1,767,598</u>	<u>\$ 2,574,164</u>	<u>\$ 1,160,814</u>	<u>\$ 75,882</u>	<u>\$ 3,105,066</u>

**TRUST FUND**

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

	<u>Unemployment</u> <u>Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2019	\$ 290,924	\$ 26,904	\$ 3,411,515
Increased by Receipts:			
Employee Contributions	\$ 17,946		
Borough's Share of Dog Licenses		\$ 6,209	
Cat License Fees		908	
State Dog License Fees		1,463	
Interest on Deposits			\$ 476
Miscellaneous Reserves			3,649,968
Received for Current Fund			4,513
Net Payroll			8,956,062
Receipts from Payroll Agency			5,713,188
Receipts from Current Fund	-	-	300,000
	<u>17,946</u>	<u>8,580</u>	<u>18,624,207</u>
	308,870	35,484	22,035,722
Decreased by Disbursements:			
Payment to the State of New Jersey -			
Unemployment Insurance Benefit Claims	6,148		
State Dog License Fees		1,465	
Expenditures under R.S. 4:19-15.11		1,698	
Miscellaneous Reserves			3,094,313
Net Payroll			8,956,062
Payroll Deductions Payable			5,707,961
Payments to Current Fund	-	7,817	550
	<u>6,148</u>	<u>10,980</u>	<u>17,758,886</u>
Balance, December 31, 2020	<u>\$ 302,722</u>	<u>\$ 24,504</u>	<u>\$ 4,276,836</u>

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

Balance, December 31, 2019		\$	19,468
Increased by:			
Dog License Fees	\$	5,909	
Cat License Fees		908	
Miscellaneous and Late Fees		300	
		7,117	7,117
			26,585
Decreased by:			
Expenditures Under R.S. 4:19-15.11			
Cat and Dog License Fees- Realized as Current Fund			
Budgeted Revenue		879	
Statutory Excess Due to Current Fund		6,062	
Cash Disbursements		1,698	
		8,639	8,639
Balance, December 31, 2020		\$	17,946

Animal License Fees Collected

<u>Year</u>			
2018	\$	9,263	
2019		8,683	
		17,946	17,946
		\$	17,946

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

Balance, December 31, 2019		\$ 498
Increased by:		
State Fees Collected		<u>1,463</u>
		1,961
Decreased by:		
Payments to State		<u>1,465</u>
Balance, December 31, 2020		<u><u>\$ 496</u></u>

EXHIBIT B-4

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

Balance, December 31, 2019		\$ 6,938
Increased by:		
Statutory Excess	\$ 6,062	
Cat License Fees Realized As Current Fund Revenue	<u>879</u>	
		<u>6,941</u>
		13,879
Decreased by:		
Payments Made to Current Fund		<u>7,817</u>
Balance, December 31, 2020		<u><u>\$ 6,062</u></u>

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

Increased by:	
Unemployment Insurance Benefit Claims	<u>\$ 16,867</u>
Decreased by:	
Payments to the State of New Jersey	<u>6,148</u>
Balance, December 31, 2020	<u><u>\$ 10,719</u></u>

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

Balance, December 31, 2019	<u>\$ 290,924</u>
Increased by:	
Employee Contributions	<u>17,946</u>
	308,870
Decreased by:	
Unemployment Insurance Benefit Claims	<u>16,867</u>
Balance, December 31, 2020	<u><u>\$ 292,003</u></u>

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

	Balance, December 31, <u>2019</u>	Increased by	<u>Decreased By</u>	Balance December 31, <u>2020</u>
POAA	\$ 7,194	\$ 402	\$ 3,507	\$ 4,089
Fire Code Penalties	37,922	3,566	90	41,398
Construction Code Penalties	101,503	7,650	2,283	106,870
Developers Escrow	271,450	104,808	124,325	251,933
Street Openings	76,780	65,570	9,000	133,350
Police Donations	1,138	-	-	1,138
Confiscated Funds	6,255	-	-	6,255
Tree Replacement	29,993	245	1,970	28,268
Sewer Bond	2,000	-	-	2,000
Holiday at the Pond	62	-	-	62
Police Outside Detail	140,908	408,642	487,488	62,062
Tax Title Lien Redemption	115,700	586,239	684,882	17,057
Premiums on Tax Title Liens	676,600	2,243,100	1,418,700	1,501,000
Family Fun Day	59,238	1,000	-	60,238
Environmental Program	1,711	-	-	1,711
Accumulated Absence Liability Trust Fund	1,434,395	300,000	212,598	1,521,797
Goodwill/Elm St. Relief	15,937	20,531	13,170	23,298
Flexible Spending Account	3,804	12,835	12,410	4,229
Recreation	2,000	-	-	2,000
Snow Removal	366,642	185,229	113,912	437,959
Veteran's Park Donations	15,039	-	1,877	13,162
Federal Forfeiture of Funds	223,289	9,151	8,101	224,339
Barrier Free - Play for All	<u>2,000</u>	<u>1,000</u>	<u>-</u>	<u>3,000</u>
 Total	 <u>\$ 3,591,560</u>	 <u>\$ 3,949,968</u>	 <u>\$ 3,094,313</u>	 <u>\$ 4,447,215</u>
		Due from Current Fund	\$ 300,000	
		Cash Receipts	<u>3,649,968</u>	
			<u>\$ 3,949,968</u>	
		Cash Disbursed	<u>\$ 3,094,313</u>	

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

Balance, December 31, 2019	\$ 300,000
Decreased by:	
Receipts from Current Fund	<u>300,000</u>
	-
Increased by:	
Transfer from Appropriation Reserves- Accumulated Absences	<u>300,000</u>
Balance, December 31, 2020	<u>\$ 300,000</u>

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

Balance, December 31, 2019	<u>\$ 2,500</u>
Balance, December 31, 2020	<u>\$ 2,500</u>

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

Increased by:	
Cash Receipts	<u>\$ 4,513</u>
Balance, December 31, 2020	<u>\$ 4,513</u>

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

Balance, December 31, 2019	\$ 103
Increased by:	
Interest on Deposits and Investments	<u>476</u>
	579
Decreased by:	
Payments to Current Fund	<u>550</u>
Balance, December 31, 2020	<u>\$ 29</u>

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

Increased by:	
Cash Receipts	<u>\$ 8,956,062</u>
Decreased by:	
Cash Disbursements	<u>\$ 8,956,062</u>

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

Balance, December 31, 2019	\$ 117,352
Increased by:	
Cash Receipts	<u>5,713,188</u>
	5,830,540
Decreased by:	
Cash Disbursements	<u>5,707,961</u>
Balance, December 31, 2020	<u>\$ 122,579</u>

**GENERAL CAPITAL FUND**

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

Balance, December 31, 2019		\$ 6,267,816
Increased by:		
Deferred Charges Unfunded Paid by Budget Appropriation	\$ 185,000	
Capital Improvement Fund	<u>1,300,000</u>	
		<u>1,485,000</u>
		7,752,816
Decreased by:		
Improvement Authorizations	2,006,428	
Payments to Current Fund	<u>8,281</u>	
		<u>2,014,709</u>
Balance, December 31, 2020		<u>\$ 5,738,107</u>

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

	Balance, December 31, <u>2020</u>
Contracts Payable	\$ 4,145,097
Capital Improvement Fund	637,988
Fund Balance	435,418
Reserve for Payment of Bonds	277,736

## Improvement Authorizations:

<u>Ordinance 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	377,290
2448	Various Public Improvements	295,659
2453	Various Public Improvements	1,702
2461	Various Public Improvements	63,728
2475	Various Public Improvements	534,975
2490	Various Public Improvements	832,404
2507	Various Public Improvements	209,961
2524	Various Public Improvements	242,503
2527	Municipal Building Renovations	1,749
2546	Various Public Improvements	(2,340,506)
2551	Acq. Of Real Property and Construction of Parking Lot	127,793
2564	Various Public Improvements	(1,489,214)
2575	Acq. Of Real Property in Conjunction with the New Municipal Building Project	<u>1,075,000</u>
		<u>\$ 5,738,107</u>

EXHIBIT C-4

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

Balance, December 31, 2019		\$ 12,816,993
Decreased by:		
Paid by 2020 Budget Appropriation:		
Bonds	\$ 1,515,000	
Green Trust Loan	<u>12,871</u>	
		<u>1,527,871</u>
Balance, December 31, 2020		<u>\$ 11,289,122</u>



**BOROUGH OF BERGENFIELD  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Number	Date	Amount	Balance, December 31, 2019		2020 Authorization		Contract Payable Reinstated	Paid or Charged	Balance, December 31, 2020	
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Charges Unfunded			Funded	Unfunded
2289/2337/2343	Expansion of Free Public Library	12/18/01	\$ 3,305,000	\$ 74,492					\$ 74,492	
2318	Various Public Improvements	12/29/03	682,123	206,567					206,567	
2324	Purchase of Real Property	05/18/04	1,650,000	27,765					27,765	
2355/2447	Various Public Improvements & Acquisition of Equipment	05/17/05	1,573,000	416,081				\$ 38,791	377,290	
2398	Various Public Improvements	11/20/07	1,325,284				\$ 14,520	14,520		
2341	Various Public Improvements	5/18/2004	1,381,000							
2405/2446	Various Public Improvements	05/20/08	1,395,160				9,436	9,436		
2448	Various Public Improvements	12/6/2011	1,500,000	295,659					295,659	
2453	Various Public Improvements	8/7/2012	1,375,000	1,702					1,702	
2461	Various Public Improvements	9/7/2013	1,392,700	63,728			8,063	8,063	63,728	
2475	Various Public Improvements	3/17/2015	2,800,000	549,708			67,516	82,249	534,975	
2490	Various Public Improvements	4/5/2016	5,500,000	908,642			392,406	468,644	832,404	
2507	Various Public Improvements	3/21/2017	3,100,000	248,452			609,826	648,317	209,961	
2524	Various Public Improvements	3/20/2018	4,000,000	522,921			89,152	369,570	242,503	
2527	Municipal Building Renovation	6/19/2018	12,000,000		\$ 10,716,986		567,373	567,610	1,749	\$ 10,715,000
2546	Various Public Improvements	3/19/2019	2,700,000		1,434,368		1,047,611	2,257,485		224,494
2551	Acq. Of Real Property and Construction of Parking Lot (New Mun.Bldg.)	7/16/2020	1,100,000	125,419				(2,374)	127,793	
2564	Various Public Improvements	4/2/2020	4,000,000			\$ 200,000	\$ 3,800,000	1,689,214		2,310,786
2575	Acq. Of Real Property in Conjunction with the New Municipal Building Project	10/20/2020	1,075,000	-	-	1,075,000	-	-	-	1,075,000
			<u>\$ 3,441,136</u>	<u>\$ 12,151,354</u>	<u>\$ 1,275,000</u>	<u>\$ 3,800,000</u>	<u>\$ 2,805,903</u>	<u>\$ 6,151,525</u>	<u>\$ 4,071,588</u>	<u>\$ 13,250,280</u>
							Cash Disbursed	\$ 2,006,428		
							Contracts Payable	4,145,097		
								<u>\$ 6,151,525</u>		

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

Balance, December 31, 2019	\$ 612,988
Increased by:	
2020 Budget Appropriation	<u>1,300,000</u>
	1,912,988
Decrease by:	
Appropriation to Finance Improvement Authorization	<u>1,275,000</u>
Balance, December 31, 2020	<u><u>\$ 637,988</u></u>

**STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2019	\$ 2,805,903
Increased by:	
Charges to Improvement Authorizations	<u>4,145,097</u>
	6,951,000
Decreased by:	
Restored to Improvement Authorizations	<u>2,805,903</u>
Balance, December 31, 2020	<u><u>\$ 4,145,097</u></u>

**STATEMENT OF RESERVE FOR PAYMENT OF BONDS**

Balance, December 31, 2019	<u>\$ 277,736</u>
Balance, December 31, 2020	<u><u>\$ 277,736</u></u>

**STATEMENT OF DUE TO CURRENT FUND**

Balance, December 31, 2019	\$ 8,281
Decreased	
Cash Disbursements	<u>8,281</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>



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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>					
2015 Refunding Bonds	October 22, 2015	\$ 3,020,000	8/1/2021	\$ 535,000	1.710%	\$ 1,050,000		\$ 515,000	\$ 535,000
2019 General Improvement Bonds	February 14, 2019	11,700,000	2/15/2021	1,000,000	2.00%				
			2/15/22-27	1,200,000	2.00%				
			2/15/28-29	1,250,000	3.00%	<u>11,700,000</u>	<u>-</u>	<u>1,000,000</u>	<u>10,700,000</u>
						<u>\$12,750,000</u>	<u>\$ -</u>	<u>\$ 1,515,000</u>	<u>\$ 11,235,000</u>
					Budget Appropriation			<u>\$ 1,515,000</u>	

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, December 31, <u>2019</u>	2020 <u>Authorizations</u>	Funded by Budget <u>Appropriation</u>	Balance, December 31, <u>2020</u>
2527	Municipal Building Renovation	\$ 10,900,000		\$ 185,000	\$ 10,715,000
2546	Various Public Improvements	2,565,000			2,565,000
2564	Various Public Improvements	<u>-</u>	<u>\$ 3,800,000</u>	<u>-</u>	<u>3,800,000</u>
		<u>\$ 13,465,000</u>	<u>\$ 3,800,000</u>	<u>\$ 185,000</u>	<u>\$ 17,080,000</u>

**PART II**

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**GOVERNMENT AUDITING STANDARDS SECTION**

**YEAR ENDED DECEMBER 31, 2020**

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
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MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA  
CHRISTINA CUIFFO, 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, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 3, 2021. 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 financial statements.

#### **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.

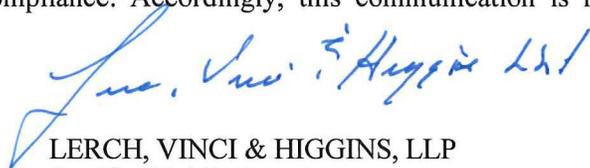
**Compliance and Other Matters**

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  
June 3, 2021

**BOROUGH OF BERGENFIELD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

	Federal CFDA Number	Grant Year	Grant Award Amount	2020 Receipts	Balance, December 31, 2019	Revenue Realized	Expenditures	Adjustment	Balance, December 31, 2020	Cumulative Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>										
(Passed through County Dept. of Community Development)										
Community Devel. Block Grants										
	14.218									
W. Clinton Ave Improvements		2019	\$ 98,430		\$ 98,430				\$ 98,430	
ADA Cooperative Curb Ramp Program		2018	368,000		17,943				17,943	
<b><u>Law and Public Safety- Division of Highway Traffic Safety</u></b>										
Drunk Driving	20.601	2017	5,341		2,616		\$ 1,747		869	\$ 1,747
		2018	3,286		3,286				3,286	
		2019	2,248		2,248	-	-	-	2,248	
Total					\$ 124,523	\$ -	\$ 1,747	\$ -	\$ 122,776	

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, 2020**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2019</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2020</u>	<u>Cumulative Expenditures</u>
<b><u>Division of Criminal Justice</u></b>										
Body Armor Fund	1020-718-001-2009-090160	2020	\$ 4,697	\$ 4,697		\$ 4,697	\$ 4,697			\$ 4,697
Bulletproof Partnership	N/A	2020	2,435			2,435			\$ 2,435	
<b><u>Department of Environmental Protection</u></b>										
Clean Communities Program	4900-765008-178900	2017	49,212		\$ 21,057			\$ 4,599 a	25,656	28,155
		2018	81,818		81,818				81,818	
		2019	44,651		44,651				44,651	
		2020	40,262	40,262		40,262			40,262	
Recycling Tonnage Grant	4900-752001-178810	2018	39,699		1,802		1,802			39,699
		2019	28,969		28,969		1,253		27,716	1,253
		2020	28,969			28,969			28,969	
Green Acres Program - Twin Boro / Vivyen Park Improvements		2020	2,000,000			2,000,000			2,000,000	
<b><u>Department of Transportation of State and Highway Projects</u></b>										
Safe Routes to School Program	20.205	2013	250,000	150,550	52,719			(52,719) b		197,281
West Central Ave		2018	234,025	109,070	29,267			1,381 a	30,648	204,758
West Prospect Ave		2019	218,240	163,680	218,240		218,240			218,240
West Clinton Road		2020	241,761	181,321		241,761	165,131	(76,630) b		165,131
<b><u>Municipal Alliance Fund</u></b>										
	N/A	2019	15,279		15,279		1,627	(13,652) b		1,627
		2020	13,933	1,227		13,933		(9,511) b	4,422	
<b><u>Sustainable Jersey Small Grants Program</u></b>										
	N/A	2018	10,000		10,000		5,000		5,000	5,000
<b><u>Pedestrian Safety, Education &amp; Enforcement Fund</u></b>										
	N/A	2019	15,000		4,520				4,520	(8,560)
<b><u>Division of Judiciary- Municipal Court</u></b>										
Alcohol Education & Rehabilitation Fund	9735-760-001-060000	2015	886		736				736	150
		2016	1,355		1,355				1,355	
		2017	242		242				242	
		2019	1,527		1,527				1,527	
		2020	250	250	-	250	-	-	250	
					<u>\$ 512,182</u>	<u>\$ 2,332,307</u>	<u>\$ 397,750</u>	<u>\$ (146,532)</u>	<u>\$ 2,300,207</u>	

a= Prior year encumbrance was cancelled.

b= Unspent balance was cancelled

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

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

**BOROUGH OF BERGENFIELD  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2020**

**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>-</u>	\$ <u>2,332,307</u>	\$ <u>2,332,307</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, 2020**

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2020, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State/Total</u>
Dept. of Environmental Protection- Green Trust	L-04387	<u>\$ 54,122</u>

**NOTE 6 DE MINIMIS INDIRECT COST RATE**

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

**BOROUGH OF BERGENFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

- A) Type of auditors' report issued: Modified - Regulatory Basis and  
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, 2020**

*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, 2020**

*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, 2020**

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**

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**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

	<u>Year 2020</u>		<u>Year 2019</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 4,953,424	4.80 %	\$ 5,409,320	5.40 %
Miscellaneous - From Other Than Local				
Property Tax Levies	7,091,905	6.84	5,993,451	5.97
Collection of Delinquent Taxes and Tax Title Liens	1,115,752	1.08	861,975	0.86
Collection of Current Tax Levy	87,197,427	84.28	86,455,333	86.24
Other Credits	<u>3,100,280</u>	<u>3.00</u>	<u>1,530,266</u>	<u>1.53</u>
 Total Income	 <u>103,458,788</u>	 <u>100.00</u> %	 <u>100,250,345</u>	 <u>100.00</u> %
<b>EXPENDITURES</b>				
<b>Budget Expenditures</b>				
Municipal Purposes	39,837,386	40.69 %	39,339,961	40.83 %
County Taxes	8,026,885	8.20	7,483,505	7.77
Local District School Taxes	49,886,063	50.96	49,523,856	51.40
Other Expenditures - Debits	<u>146,445</u>	<u>0.15</u>	<u>3,600</u>	<u>0.00</u>
 Total Expenditures	 <u>97,896,779</u>	 <u>100.00</u> %	 <u>96,350,922</u>	 <u>100.00</u> %
 Excess in Revenue	 5,562,009		 3,899,423	
Fund Balance, Beginning of Year	<u>7,996,354</u>		<u>9,506,251</u>	
	13,558,363		13,405,674	
Less Utilization as Anticipated Revenue	<u>4,953,424</u>		<u>5,409,320</u>	
Fund Balance, End of Year	<u>\$ 8,604,939</u>		<u>\$ 7,996,354</u>	

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Calendar Year Tax Rate</u>	\$ <u>3.300</u>	\$ <u>3.262</u>	\$ <u>3.238</u>
<u>Apportionment of Tax Rate</u>			
Municipal*	\$ 1.145	\$ 1.136	\$ 1.135
County- Regular Tax	0.285	0.267	0.251
County- Open Space	0.011	0.011	0.010
Local School	1.859	1.848	1.842

\* Municipal Apportionment Total Includes Municipal Library.

Assessed Valuation

2020	\$ <u>2,684,233,230</u>		
2019		\$ <u>2,679,865,730</u>	
2018			\$ <u>2,669,703,540</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>
2020	\$ 89,384,743	\$ 88,297,427	98.78%
2019	87,774,784	86,455,333	98.50%
2018	86,784,003	85,725,680	98.78%

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Period Ended</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Tax Levy</u>
December 31, 2020	\$ 777,079	\$ 885,992	\$ 1,663,071	1.86%
December 31, 2019	721,962	1,141,766	1,863,728	2.12%
December 31, 2018	732,684	949,789	1,682,473	1.94%

**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, 2020	\$ 28,173
December 31, 2019	28,173
December 31, 2018	28,173

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Period Ended</u>	Fund <u>Balance</u>	Utilized In Budget of Succeeding <u>Year</u>
Current Fund	December 31, 2020	\$ 8,604,939	\$ 5,054,786
	December 31, 2019	7,996,354	4,953,424
	December 31, 2018	9,506,251	5,409,320

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

<u>Name</u>	<u>Title</u>	<u>Dates</u>
Arvin Amatorio	Mayor	2023
Buddy Deauna	Councilperson	2022
Ora Kornbluth	Councilperson	2022
Thomas Lodato	Councilperson	2021
Rafael Marte	Councilperson	2020
Marc Pascual	Councilperson	2020
Hernando Rivera	Councilperson	2021
Corey Gallo	Borough Administrator	
Marie Quinones	Borough Clerk	
Richard 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	
Franklin Montero	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**

**Current Year Comments**

There are none.

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

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

West Clinton Ave. Roadway Rehab.  
North Prospect Roadway Rehab.  
2020 Road Improvement Project  
Sewer Inspection System  
2020 Sanitary & Storm Sewer

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

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**BOROUGH OF BERGENFIELD  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**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, 2020 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 4, 2020 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>
2020	6
2019	7
2018	8

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

**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**

There are none.

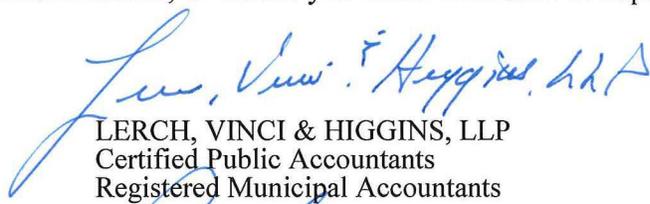
**Status of Prior Year's Audit Findings/Recommendations**

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

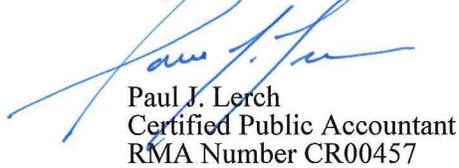
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The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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



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



Paul J. Lerch  
Certified Public Accountant  
RMA Number CR00457