

**BOROUGH OF BERGENFIELD**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

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**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2014 AND 2013**

ASSETS	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Cash	A-4	\$11,402,700	\$11,140,232
Cash - Change Funds	A-5	3,850	3,850
Cash- Petty Cash	A-6	-	340
Due from the State of New Jersey			
Senior and Veteran's Discounts	A-7	6,744	-
Grants Receivable	A-28	<u>967,632</u>	<u>691,611</u>
		<u>12,380,926</u>	<u>11,836,033</u>
 Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	1,086,861	1,121,607
Delinquent Property Taxes- Special Improvement District	A-25	13,611	9,233
Tax Title Liens	A-9	302,206	290,555
Property Acquired for Taxes (at Assessed Valuation)	A-10	28,173	28,173
Other Liens Receivable	A-17	2,500	2,500
Revenue Accounts Receivable	A-11	273,345	76,393
Due from Animal Control Fund	B-4	4,907	11,793
Due from Other Trust Fund- FSA	B-9	9,299	9,299
Due from Other Trust Fund- TTL	B-10	6,393	-
Due from General Capital Fund	C-11	3,546	-
Due from Other Trust Fund- Escrow	B-5	<u>5</u>	<u>4</u>
		<u>1,730,846</u>	<u>1,549,557</u>
 Total Assets		<u>\$14,111,772</u>	<u>\$13,385,590</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Appropriation Reserves	A-3,A-12	\$ 2,067,856	\$ 2,035,775
Encumbrances Payable	A-13	1,084,509	1,211,679
Encumbrances Payable - Reserve for Grants	A-14	367,633	4,168
Accounts Payable	A-29	1,605	1,092
Reserve for Tax Appeals	A-15	484,278	416,917
Tax Overpayments	A-16	125,229	54,048
Tax Overpayments- Special Improvement District	A-27	2,232	1,216
Prepaid Taxes	A-20	243,575	332,304
Prepaid Taxes- Special Improvement District	A-26	2,925	1,883
Due County for Added & Omitted Taxes	A-18	3,062	15,078
Due to the State of New Jersey-			
Senior and Veteran's Discounts	A-7		12,506
Reserve for:			
Master Plan	A-23	5,375	8,250
Appropriated Reserve for Grants	A-21	704,776	724,514
Unappropriated Reserve for Grants	A-22	76,542	33,698
Due to Special Improvement District	A-24	89,842	57,678
Due to Other Trust Fund	B-8	<u>750,042</u>	<u>557,143</u>
		6,009,481	5,467,949
Reserve for Receivables and Other Assets	A	1,730,846	1,549,557
Fund Balance	A-1	<u>6,371,445</u>	<u>6,368,084</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$14,111,772</u>	 <u>\$13,385,590</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 AND DECEMBER 31, 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 1,950,000	\$ 1,815,000
Miscellaneous Revenue Anticipated	A-2	4,324,478	5,020,591
Receipts from Delinquent Taxes	A-2	797,627	1,141,236
Receipts from Current Taxes	A-2	79,454,535	78,653,012
Non-Budget Revenue	A-2	374,993	499,325
Other Credits to Income			
Cancel Appropriated Reserve Balances	A-21	25,598	92,243
Interfunds Returned	A	21,096	
Statutory Excess - Animal Control	A-1, B-2	4,907	
Unexpended Balances of Appropriation Reserves	A-12	<u>1,246,136</u>	<u>1,238,238</u>
		<u>88,199,370</u>	<u>88,459,645</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	13,384,448	13,182,713
Other Expenses	A-3	14,609,786	14,276,753
Deferred Charges and Statutory Expenditures - Municipal	A-3	2,662,991	3,003,125
Capital Improvements	A-3	530,230	567,402
Municipal Debt Service	A-3	2,882,535	2,854,738
County Taxes Payable	A-18	5,908,159	6,043,389
Local District School Taxes Payable	A-19	46,194,008	45,763,348
Other Debits to Income			
Refund of Prior Year Revenue	A-4	3,882	8,115
Senior and Veteran's Discounts Disallowed Prior Year	A-7	13,767	15,178
Interfunds Advanced	A	24,150	1
Cancellation of Grants Receivable Balances	A-28	<u>32,053</u>	<u>136,273</u>
Total Expenditures		<u>86,246,009</u>	<u>85,851,035</u>
Excess in Revenue		1,953,361	2,608,610
Fund Balance, Beginning of Year	A-1	<u>6,368,084</u>	<u>5,574,474</u>
Decreased by		8,321,445	8,183,084
Utilization as Anticipated Revenue	A-1	<u>1,950,000</u>	<u>1,815,000</u>
Fund Balance, End of Year	A	<u>\$ 6,371,445</u>	<u>\$ 6,368,084</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Reference	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 1,950,000	-	\$ 1,950,000	-
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-11	30,000	-	38,814	\$ 8,814
Other	A-2	12,600	-	8,871	(3,729)
Fees and Permits	A-2	60,473	-	59,413	(1,060)
Fines and Costs					
Municipal Court	A-11	370,570	-	320,960	(49,610)
Interest and Costs on Taxes	A-11	167,000	-	203,547	36,547
Interest on Investments and Deposits	A-2	28,000	-	37,230	9,230
PILOT Senior Citizen Complex	A-11	76,300	-	79,089	2,789
Site Rental - Cablevision	A-11	70,000	-	-	(70,000)
Franchise Fees - Cablevision	A-11	192,862	-	197,967	5,105
Franchise Fees - Verizon	A-11	100,104	-	111,666	11,562
Rental of Tennis Courts	A-11	20,000	-	20,000	-
Cell Tower Rental Fee	A-11	140,000	-	129,256	(10,744)
Recycling Program	A-11	60,000	-	98,029	38,029
Recreation Fees	A-11	23,000	-	22,485	(515)
Energy Receipts Tax	A-11	215,525	-	215,525	-
Consolidated Municipal Property Tax Relief Aid	A-11	1,766,132	-	1,766,132	-
Uniform Construction Code Fees	A-11	385,000	-	455,801	70,801
Uniform Fire Safety Act	A-11	75,000	-	56,087	(18,913)
Reserve for Payment of Debt Service	C-10	55,928	-	55,928	-
Interlocal Health Agreement - Hackensack	A-11		\$ 35,000	8,750	(26,250)
Recycling Tonnage Grant - Reserve	A-22	28,061	-	28,061	-
Body Armor- Reserve	A-22	5,637	-	5,637	-
Highlands Council - TDR Feasibility	A-28		40,000	40,000	-
Bergen County Open Space - Cooper's Pond	A-28		51,000	51,000	-
NJ Department of Transportation - Merritt Ave/Phelps Ave	A-28		149,000	149,000	-
US Dept. of Housing - CDBG - Main St. Sewers	A-28		100,000	100,000	-
US Dept. of Housing - CDBG - Bradley Ave	A-28		65,230	65,230	-
<b>Total Miscellaneous Revenues</b>	<b>A-1</b>	<b>3,882,192</b>	<b>440,230</b>	<b>4,324,478</b>	<b>2,056</b>
RECEIPTS FROM DELINQUENT TAXES	A-1, A-8	700,000	-	797,627	97,627
LOCAL TAX FOR MUNICIPAL PURPOSES	A-2	28,651,522	-	28,902,368	250,846
<b>Total General Revenues</b>	<b>A-3</b>	<b>\$ 35,183,714</b>	<b>\$ 440,230</b>	<b>35,974,473</b>	<b>\$ 350,529</b>
Non-Budget Revenue	A-2,A-1			374,993	
				<b>\$ 36,349,466</b>	



**BOROUGH OF BERGENFIELD**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 79,654,535
Less: Transfer to Reserve for Tax Appeals	A-15	<u>200,000</u>
	A-1	79,454,535
Less: Allocated to School and County Taxes	A-18,A-19	<u>52,102,167</u>
Balance for Support of Municipal Budget Appropriations		27,352,368
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,550,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 28,902,368</u>
Licenses- Other		
Borough Clerk	A-11	\$ 7,920
Board of Health	A-11	<u>951</u>
	A-2	<u>\$ 8,871</u>
Fees and Permits - Other		
Board of Health Registrar	A-11	\$ 39,145
Fire Department	A-11	14,539
Police Department	A-11	<u>5,729</u>
	A-2	<u>\$ 59,413</u>
Interest on Investments and Deposits		
Due from Other Trust Fund- Escrow	B-5	\$ 56
Cash Receipts	A-11	<u>37,174</u>
	A-2	<u>\$ 37,230</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Reference

ANALYSIS OF NON-BUDGET REVENUES

FEMA Reimbursement	\$ 29,203
Police Alarms	17,200
Snow Removal Fund	12,550
Seasonal Field Fees/Park Rentals	8,584
Towing	3,700
DMV Inspection	2,700
Zoning	1,192
Sub-Division	390
Memo Bills	910
Insurance Refund	27,919
Senior and Veteran's Deduction- Administrative Fee	3,215
Tax Sale Costs	2,087
Prior Year Police Outside Detail	150,150
Dwelling Inspection	33,150
BOE- Gasoline	18,115
Workers Comp Refund	8,145
Miscellaneous	<u>55,783</u>
	A-1 \$ <u>374,993</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

OPERATIONS - WITHIN "CAPS"	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>GENERAL GOVERNMENT</b>					
General Administration (Administrative Executive)					
Salaries and Wages	\$ 236,000	\$ 195,000	\$ 170,444	\$ 24,556	
Other Expenses	131,000	130,999	112,529	18,470	
Mayor & Council					
Salaries and Wages	42,000	42,000	41,595	405	
Other Expenses	4,000	4,000	-	4,000	
Municipal Clerk					
Salaries and Wages	68,000	68,000	63,104	4,896	
Other Expenses	67,000	67,000	48,065	18,935	
Financial Administration (Treasury)					
Salaries and Wages	146,000	146,000	120,746	25,254	
Other Expenses	48,000	48,000	23,582	24,418	
Audit Services					
Other Expenses	80,000	80,000	8,643	71,357	
Revenue Administration (Tax Collection)					
Salaries and Wages	139,562	109,562	89,179	20,383	
Other Expenses	28,500	48,500	36,649	11,851	
Tax Assessment Administration					
Salaries and Wages	55,927	55,927	49,493	6,434	
Other Expenses	19,000	19,000	10,581	8,419	
Legal Services (Legal Department)					
Salaries and Wages	44,153	44,153	43,260	893	
Other Expenses	235,000	235,000	211,717	23,283	
Insurance					
Unemployment Insurance	50,000	50,000	50,000	-	
Workers Compensation Insurance	539,159	539,159	538,361	798	
Liability Insurance	415,000	415,000	411,751	3,249	
Group Insurance Plan for Employees	4,888,000	4,888,000	4,680,663	207,337	
Engineering Services - Other Expenses	135,000	115,000	57,158	57,842	
Planning Board					
Salaries and Wages	1,300	1,300	1,200	100	
Other Expenses	500	500	250	250	
Site Plan					
Salaries and Wages	1,300	1,300	692	608	

The Accompanying Notes are an Integral Part of These Financial Statements

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
LAND USE ADMINISTRATION					
Zoning Board of Adjustment					
Salaries and Wages	\$ 3,468	\$ 3,468	\$ 3,260	\$ 208	
Other Expenses	300	300	-	300	
PUBLIC SAFETY					
Police Department					
Salaries and Wages	6,920,840	7,020,840	6,940,945	79,895	
Other Expenses	163,500	163,500	115,809	47,691	
Other Expenses - Acquisition of Police Vehicles	71,000	71,000	70,696	304	
Office of Emergency Management					
Other Expenses	5,400	5,400	1,559	3,841	
First Aid Organization					
Other Expenses	71,000	71,000	68,390	2,610	
Fire Official					
Salaries and Wages	86,275	86,275	77,109	9,166	
Other Expenses	6,000	6,000	1,886	4,114	
Fire Department					
Salaries and Wages	658,735	658,735	574,468	84,267	
Other Expenses	150,000	150,000	114,066	35,934	
Fire Hydrant Service	244,000	244,000	244,000	-	
Municipal Prosecutors Office					
Salaries and Wages	15,300	15,300	14,423	877	
Municipal Court					
Salaries and Wages	129,920	129,920	113,434	16,486	
Other Expenses	17,725	17,725	8,749	8,976	
Public Defender (P.L. 1997, C. 256)					
Salaries and Wages	6,090	6,090	6,000	90	
PUBLIC WORKS					
Streets and Roads Maintenance					
Salaries and Wages	1,208,378	1,208,378	902,146	306,232	
Other Expenses	196,500	196,500	155,763	40,737	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
PUBLIC SAFETY (Continued)					
Building and Grounds					
Other Expenses	\$ 103,000	\$ 113,000	\$ 104,908	\$ 8,092	
Solid Waste Collection					
Salaries and Wages	2,010,208	2,030,208	1,977,455	52,753	
Other Expenses	187,000	207,000	193,241	13,759	
Vehicle Maintenance (Including Police)					
Other Expenses	55,000	75,000	57,849	17,151	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	341,650	341,650	323,257	18,393	
Other Expenses	30,000	30,000	21,257	8,743	
Environmental Committee					
Other Expenses	500	500	260	240	
Animal Control Services					
Other Expenses	34,000	34,000	33,990	10	
Welfare/Administration of Public Assistance					
Salaries and Wages	6,120	6,120	5,884	236	
Other Expenses	250	250	-	250	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	132,965	132,965	123,972	8,993	
Other Expenses	56,000	56,000	47,814	8,186	
Community Affairs - Senior Citizens					
Salaries and Wages	18,270	19,270	18,360	910	
Other Expenses	12,000	12,000	8,190	3,810	
Maintenance of Parks					
Salaries and Wages	564,000	564,000	514,558	49,442	
Other Expenses	93,000	93,000	78,577	14,423	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
OTHER COMMON OPERATING FUNCTIONS (Unclassified)					
Celebration of Public Events					
Other Expenses	\$ 44,500	\$ 44,500	\$ 26,513	\$ 17,987	
Accumulated Leave Compensation	150,000	150,000	-	150,000	
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Building Inspector					
Salaries and Wages	344,187	344,187	309,657	34,530	
Other Expenses	24,650	24,650	15,376	9,274	
Construction Code Official					
Other Expenses	1,350	1,350	972	378	
Other Code Enforcement Functions					
Rent Leveling Board					
Salaries and Wages	1,200	1,200	1,200	-	
Other Expenses	200	200	-	200	
Barrier-Free					
Salaries and Wages	1,300	1,300	1,200	100	
Other Expenses	500	500	-	500	
Shade Tree Board					
Salaries and Wages	1,300	1,300	1,200	100	
Other Expenses	600	600	95	505	
UNCLASSIFIED					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity and Gas	253,000	253,000	231,115	21,885	
Street Lighting	245,000	245,000	230,052	14,948	
Telephone	85,000	85,000	57,020	27,980	
Water	47,500	57,500	57,500	-	
Gasoline	320,000	320,000	258,437	61,563	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS" (Continued)					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill - Tipping Fees	\$ 1,000,000	\$ 862,000	\$ 745,800	\$ 116,200	-
Total Operations Within "CAPS"	23,493,082	23,465,081	21,628,074	1,837,007	-
Contingent	-	-	-	-	-
Total Operations Including Contingent Within "CAPS"	23,493,082	23,465,081	21,628,074	1,837,007	-
Detail:					
Salaries and Wages	13,334,448	13,384,448	12,488,241	896,207	-
Other Expenses (Including Contingent)	10,158,634	10,080,633	9,139,833	940,800	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
STATUTORY EXPENDITURES					
Contribution to:					
Social Security Syst. (O.A.S.I.)	625,000	625,000	569,548	55,452	
Police and Fireman's Retirement System	1,349,630	1,349,630	1,349,630		
Public Employees Retirement System	632,433	632,433	632,433	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,607,063	2,607,063	2,551,611	55,452	-
Total General Appropriations for Municipal Purposes Within "CAPS"	26,100,145	26,072,144	24,179,685	1,892,459	-
OPERATIONS - EXCLUDED FROM "CAPS"					
EDUCATIONAL FUNCTIONS					
Contribution to Free Public Library NJSA 40:54-8	1,475,000	1,475,000	1,455,168	19,832	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Cancelled</u>
			<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)				
UTILITY EXPENSES AND BULK PURCHASES				
Sewerage Processing and Disposal - BCUA				
Operation and Maintenance Costs	\$ 1,723,402	\$ 1,723,402	\$ 1,723,402	
Debt Service Costs	784,053	784,053	784,053	
Sewerage Processing and Disposal - Tenafly	8,000	8,000	8,000	
PUBLIC SAFETY				
Fire Department				
LOSAP - Other Expenses	70,000	70,000	70,000	
LANDFILL/SOLID WASTE DISPOSAL				
Recycling Tax	33,000	33,000	29,976	\$ 3,024
INSURANCE				
Group Insurance	12,000	12,000		12,000
OTHER COMMON OPERATING FUNCTIONS				
Reserve for Tax Appeals	230,000	230,000	230,000	-
DECLARED STATE OF EMERGENCY - SNOW REMOVAL	125,000	125,000	14,936	110,064
INTERLOCAL HEALTH SERVICES - HACKENSACK	-	35,000	4,523	30,477
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES				
Body Armor Replacement Fund	5,637	5,637	5,637	
Recycling Tonnage	28,061	28,061	28,061	-
Total Operations - Excluded from "CAPS"	<u>4,494,153</u>	<u>4,529,153</u>	<u>4,353,756</u>	<u>175,397</u>
Detail:				
Salaries and Wages	<u>4,494,153</u>	<u>4,529,153</u>	<u>4,353,756</u>	<u>175,397</u>
Other Expenses				-



**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	\$ 125,000	\$ 125,000	\$ 125,000		
US Department of Housing - Bradley Ave		65,230	65,230		
US Department of Housing - Main St. Sewers		100,000	100,000		
Bergen County Open Space		51,000	51,000		
NJDOT - Merrit/Phelps Ave		149,000	149,000		
Highland Council - TDR Feasibility Study	-	40,000	40,000	-	-
<b>Total Capital Improvement Excluded from "CAPS"</b>	<u>125,000</u>	<u>530,230</u>	<u>530,230</u>	<u>-</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	2,287,000	2,287,000	2,287,000		
Payment of Bond Anticipation Notes and Capital Notes	199,890	203,490	199,890		\$ 3,600
Interest on Bonds	215,402	215,403	215,402		1
Interest on Notes	63,900	88,300	88,117		183
Green Trust Loan Program					
Loan Repayments for Principal and Interest	14,147	14,147	14,147		-
Wastewater Loan Principal and Interest	78,149	78,149	77,979	-	170
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<u>2,858,488</u>	<u>2,886,489</u>	<u>2,882,535</u>	<u>-</u>	<u>3,954</u>
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"</b>					
Deferred Charges - Unfunded					
Ordinance #2383	55,928	55,928	55,928	-	-
<b>Total Deferred Charges - Municipal Excluded from "CAPS"</b>	<u>55,928</u>	<u>55,928</u>	<u>55,928</u>	<u>-</u>	<u>-</u>
Judgements	-	-	-	-	-
<b>Total General Appropriations Excluded from "CAPS"</b>	<u>7,533,569</u>	<u>8,001,800</u>	<u>7,822,449</u>	<u>\$ 175,397</u>	<u>3,954</u>
<b>Total General Appropriations</b>	<u>33,633,714</u>	<u>34,073,944</u>	<u>32,002,134</u>	<u>2,067,856</u>	<u>3,954</u>
Reserve for Uncollected Taxes	1,550,000	1,550,000	1,550,000	-	-
<b>Total General Appropriations</b>	<u>\$35,183,714</u>	<u>\$35,623,944</u>	<u>\$33,552,134</u>	<u>\$ 2,067,856</u>	<u>\$ 3,954</u>

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 35,183,714	
Added by N.J.S.A. 40A:4-87	A-2	<u>440,230</u>	
		<u>\$ 35,623,944</u>	
Cash Disbursed	A-4		\$ 30,248,697
Reserve for Uncollected Taxes	A-2		1,550,000
Encumbrances Payable	A-13		1,084,509
Transfer to Reserve for Tax Appeals	A-15		230,000
Transfer to Grants Appropriated	A-21		<u>438,928</u>
			<u>\$ 33,552,134</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>			
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash	B-1	\$ 268,193	\$ 223,480
		<u>268,193</u>	<u>223,480</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-1	26,901	31,332
Due From State of New Jersey	B-3	<u>2</u>	<u>2</u>
		<u>26,903</u>	<u>31,334</u>
<b>OTHER TRUST FUND</b>			
Cash	B-1	2,728,072	2,151,896
Due From Current Fund - Other Trust	B-8	<u>750,042</u>	<u>557,143</u>
		<u>3,478,114</u>	<u>2,709,039</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B	1,040,089	916,094
Contribution Receivable	B	<u>61,397</u>	<u>70,737</u>
		<u>1,101,486</u>	<u>986,831</u>
Total Assets		<u>\$ 4,874,696</u>	<u>\$ 3,950,684</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<b>LIABILITIES AND RESERVES</b>			
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Reserve for Unemployment Compensation Insurance	B-6	\$ 268,193	\$ 223,480
		<u>268,193</u>	<u>223,480</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Due to Current Fund	B-4	4,907	11,793
Reserve for Animal Control Expenditures	B-2	<u>21,996</u>	<u>19,541</u>
		<u>26,903</u>	<u>31,334</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund - Other Trust Flex Spending	B-9	9,299	9,299
Due to Current Fund - Escrow Trust	B-5	5	4
Due to Current Fund - TTL	B-10	6,393	-
Reserve for:			
Miscellaneous Deposits	B-7	<u>3,462,417</u>	<u>2,699,736</u>
		<u>3,478,114</u>	<u>2,709,039</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP	B	<u>1,101,486</u>	<u>986,831</u>
<b>Total Liabilities and Reserves</b>		<u>\$ 4,874,696</u>	<u>\$ 3,950,684</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>			
Cash	C-2, C-3	\$ 4,740,018	\$ 3,950,871
Deferred Charges to Future Taxation			
Funded	C-4	3,699,189	6,067,260
Unfunded	C-5	<u>7,571,376</u>	<u>7,828,135</u>
Total Assets		<u>\$ 16,010,583</u>	<u>\$ 17,846,266</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-14	\$ 3,353,000	\$ 5,640,000
Wastewater Loan Payable	C-12	218,547	288,196
EDA Loan Payable	C-13	127,642	139,064
Bond Anticipation Notes Payable	C-7	7,506,000	6,390,000
Contracts Payable	C-9	367,005	295,306
Improvement Authorizations			
Funded	C-6	933,140	950,733
Unfunded	C-6	2,086,542	2,837,786
Reserve for Payment of Bonds	C-10	342,295	398,223
Capital Improvement Fund	C-8	937,988	812,988
Due From Current Fund	C-11	3,546	-
Fund Balance	C-1	<u>134,878</u>	<u>93,970</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 16,010,583</u>	<u>\$ 17,846,266</u>

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 of \$66,318 and \$1,444,700 respectively. (Exhibit C-15)

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	C	\$ 93,970	\$ 72,883
Increased by:			
Premium on Sale of Notes	C-2	<u>40,908</u>	<u>21,087</u>
Balance, December 31	C	<u>\$ 134,878</u>	<u>\$ 93,970</u>

**BOROUGH OF BERGENFIELD**  
**COMPARATIVE BALANCE SHEETS- REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Land	\$ 5,196,563	\$ 5,196,563
Buildings and Building Improvements	8,276,671	8,153,306
Construction In Progress	-	112,982
Machinery and Equipment	<u>9,559,244</u>	<u>9,211,846</u>
Total Assets	<u>\$ 23,032,478</u>	<u>\$ 22,674,697</u>
Investment in General Fixed Assets	<u>\$ 23,032,478</u>	<u>\$ 22,674,697</u>

**NOTES TO FINANCIAL STATEMENTS**



**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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 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 company and volunteer ambulance corps, 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.

**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.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

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

The Borough has the following funds and account group:

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

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

*Unemployment Insurance 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 have been made to the December 31, 2013 balances to conform to the December 31, 2014 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, 2014 AND 2013**

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

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

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

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

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

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

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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.

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

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

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

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

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

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

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

**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.

Fixed Assets purchased after December 31, 1985 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

- Trust Funds
- General Capital Fund

**BOROUGH OF BERGENFIELD  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgets and Budgetary Accounting (Continued)**

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2014 and 2013 the Borough Council increased the original budget by \$440,230 and \$283,441. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2014 and 2013.

**NOTE 3 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. Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2014 and 2013, the book value of the Borough's deposits were \$19,169,734 and \$17,502,001 and bank and brokerage firm balances of the Borough's deposits amounted to \$19,615,341 and \$17,887,561, 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>2014</u>	<u>2013</u>
Insured	\$ <u>19,615,341</u>	\$ <u>17,887,561</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

**A. Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2014 and 2013, the Borough’s bank balances were not exposed to custodial credit risk.

**B. Investments**

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

As of December 31, 2014 and 2013, the Borough had the following investments:

	Fair Value (LOSAP)
<b><u>2014</u></b>	
<u>Investment:</u>	
LOSAP (Unaudited)	\$ <u>1,040,089</u>
<b><u>2013</u></b>	
<u>Investment:</u>	
LOSAP (Unaudited)	\$ <u>916,094</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

**B. Investments (Continued)**

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2014 and 2013, \$1,040,089 and \$916,094 of the Borough’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP)
<b><u>2014</u></b>	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>1,040,089</u>
<b><u>2013</u></b>	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ <u>916,094</u>

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2014 and 2013, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services.

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

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

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



**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2014 and 2013 consisted of the following:

<u>Current Fund</u>	<u>2014</u>	<u>2013</u>
Property Taxes	\$ 1,086,861	\$ 1,121,607
Tax Title Liens	<u>302,206</u>	<u>290,555</u>
	<u>\$ 1,389,067</u>	<u>\$ 1,412,162</u>

In 2014 and 2013, the Borough collected \$797,627 and \$1,141,236 from delinquent taxes, which represented 57% and 79%, respectively of the prior year delinquent taxes receivable balance.

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

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

	<u>2014</u>		<u>2013</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 24,150	\$ 750,042	\$ 21,096	\$ 557,143
Animal Control Fund		4,907		11,793
General Capital Fund		3,546		
Other Trust Fund- Escrow		5		4
Other Trust Fund-FSA		9,299		9,299
Other Trust Fund- TTL		6,393		
Other Trust Fund- Reserves	<u>750,042</u>	<u>-</u>	<u>557,143</u>	<u>-</u>
	<u>\$ 774,192</u>	<u>\$ 774,192</u>	<u>\$ 578,239</u>	<u>\$ 578,239</u>

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

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 6 FUND BALANCES APPROPRIATED**

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

	<b>2014</b>		<b>2013</b>	
	<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	\$ 5,397,069	\$ 1,900,000	\$ 5,676,473	\$ 1,950,000
Non-Cash Surplus	<u>974,376</u>	<u>-</u>	<u>691,611</u>	<u>-</u>
	<u>\$ 6,371,445</u>	<u>\$ 1,900,000</u>	<u>\$ 6,368,084</u>	<u>\$ 1,950,000</u>

**NOTE 7 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2014 and 2013.

	Balance				Balance,
	December 31,				December 31,
<b>2014</b>	<u>2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>2014</u>
Land	\$ 5,196,563				\$ 5,196,563
Buildings and Building Improvements	8,153,306			\$ 123,365	8,276,671
Machinery and Equipment	9,211,846	\$ 347,398			9,559,244
Construction in Process-Roof Replacement	<u>112,982</u>	<u>10,383</u>	<u>-</u>	<u>(123,365)</u>	<u>-</u>
	<u>\$ 22,674,697</u>	<u>\$ 357,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,032,478</u>
<b>2013</b>	Balance				Balance,
	December 31,				December 31,
	<u>2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>2013</u>
Land	\$ 5,196,563				\$ 5,196,563
Buildings and Building Improvements	8,074,806	\$ 78,500			8,153,306
Machinery and Equipment	8,395,101	816,745			9,211,846
Construction in Process-Roof Replacement	<u>99,134</u>	<u>13,848</u>	<u>-</u>	<u>-</u>	<u>112,982</u>
	<u>\$ 21,765,604</u>	<u>\$ 909,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,674,697</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 8 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

	<u>2014</u>	<u>2013</u>
Issued		
General		
Bonds, Notes and Loans	\$ 11,205,189	\$ 12,457,260
Less Funds Temporarily Held to Pay Bonds and Notes	<u>343,237</u>	<u>404,788</u>
Net Debt Issued	<u>10,861,952</u>	<u>12,052,472</u>
Authorized But Not Issued		
General		
Bonds and Notes	<u>66,318</u>	<u>1,444,700</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 10,928,270</u>	<u>\$ 13,497,172</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 .415% and .50% at December 31, 2014 and 2013, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2014</u></b>			
General Debt	<u>\$ 11,271,507</u>	<u>\$ 343,237</u>	<u>\$ 10,928,270</u>
Total	<u>\$ 11,271,507</u>	<u>\$ 343,237</u>	<u>\$ 10,928,270</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2013</u></b>			
General Debt	<u>\$ 13,901,960</u>	<u>\$ 404,788</u>	<u>\$ 13,497,172</u>
Total	<u>\$ 13,901,960</u>	<u>\$ 404,788</u>	<u>\$ 13,497,172</u>

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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>2014</u>	<u>2013</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 92,160,120 <u>10,928,270</u>	\$ 93,030,016 <u>13,497,172</u>
Remaining Borrowing Power	<u>\$ 81,231,850</u>	<u>\$ 79,532,844</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>2014</u>	<u>2013</u>
\$8,587,000, 2004 Bonds, due in annual installment of \$1,987,000 July 2014 interest at 3.25%		\$ 1,987,000
\$4,953,000, 2007 Bonds, due in annual installments of \$400,000 to \$553,000 through August 1, 2021, interest at 4.125 to 4.150%	\$ 3,353,000	<u>3,653,000</u>
	<u>\$ 3,353,000</u>	<u>\$ 5,640,000</u>

**General Intergovernmental Loans Payable**

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

	<u>2014</u>	<u>2013</u>
\$1,130,000, 1997 Loan, due in Semi-annual installments of \$63,732 to \$74,681 through August, 2017, interest at 4.00% to 5.00%	\$ 218,547	\$ 288,196
\$227,500, 2004 Loan, due in Semi-annual installments of \$10,977 to \$13,936 through September 2024, interest at 2%	<u>127,642</u>	<u>139,064</u>
	<u>\$ 346,189</u>	<u>\$ 427,260</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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, 2014 is as follows:

Calendar Year	<u>General</u>		<u>Loans</u>		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 400,000	\$ 138,448	\$ 80,078	\$ 8,995	\$ 627,521
2016	425,000	121,950	87,146	6,761	640,857
2017	450,000	104,418	86,986	4,272	645,676
2018	500,000	85,856	12,368	1,778	600,002
2019	500,000	65,231	12,617	1,529	579,377
2020-2024	1,078,000	67,556	66,994	3,739	1,216,289
Total	<u>\$ 3,353,000</u>	<u>\$ 583,459</u>	<u>\$ 346,189</u>	<u>\$ 27,074</u>	<u>\$ 4,309,722</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2014 and 2013 were as follows:

	Balance, December 31, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<b><u>2014</u></b>					
General Capital Fund					
Bonds Payable	\$ 5,640,000		\$ 2,287,000	\$ 3,353,000	\$ 400,000
Intergovernmental Loans Payable	<u>427,260</u>	<u>-</u>	<u>81,071</u>	<u>346,189</u>	<u>80,078</u>
General Capital Fund Long-Term Liabilities	<u>\$ 6,067,260</u>	<u>\$ -</u>	<u>\$ 2,368,071</u>	<u>\$ 3,699,189</u>	<u>\$ 480,078</u>
	Balance, December 31, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<b><u>2013</u></b>					
General Capital Fund					
Bonds Payable	\$ 6,940,000		\$ 1,300,000	\$ 5,640,000	\$ 2,287,000
Intergovernmental Loans Payable	<u>501,119</u>	<u>-</u>	<u>73,859</u>	<u>427,260</u>	<u>81,071</u>
General Capital Fund Long-Term Liabilities	<u>\$ 7,441,119</u>	<u>\$ -</u>	<u>\$ 1,373,859</u>	<u>\$ 6,067,260</u>	<u>\$ 2,368,071</u>

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2014 and 2013 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2013</u>	<u>Renewed/ Re-issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2014</u>
<b><u>2014</u></b>						
<b><u>General Capital Fund</u></b>						
Various Public Improvements	0.75%	3/2/2015	\$ 6,387,113	\$ 15,012,000	\$ 13,893,113	\$ 7,506,000
Environmental Cleanup	1.00%	2/28/2014	<u>2,887</u>	<u>-</u>	<u>2,887</u>	<u>-</u>
Total			<u>\$ 6,390,000</u>	<u>\$ 15,012,000</u>	<u>\$ 13,896,000</u>	<u>\$ 7,506,000</u>
			<u>Balance, December 31, 2012</u>	<u>Renewed/ Re-issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2013</u>
<b><u>2013</u></b>						
<b><u>General Capital Fund</u></b>						
Purchase of Real Property	0.97%	9/28/2013	\$ 200,000		\$ 200,000	
Various Public Improvements	1.00%	2/28/2014	5,876,962	\$ 6,387,113	5,876,962	\$ 6,387,113
Environmental Cleanup	1.00%	2/28/2014	<u>75,000</u>	<u>2,887</u>	<u>75,000</u>	<u>2,887</u>
Total			<u>\$ 6,151,962</u>	<u>\$ 6,390,000</u>	<u>\$ 6,151,962</u>	<u>\$ 6,390,000</u>

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

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.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund. There was no debt of this type for 2013 and 2014.

**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>2014</u>			
	Resurfacing Merritt Ave.	\$ 310,646	2015
	Acquisition of Dump Truck	227,680	2015
<u>2013</u>	There were no significant projects.		

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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 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 \$2,681,230 and \$2,315,026 at December 31, 2014 and 2013, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2014 and 2013, the Borough has reserved in the Other Trust Fund \$1,863,587 and \$1,216,975, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**Changes in Other Long-Term Liabilities**

The Borough's changes in other long-term liabilities for the years ended December 31, 2014 and 2013 were as follows:

	Balance, December 31, <u>2013</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<b><u>2014</u></b>					
Compensated Absences	\$ 2,315,026	\$ 469,592	\$ 103,388	\$ 2,681,230	\$ 100,000
	<u>\$ 2,315,026</u>	<u>\$ 469,592</u>	<u>\$ 103,388</u>	<u>\$ 2,681,230</u>	<u>\$ 100,000</u>
	Balance, December 31, <u>2012</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<b><u>2013</u></b>					
Compensated Absences	\$ 1,801,366	\$ 719,090	\$ 205,430	\$ 2,315,026	\$ 100,000
	<u>\$ 1,801,366</u>	<u>\$ 719,090</u>	<u>\$ 205,430</u>	<u>\$ 2,315,026</u>	<u>\$ 100,000</u>



**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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 June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP.

**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).

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

**Basis of Accounting**

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

**Significant Legislation**

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

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

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65. The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2014, the PERS member contribution rate was 6.78%. The rate increased to 6.92% effective July 2014. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**Investment Valuation**

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

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

**Funded Status and Funding Progress**

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion, respectively.

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2012 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems except CPFPPF (2.00%) and (b) changes to projected salary increases of 4.22 percent for PERS and 6.01 percent for PFRS.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% plus an additional 1% phased-in over 7 years beginning in July 2013 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.78% in fiscal year 2014 and 6.92% for fiscal year 2015 effective July 2014.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the year ended June 30, 2014 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

**Annual Pension Cost (APC) (Continued)**

During the years ended December 31, 2014, 2013 and 2012, 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>
2014	\$ 1,349,630	\$ 632,433
2013	1,434,310	653,632
2012	1,226,804	641,901

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher’s Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State’s Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 585 state and local participating employers and contributing entities for Fiscal Year 2013.

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

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

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

**Basis of Accounting**

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

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011 the 4-year phase in does not apply, and contributions based on the full percentage rate of contribution are required.

**Investment Valuation**

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

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.3 billion for state active and retired members and \$32.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2012 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**Post-Retirement Medical Benefits Contribution**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$139.8 million for 9,404 eligible retired members for Fiscal Year 2013. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$38.0 million in Fiscal Year 2013 to provide benefits under Chapter 330 to qualified retirees.

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

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

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2014, 2013 and 2012 were \$1,844,308, \$1,815,703 and \$1,458,868, 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, 2014, 2013 and 2012 were \$81,418, \$73,065 and \$71,335, respectively.

**Plan Description**

The Borough provides a post-employment prescription and dental benefits in addition to the health benefits provided to their retirees through the State health benefit plan for certain eligible retirees and their spouses. The Borough contributed approximately \$450,000 in 2014 for prescription and dental benefits for its eligible retirees and their spouses. The Borough hasn't completed an actuary calculation of the OPEB liability for these additional post-employment prescription and dental benefits provided to their eligible retirees and their spouses.

**NOTE 13 RISK MANAGEMENT**

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

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

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

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

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

**BOROUGH OF BERGENFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 13 RISK MANAGEMENT (Continued)**

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>
2014	\$ 50,000	\$ 16,569	\$ 21,856	\$ 268,193
2013	50,000	16,510	48,039	223,480
2012	50,000	16,415	71,899	205,009

**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, 2014 and 2013. 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, 2014 and 2013, the Borough reserved \$484,278 and \$416,917, 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, 2014 and 2013, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.



**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**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, 2014 and 2013, the Borough had no estimated arbitrage earnings due to the IRS.

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

The Borough of Bergenfield Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 19, 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 \$1,253 and \$1,241 for 2014 and 2013, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$1,253 and \$1,241 for 2014 and 2013, respectively for each eligible volunteer first aid squad members into the Plan. The total Borough contributions were \$61,397 and \$70,373 for 2014 and 2013, respectively.

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

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.

**BOROUGH OF BERGENFIELD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

**NOTE 17 HURRICANE SANDY**

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2014. As of December 31, 2014 and 2013, the Borough has received \$29,203 and \$172,837, respectively, in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

**NOTE 18 SUBSEQUENT EVENTS**

**Bond Anticipation Notes**

On March 2, 2015 the Borough issued Bond Anticipation Notes in the amount of \$5,523,000 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Jeffries LLC at an interest rate of 1%. These notes dated March 2, 2015 will mature on March 2, 2016.

**Debt Authorized**

On March 27, 2015 the Borough adopted a Bond Ordinance authorizing the issuance of \$2,660,000 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.

**SUPPLEMENTARY SCHEDULES**

**CURRENT FUND**

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

Balance, December 31, 2013	\$11,140,232
Increased by Receipts:	
Taxes Receivable	\$79,922,491
Special Improvement District- Taxes Receivable	193,548
Non-Budget Revenue	374,993
Revenue Accounts Receivable	3,826,790
Due from State of New Jersey	160,733
Tax Overpayments	152,357
Prepaid Taxes	243,575
Reserve for Grants- Unappropriated	76,542
Grants Receivable	97,156
Prepaid Taxes- SID	1,042
Tax Overpayments- SID	2,232
Receipts From General Capital Fund- Realized as Current Fund Budgeted Revenue	55,928
Receipts From Other Trust- Escrow	55
Receipts From Other Trust	12,899
Receipts From Animal Control Trust Fund	11,793
Petty Cash	<u>1,690</u>
	<u>85,133,824</u>
	96,274,056
Decreased by Disbursements:	
2014 Budget Appropriations	30,248,697
2013 Appropriation Reserves	1,249,713
County Taxes Payable	5,920,175
Local School District Taxes Payable	46,194,008
Tax Overpayments	81,176
Reserve for Tax Appeals	362,639
Reserve for Grants- Appropriated	69,603
Reserve for Master Plan	2,875
Accounts Payable	1,092
Due to Special Improvement District	162,600
Petty Cash	1,350
Due to Other Trust Fund- Miscellaneous Reserves	570,000
Payments to General Capital Fund- Excess Note Payments	3,546
Refund Prior Year Revenue	<u>3,882</u>
	<u>84,871,356</u>
Balance, December 31, 2014	<u>\$11,402,700</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF CHANGE FUND**

Balance, December 31, 2013	\$	<u>3,850</u>
Balance, December 31, 2014	\$	<u>3,850</u>

**STATEMENT OF PETTY CASH FUND**

Balance, December 31, 2013	\$	340
Increased by:		
Cash Receipts		<u>1,350</u>
		1,690
Decreased by:		
Cash Disbursements		<u>1,690</u>
Balance, December 31, 2014	\$	<u>-</u>

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

Balance, December 31, 2013 (Due To)	\$	12,506
Increased by:		
Cash Received from State	\$	160,733
Senior Citizens' Deductions Disallowed by Tax Collector -2013		13,767
Senior Citizens' Deductions Disallowed by Tax Collector- 2014		<u>3,500</u>
		<u>178,000</u>
		190,506
Decreased by:		
Senior Citizens Deductions Per Tax Billings		35,000
Veterans Deductions Per Tax Billings		159,250
Senior Citizens Deductions Allowed by Tax Collector		2,250
Veterans Deductions Allowed by Tax Collector		<u>750</u>
		<u>197,250</u>
Balance, December 31, 2014 (Due From)	\$	<u>6,744</u>

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

Year	Balance, December 31, 2013	2014 Levy	Added in 2014	Senior Citizens' and Veterans' Deductions Disallowed	2013	Collected In 2014	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2014
2011	\$ 40,745							\$ 469		\$ 40,276
2012	54,802	-						5,637		49,165
2013	1,026,060	-	\$ 3,626	\$ 13,767		\$ 794,010		184,595		64,848
	1,121,607	-	3,626	13,767		794,010		190,701		154,289
2014	-	\$ 80,754,523	34,416	3,500	\$ 332,304	79,128,481	\$ 197,250	186,564	\$ 15,268	932,572
	\$ 1,121,607	\$ 80,754,523	\$ 38,042	\$ 17,267	\$ 332,304	\$ 79,922,491	\$ 197,250	\$ 377,265	\$ 15,268	\$ 1,086,861

Analysis of 2014 Tax Levy

<b>TAX YIELD</b>	
General Purpose Tax	\$ 80,754,523
Added Taxes (NJSA 54:4-63.1 et seq)	34,416
	<u>\$ 80,788,939</u>
<b>TAX LEVY</b>	
Local District School Tax (Abstract)	\$ 46,194,008
County Tax (Abstract)	5,905,359
Due County for Added and Omitted Taxes (54:4-63.1)	2,800
	<u>\$ 52,102,167</u>
Local Tax for Municipal Purposes	28,651,522
Add Additional Taxes Levied	35,250
	<u>28,686,772</u>
	<u>\$ 80,788,939</u>

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

Balance, December 31, 2013	\$ 290,555
Increased by:	
Transfer from Current Year Taxes Receivable	<u>15,268</u>
	305,823
Decreased by:	
Due From Other Trust- Receipts Deposited in Error	<u>3,617</u>
Balance, December 31, 2014	<u>\$ 302,206</u>

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

Balance, December 31, 2013	<u>\$ 28,173</u>
Balance, December 31, 2014	<u>\$ 28,173</u>



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

	Balance, December 31, <u>2013</u>	Accrued <u>2014</u>	<u>Collected</u>	Balance, December 31, <u>2014</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 38,814	\$ 38,814	
Licenses		7,920	7,920	
Construction Code Official				
Fees and Permits		455,801	455,801	
Board of Health/Registrar of				
Vital Statistics				
Fees and Permits		39,145	39,145	
Licenses		951	951	
Fire Prevention				
Fees and Permits		14,539	14,539	
Police Departments				
Fees and Permits		5,729	5,729	
Municipal Court				
Fines and Costs		320,960	320,960	
Interest and Costs on Taxes		203,547	203,547	
Interest on Deposits and				
Investments		37,174	37,174	
Recycling Program		98,029	98,029	
Recreation Fees		23,000	22,485	
Uniform Fire Safety		56,087	56,087	
PILOT Senior Citizen Complex	\$ 76,393	84,671	79,089	\$ 81,975
Energy Receipts Tax		215,525	215,525	
Consolidated Municipal Property Tax Relief Aid		1,766,132	1,766,132	
Interlocal Health Agreement- Hackensack		8,750	8,750	
Franchise Fees- Verizon		111,666	111,666	
Franchise Fees- Cablevision		197,967	197,967	
Site Rental - Cablevision		191,370	-	191,370
Rental of Tennis Courts		20,000	20,000	
Cell Tower Rent	-	140,000	129,256	-
	<u>\$ 76,393</u>	<u>\$ 4,037,777</u>	<u>\$ 3,829,566</u>	<u>\$ 273,345</u>
			Cash Receipts	\$ 3,826,790
			Due from Other Trust Fund	2,776
			<u>\$ 3,829,566</u>	

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF 2013 APPROPRIATION RESERVES**

	Balance, January 1, <u>2014</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Terminal <u>Leave</u>	Transfer To Accounts <u>Payable</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages</b>						
Mayor & Council	\$ 1,874	\$ 1,874				\$ 1,874
General Administration	27,869	27,869	-	\$ 20,000	-	7,869
Municipal Clerk	19,773	19,773	-	-	-	19,773
Financial Administration	19,591	19,591	-	-	-	19,591
Revenue Administration	35,536	35,536	-	30,000	-	5,536
Tax Assessment Administration	4,731	4,731	-	-	-	4,731
Legal Services	240	240	-	-	-	240
Planning Board	100	100	-	-	-	100
Site Plan	1,208	1,208	-	-	-	1,208
Zoning Board of Adjustment	140	140	-	-	-	140
Police Department	240,474	240,474	-	225,000	-	15,474
Fire Official	5,208	5,208	-	-	-	5,208
Fire Department	101,383	101,383	-	100,000	-	1,383
Prosecutor	577	577	-	-	-	577
Municipal Court	14,367	14,367	-	-	-	14,367
Streets and Roads Maintenance	288,751	288,751	-	250,000	-	38,751
Solid Waste	76,010	76,010	-	50,000	-	26,010
Board of Health	12,899	12,899	-	-	-	12,899
Recreation Services and Programs	3,429	3,429	-	-	-	3,429
Community Affairs-Senior Citizens	672	672	-	-	-	672
Maintenance of Parks	42,314	42,314	-	-	-	42,314
Building Inspector	8,620	8,620	-	-	-	8,620
Barrier Free Board	100	100	-	-	-	100
Shade Tree	100	100	-	-	-	100
<b>Total Salaries and Wages</b>	<b>905,966</b>	<b>905,966</b>	<b>-</b>	<b>675,000</b>	<b>-</b>	<b>230,966</b>
<b>Other Expenses</b>						
General Administration	40,438	46,518	\$ 12,432	-	-	34,086
Mayor & Council	2,460	2,525	65	-	-	2,460
Municipal Clerk	20,550	20,550	235	-	-	20,315
Financial Administration	27,183	38,812	12,044	-	-	26,768
Audit Services	74,713	74,713	69,250	-	-	5,463
Tax Collection	16,133	19,828	3,694	-	-	16,134
Tax Assessment Administration	22,272	22,272	8,650	-	-	13,622
Legal Services	51,273	70,682	39,404	-	-	31,278
Engineering	10,103	10,103	-	-	-	10,103
Planning Board	500	500	-	-	-	500
Zoning Board	300	300	-	-	-	300
Police Department	20,527	40,293	22,534	-	-	17,759
Police Cars	7,523	40,197	34,875	-	-	5,322
Office of Emergency Management	4,129	4,456	327	-	-	4,129
First Aid Organization	3,210	4,210	698	-	-	3,512
Fire Official	2,417	3,427	911	-	-	2,516
Fire Department	44,605	106,170	54,033	-	\$ 1,125	51,012
Fire Hydrant Service	168	20,410	20,242	-	-	168
Municipal Court	10,022	11,216	1,616	-	-	9,600

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF 2013 APPROPRIATION RESERVES**

	Balance, January 1, <u>2014</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfer To Other Trust Accumulated <u>Absences</u>	Transfer To Accounts <u>Payable</u>	Balance <u>Lapsed</u>
Streets and Roads Maintenance	\$ 69,150	\$ 108,219	\$ 36,500			\$ 71,719
Buildings and Grounds	21,733	39,519	18,596	-	-	20,923
Solid Waste Collection	8,705	58,010	50,731	-	-	7,279
Vehicle Maintenance	22,279	32,849	30,707	-	-	2,142
Board of Health	8,552	9,993	1,452	-	-	8,541
Environmental Committee	201	201	-	-	-	201
Welfare/Administration of Public Asst.	250	250	-	-	-	250
Recreation Services and Programs	19,662	28,000	8,338	-	-	19,662
Maintenance of Parks	30,578	46,509	15,317	\$ 25,000	\$ 480	5,712
Community Affairs- Senior Citizens	2,210	2,210	-	-	-	2,210
Celebration of Public Events	17,909	17,909	-	-	-	17,909
Building Inspector	9,630	10,033	440	-	-	9,593
Construction Code Official	1,350	1,350	-	-	-	1,350
Rent Leveling Board	200	200	-	-	-	200
Barrier Free Board	500	500	-	-	-	500
Electricity & Gasoline	11,429	46,444	16,641	-	-	29,803
Street Lighting	50,046	71,546	20,978	-	-	50,568
Telephone	2,389	10,746	8,326	-	-	2,420
Water	553	13,553	1,570	-	-	11,983
Gasoline	49,490	98,989	58,635	-	-	40,354
Sanitary Landfill - Tipping Fees	142,476	380,238	164,009	-	-	216,229
Sanitary Landfill - Recycling Tax	744	6,451	4,090	-	-	2,361
Contingent	5,000	5,000	3,829	-	-	1,171
Social Security System	55,520	55,520	2,643	50,000	-	2,877
Contribution to Free Public Library	22,087	22,087	-	-	-	22,087
Sewage Processing and Disposal-BCUA	1	1	-	-	-	1
Sewage Processing and Disposal- Tenafly	-	8,000	6,409	-	-	1,591
LOSAP	5,840	5,840	-	-	-	5,840
Liability Insurance	54,873	149,175	99,023	-	-	50,152
Group Insurance Plan for Employees- Gen Gov't	157,421	445,176	291,186	-	-	153,990
Worker Compensation Insurance	-	129,283	129,283	-	-	-
Clean Communities Grant (Shade Tree)	505	505	-	-	-	505
<b>Total Other Expenses</b>	<u>1,129,809</u>	<u>2,341,488</u>	<u>1,249,713</u>	<u>75,000</u>	<u>1,605</u>	<u>1,015,170</u>
<b>Grand Total</b>	<u>\$ 2,035,775</u>	<u>\$ 3,247,454</u>	<u>\$ 1,249,713</u>	<u>\$ 750,000</u>	<u>\$ 1,605</u>	<u>\$ 1,246,136</u>
2014 Appropriation Reserves		\$ 2,035,775				
Encumbrances Transferred to 2014 Reserves		<u>1,211,679</u>				
		<u>\$ 3,247,454</u>				
Cash Disbursed			<u>\$ 1,249,713</u>			

**BOROUGH OF BERGENFIELD**  
**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2013		\$ 1,211,679
Increased by:		
Charges to 2014 Budget Appropriations		<u>1,084,509</u>
		2,296,188
Decreased by:		
Transferred to 2013 Appropriation Reserves		<u>1,211,679</u>
Balance, December 31, 2014		<u>\$ 1,084,509</u>

EXHIBIT A-14

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

Balance, December 31, 2013		\$ 4,168
Increased by:		
Charges to 2014 Reserve for Grants- Appropriated		<u>367,633</u>
		371,801
Decreased by:		
Cancelled		<u>4,168</u>
Balance, December 31, 2014		<u>\$ 367,633</u>

EXHIBIT A-15

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2013		\$ 416,917
Increased by:		
Transfer from Budget Appropriations	\$ 230,000	
Transfer from Current Collections	<u>200,000</u>	
		<u>430,000</u>
		846,917
Decreased by:		
Cash Paid to Appellants		<u>362,639</u>
Balance, December 31, 2014		<u>\$ 484,278</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2013	\$ 54,048
Increased by:	
Cash Receipts	<u>152,357</u>
	206,405
Decreased by:	
Refunded	<u>81,176</u>
Balance, December 31, 2014	<u>\$ 125,229</u>

**STATEMENT OF OTHER LIENS RECEIVABLE**

Balance, December 31, 2013	<u>\$ 2,500</u>
Balance, December 31, 2014	<u>\$ 2,500</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2013	\$ 15,078
Increased by:	
2014 Levy	
General County Tax (Abstract)	\$ 5,841,283
County Open Space Preservation	64,076
Due County for Added and Omitted Taxes	<u>2,800</u>
	<u>5,908,159</u>
	5,923,237
Decreased by:	
Payments	<u>5,920,175</u>
Balance, December 31, 2014	<u>\$ 3,062</u>

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

Increased by:	
Levy - Calendar Year	<u>\$ 46,194,008</u>
Decreased by:	
Payments	<u>\$ 46,194,008</u>

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2013	\$ 332,304
Increased by:	
Collection of 2015 Taxes	<u>243,575</u>
	575,879
Decreased by:	
Apply to 2014 Tax Receivable	<u>332,304</u>
Balance, December 31, 2014	<u>\$ 243,575</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF APPROPRIATED RESERVES**

	Balance, December 31, <u>2013</u>	Transfer from Current Year <u>Appropriations</u>	Cancel Prior Year <u>Encumbrance</u>	<u>Canceled</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2014</u>
U.S. Department of Housing (CDBG) - Bradley Ave		\$ 65,230			\$ 55,753	\$ 9,477
U.S. Department of Housing (CDBG) - Main St Sewers		100,000				100,000
Bergen County Open Space- Tennis Court Rehabilitation	\$ 19,750			\$ 19,750		
Bergen County Open Space- Twin Boro Field Rehab	67,402					67,402
Bergen County Open Space- Coopers Pond		51,000				51,000
NJ Dept. of Transportation- Merritt Ave/Phelps Ave	150,000	149,000			299,000	
NJ Dept. of Transportation- Safe Routes	250,000					250,000
NJ Dept. of Environmental Protection- CSIP	15,805			225	15,580	
Municipal Alliance	15,279			4,498	10,781	
Municipal Alliance- Local Match	3,820			1,125	2,695	
Highlands Council- TDR Feasibility Study	-	40,000				40,000
Recycling Tonnage Grant	30,524	28,061			14,539	44,046
Clean Communities	69,927				27,267	42,660
Bergen County 200 Club	1,000					1,000
DARE - Donation	500					500
Body Armor	272	5,637	\$ 4,168		9,378	699
Alcohol Education and Rehabilitation	2,025				1,051	974
Drunk Driving Enforcement Fund	3,210				1,192	2,018
Bergen County - Handicap Ramps	95,000	-	-	-	-	95,000
	<u>\$ 724,514</u>	<u>\$ 438,928</u>	<u>\$ 4,168</u>	<u>\$ 25,598</u>	<u>\$ 437,236</u>	<u>\$ 704,776</u>

Cash Disbursements	\$ 69,603
Encumbrances-Grants	<u>367,633</u>
	<u>\$ 437,236</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF UNAPPROPRIATED RESERVES**

	Balance, December 31, <u>2013</u>	Cash <u>Receipts</u>	Anticipated as 2014 Budget <u>Revenue</u>	Balance, December 31, <u>2014</u>
South Presbyterian Church		\$ 125		\$ 125
Drunk Driving Enforcement Fund		7,858		7,858
Clean Communities		35,413		35,413
Alcohol Education- Municipal Court		886		886
Recycling Tonnage	\$ 28,061	27,964	\$ 28,061	27,964
Body Armor Fund	<u>5,637</u>	<u>4,296</u>	<u>5,637</u>	<u>4,296</u>
	<u>\$ 33,698</u>	<u>\$ 76,542</u>	<u>\$ 33,698</u>	<u>\$ 76,542</u>

EXHIBIT A-23

**STATEMENT OF RESERVE FOR MASTER PLAN**

Balance, December 31, 2013	\$ 8,250
Decreased by:	
Cash Disbursements	<u>2,875</u>
Balance, December 31, 2014	<u>\$ 5,375</u>



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

Balance, December 31, 2013	\$	57,678
Increased by:		
Collection of Assessment Receivable		<u>194,764</u>
		252,442
Decreased by:		
Payments		<u>162,600</u>
Balance, December 31, 2014	\$	<u><u>89,842</u></u>

EXHIBIT A-25

**STATEMENT OF SPECIAL IMPROVEMENT DISTRICT TAXES RECEIVABLE**

Balance, December 31, 2013	\$	9,233
Increased by:		
Net Tax Levy 2014		<u>199,142</u>
		208,375
Decreased by:		
Cash Receipts	\$ 193,548	
Apply Overpayments	<u>1,216</u>	
		<u>194,764</u>
Balance, December 31, 2014	\$	<u><u>13,611</u></u>

EXHIBIT A-26

**STATEMENT OF PREPAID SPECIAL IMPROVEMENT DISTRICT TAXES**

Balance, December 31, 2013	\$	<u>1,883</u>
Increased by:		
Collection of 2015 Taxes		<u>1,042</u>
Balance, December 31, 2014	\$	<u><u>2,925</u></u>

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

Balance, December 31, 2013	\$ 1,216
Increased by:	
Cash Receipts	2,232
	3,448
Decreased by:	
Applied to 2014 Collections	1,216
Balance, December 31, 2014	\$ 2,232

EXHIBIT A-28

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2013</u>	Accrued in <u>2014</u>	<u>Collected</u>	<u>Canceled</u>	Balance, December 31, <u>2014</u>
U.S. Department of Housing (CDBG) - Bradley Ave		\$ 65,230			\$ 65,230
U.S. Department of Housing (CDBG) - Main St Sewers		100,000			100,000
Bergen County Open Space- Twin Boro Field Rehab	\$ 67,402				67,402
Bergen County Open Space-Tennis Court Rehabilitation	61,500		\$ 39,250	\$ 22,250	-
Bergem County Open Space- Coopers Pond	-	51,000			51,000
NJDOT - Merritt Ave/Phelps Ave	-	149,000			149,000
Highlands Council- TDR Feasibility Study	-	40,000			40,000
NJDOT- Graphic Boulevard	36,625		36,625		-
NJDOT- Safe Routes to School Program	250,000				250,000
NJDOT- Merritt Ave/Phelps Ave	150,000				150,000
NJ Dept. of Environmental Protection	15,805		10,500	5,305	
Municipal Alliance Grant	15,279		10,781	4,498	
Bergen County - Handicap Ramps	95,000	-	-	-	95,000
	<u>\$ 691,611</u>	<u>\$ 405,230</u>	<u>\$ 97,156</u>	<u>\$ 32,053</u>	<u>\$ 967,632</u>

**BOROUGH OF BERGENFIELD  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2013	\$ 1,092
Increase by:	
Transfer from 2013 Appropriation Reserves	<u>1,605</u>
	2,697
Decreased by:	
Cash Disbursements	<u>1,092</u>
Balance, December 31, 2014	<u>\$ 1,605</u>

**TRUST FUND**

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

	<u>Unemployment Trust Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2013	\$ 223,480	\$ 31,332	\$ 2,151,896
Increased by Receipts:			
Borough's Share of Dog Licenses	\$ 9,288		
Cat License Fees	996		
Budget Appropriation	50,000		
Employee Contributions	16,569		
State Dog License Fees		2,054	
Interest on Deposits			\$ 56
Receipts from Current Fund			576,393
Receipts from Payroll Agency			10,639,411
Miscellaneous Reserves			4,265,277
Net Payroll	<u>66,569</u>	<u>12,338</u>	<u>31,035,094</u>
Decreased by Disbursements:			
Payment to State of New Jersey -	290,049	43,670	33,186,990
State Dog License Fees		2,054	
Unemployment Claims	21,856		
Expenditures under R.S. 4:19-15.11		1,971	
Miscellaneous Reserves			4,252,596
Payroll Deductions Payable			10,639,411
Net Payroll		<u>12,744</u>	<u>15,553,957</u>
Payments to Current Fund	<u>21,856</u>	<u>16,769</u>	<u>30,458,918</u>
Balance, December 31, 2014	<u>\$ 268,193</u>	<u>\$ 26,901</u>	<u>\$ 2,728,072</u>

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

Balance, December 31, 2013		\$ 19,541
Increased by:		
Dog License Fees	\$ 8,242	
Cat License Fees	996	
Miscellaneous and Late Fees	<u>1,046</u>	
		<u>10,284</u>
		29,825
Decreased by:		
Expenditures Under R.S. 4:19-15.11		
Cat and Dog License Fees- Realized as Current Fund		
Budgeted Revenue	951	
Statutory Excess Due to Current Fund	4,907	
Cash Disbursements	<u>1,971</u>	
		<u>7,829</u>
Balance, December 31, 2014		<u>\$ 21,996</u>

Animal License Fees Collected

<u>Year</u>	
2012	\$ 11,535
2013	<u>10,461</u>
	<u>\$ 21,996</u>

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

Balance, December 31, 2013	\$	2
Increased by:		
State Fees Collected		<u>2,054</u>
		2,056
Decreased by:		
Payments to State		<u>2,054</u>
Balance, December 31, 2014	\$	<u><u>2</u></u>

EXHIBIT B-4

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

Balance, December 31, 2013	\$	<u>11,793</u>
Increased by:		
Statutory Excess		<u>4,907</u>
		16,700
Decreased by:		
Payments to Current Fund		<u>11,793</u>
Balance, December 31, 2014	\$	<u><u>4,907</u></u>

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

Balance, December 31, 2013	\$ 4
Increased by:	
Interest on Deposits and Investments	<u>56</u>
	60
Decreased by:	
Payments to Current Fund	<u>55</u>
Balance, December 31, 2014	<u>\$ 5</u>

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

Balance, December 31, 2013	\$ 223,480
Increased by:	
Budget Appropriation	\$ 50,000
Employee Contributions	<u>16,569</u>
	<u>66,569</u>
	290,049
Decreased by:	
Unemployment Insurance Benefit Claims	<u>21,856</u>
Balance, December 31, 2014	<u>\$ 268,193</u>



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

	Balance, December 31, <u>2013</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2014</u>
POAA	\$ 5,624	\$ 1,558	\$ 2,903	\$ 4,279
Fire Code Penalties	82,086	8,042	30,949	59,179
Construction Code Penalties	160,193	6,900	6,504	160,589
Developers Escrow	167,443	98,538	71,040	194,941
Street Openings	30,770	3,000	3,000	30,770
Police Donations	2,013	-	1,000	1,013
Confiscated Funds	6,255	-	-	6,255
Tree Replacement	2,565	7,000	-	9,565
Sewer Bond	1,000	-	-	1,000
Holiday at the Pond	9,395	2,000	10,684	711
Police Outside Detail	57,545	148,407	142,019	63,933
Tax Title Lien Redemption	299,903	2,559,417	2,567,658	291,662
Premiums on Tax Title Liens	624,459	1,311,641	1,244,900	691,200
Family Fun Day	18,076	10,550	7,500	21,126
Environmental Program	1,734	-	23	1,711
Accumulated Absence Liability Trust Fund	1,216,975	750,000	103,388	1,863,587
Goodwill/Elm St. Relief	12,924	890	-	13,814
Flexible Spending Account	776	19,700	18,421	2,055
Recreation	-	45,027	42,607	2,420
Veteran's Park Donations	-	40,000	-	40,000
Federal Forfeiture of Funds	-	2,607	-	2,607
<b>TOTALS</b>	<u>\$ 2,699,736</u>	<u>\$ 5,015,277</u>	<u>\$ 4,252,596</u>	<u>\$ 3,462,417</u>

Cash Receipts                   \$ 4,265,277

Due From Current Fund       750,000

\$ 5,015,277

Cash Disbursements           \$ 4,252,596

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

Balance, December 31, 2013		\$ 557,143
Increased by:		
Transfer from Appropriation Reserves- Accumulated Absences	\$ 750,000	
Payments to Current Fund	<u>12,899</u>	
		<u>762,899</u>
		1,320,042
Decreased by:		
Cash Received from Current Fund		<u>570,000</u>
Balance, December 31, 2014		<u><u>\$ 750,042</u></u>

EXHIBIT B-9

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

Balance, December 31, 2013		<u>\$ 9,299</u>
Balance, December 31, 2014		<u><u>\$ 9,299</u></u>

EXHIBIT B-10

**STATEMENT OF DUE TO CURRENT FUND - TAX TITLE LIEN**  
**OTHER TRUST FUND**

Increased by:		
Cash Receipts- Current Fund Deposited in the Tax Title Lien	\$ 6,393	
Balance, December 31, 2014		<u><u>\$ 6,393</u></u>

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

Increased by:	
Cash Receipts	<u>\$10,639,411</u>
Decreased by:	
Cash Disbursements	<u>\$10,639,411</u>

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

Increased by:	
Cash Receipts	<u>\$15,553,957</u>
Decreased by:	
Cash Disbursements	<u>\$15,553,957</u>

**GENERAL CAPITAL FUND**

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

Balance, December 31, 2013		\$ 3,950,871
Increased by:		
Bond Anticipation Notes	\$ 15,012,000	
Premium on Sale of Notes	40,908	
Note Principal Paid by Budget Appropriation	199,890	
Capital Improvement Fund	125,000	
Excess Proceeds Received for Bond Anticipation Note Principal Payments	3,546	
Deferred Charges Unfunded- Raised in 2014 Current Fund Budget	<u>55,928</u>	
		<u>15,437,272</u>
		19,388,143
Decreased by:		
Improvement Authorizations	408,432	
Contracts Payable	287,765	
Bond Anticipation Notes	13,896,000	
Realized as Current Fund Budgeted Revenue	<u>55,928</u>	
		<u>14,648,125</u>
Balance, December 31, 2014		<u>\$ 4,740,018</u>

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

		Balance, December 31, <u>2014</u>
Contracts Payable		\$ 367,005
Capital Improvement Fund		937,988
Fund Balance		134,878
Reserve for Payment of Bonds		342,295
Excess Note Proceeds		942
Due to Current Fund		3,546
Improvement Authorizations:		
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
2273	Various Public Improvements	28,251
2289/2337/2343	Expansion of Free Public Library	74,492
2318	Various Capital Improvements	222,839
2323/2340/2341	Various Capital Improvements	23,080
2324	Purchase of Real Property	29,488
2355	Various Public Improvements and Acquisition of Equipment	442,924
2371	Various Public Improvements- Municipal Building	5,946
2372	Various Public Improvements	1,617
2383	Various Public Improvements	(13,344)
2384	Environmental Clean-Up	(2,787)
2393	Various Public Improvements	16,632
2398	Various Public Improvements	82,037
2405	Various Public Improvements	48,648
2435	Various Public Improvements	38,215
2448	Various Public Improvements	702,590
2453	Various Public Improvements	387,991
2461	Various Public Improvements	<u>864,745</u>
		<u>\$ 4,740,018</u>

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

Balance, December 31, 2013		\$ 6,067,260
Decreased by:		
Paid by 2014 Budget Appropriation:		
Bonds	\$ 2,287,000	
Green Trust Loan	11,422	
Waste Water Loan	<u>69,649</u>	
		<u>2,368,071</u>
Balance, December 31, 2014		<u>\$ 3,699,189</u>

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

Ordinance Number	Improvement Description	Balance, December 31, 2013	Authorized 2014	Cancellation	Notes Paid by Budget	Paid by Budget Appropriation	Balance, December 31, 2014	Analysis of Balance December 31, 2014		
								Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2383	Various Public Improvements	\$ 160,685			\$ 29,941	\$ 55,928	\$ 74,816	\$ 42,653	\$ 13,344	\$ 18,819
2384	Environmental Clean-Up	2,887			100		2,787		2,787	
2386	Various Public Improvements	360,058			12,969		347,089	347,089		
2393	Various Public Improvements	467,842			13,984		453,858	422,490		31,368
2398	Various Public Improvements	679,113			18,940		660,173	660,173		
2405	Various Public Improvements	906,223			50,315		855,908	855,908		
2416	Various Public Improvements	237,458			8,621		228,837	228,837		
2424	Various Public Improvements	966,700		\$ 738	65,020		900,942	900,942		
2448	Various Public Improvements	1,412,169					1,412,169	1,412,169		
2453	Various Public Improvements	1,309,000		56			1,308,944	1,308,944		
2461	Various Public Improvements	1,326,000		147			1,325,853	1,325,853		
		<u>\$ 7,828,135</u>	<u>\$ -</u>	<u>\$ 941</u>	<u>\$ 199,890</u>	<u>\$ 55,928</u>	<u>\$ 7,571,376</u>	<u>\$ 7,505,058</u>	<u>\$ 16,131</u>	<u>\$ 50,187</u>

Bond Anticipation Notes

Less: Excess Note Proceeds

Ord. #2424	\$ 738
Ord. #2448	1
Ord. #2453	56
Ord. #2461	147
	<u>942</u>
	<u>\$ 7,505,058</u>

Improvement Authorizations Unfunded \$ 2,086,542  
Less: Unexpended Bond Anticipation Note Proceeds

Ord. #2393	\$ 16,632
Ord. #2398	82,037
Ord. #2405	48,648
Ord. #2448	702,590
Ord. #2453	387,991
Ord. #2461	798,457
	<u>2,036,355</u>
	<u>\$ 50,187</u>



**BOROUGH OF BERGENFIELD  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Number	Date	Amount	Balance, December 31, 2013		2014 Authorization		Contract Payable Cancelled	Paid or Charged	Cancellation	Balance, December 31, 2014	
			Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Charges Unfunded				Funded	Unfunded
2273	02/27/01	\$ 1,300,000	\$ 28,251							\$ 28,251	
2289/2337/2343	12/18/01	3,305,000	74,492							74,492	
2318	12/29/03	682,123	222,839							222,839	
2323/2340/											
2341/2342/2441	05/18/04	1,381,000	25,726				\$ 2,646			23,080	
2324	05/18/04	1,650,000	29,488							29,488	
2355/2447											
	05/17/05	1,573,000	435,383			\$ 7,541				442,924	
	04/04/06	432,000	5,946							5,946	
2371	05/23/06	304,800	11,617							1,617	
2372							10,000				
2383	10/17/06	1,171,200		\$ 31,404			12,585				\$ 18,819
2393	08/21/07	852,800	48,000								48,000
2398	11/20/07	1,325,284	84,121								82,037
2405/2446	05/20/08	1,395,160	56,833								48,648
2424	10/20/09	1,309,500	4,188					\$ 738			
2435	12/07/10	188,765					12,488			38,215	
2448	12/07/10	1,500,000	50,703								702,590
2453	12/07/10	1,375,000					158,047				387,991
2461	8/7/2012	1,392,700					38,536				798,457
	9/7/2013		66,288				527,396	147		66,288	
			\$ 950,733	\$ 2,837,786		\$ 7,541	\$ 775,437	\$ 941		\$ 933,140	\$ 2,086,542
							\$ 408,432				
							367,005				
							<u>\$ 775,437</u>				

Cash Disbursed  
Contracts Payable

BOROUGH OF BERGENFIELD  
STATEMENT OF BOND ANTICIPATION NOTES

Ord. #	Improvement Description	Date of Original Date	Amount of Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2013	Balance, December 31, 2014	Increased	Decreased
2383	Various Public Improvements	3/3/2010	\$ 1,000,000	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	\$ 73,353	\$ 42,653	\$ 73,353	\$ 42,653
2384	Environmental Cleanup	3/3/2010	75,000	3/1/2013	2/28/2014	1.00	2,887	-	-	2,887
2386	Various Public Improvements	3/3/2010	325,000	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	360,058	347,089	347,089	360,058 347,089
2393	Various Public Improvements	3/3/2010	450,000	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	436,474	-	422,490	436,474 422,490
2398	Various Public Improvements	3/3/2010	500,000	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	679,113	660,173	660,173	679,113 660,173
2405	Various Public Improvements	3/3/2010	800,000	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	908,519	855,908	855,908	908,519 855,908
2416	Various Public Improvements	3/3/2010	250,000	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	241,379	-	228,837	241,379 228,837
2424	Various Public Improvements	3/3/2010	1,309,500	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	967,047	-	901,680	967,047 901,680
2448	Various Public Improvements	5/2/2012	1,428,000	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	1,412,170	-	1,412,170	1,412,170 1,412,170

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

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Date of Original Date</u>	<u>Amount of Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
2453	Various Public Improvements	3/1/2013	\$ 1,309,000	3/1/2013 2/28/2014 6/27/2014	2/28/2014 6/27/2014 3/2/2015	1.00 1.00 .75	\$ 1,309,000	\$ 1,309,000 1,309,000	\$ 1,309,000 1,309,000	\$ 1,309,000
2461	Various Public Improvements	2/28/2014	1,326,000	2/28/2014 6/27/2014	6/27/2014 3/2/2015	1.00 .75	-	1,326,000 1,326,000	1,326,000	1,326,000
							\$ 6,390,000	\$ 15,012,000	\$ 13,896,000	\$ 7,506,000
								\$ 13,686,000	\$ 13,686,000	
								1,326,000		
									199,890	
									3,546	
									6,564	
								\$ 15,012,000	\$ 13,896,000	\$ 7,506,000

Renewals  
Issued for Cash  
Paid by Budget Appropriation  
Paid with Capital Cash  
Paid with Excess Proceeds

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

Balance, December 31, 2013	\$ 812,988
Increased by:	
2014 Budget Appropriation	<u>125,000</u>
Balance, December 31, 2014	<u>\$ 937,988</u>

**STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2013	\$ 295,306
Increased by:	
Charges to Improvement Authorizations	<u>367,005</u>
	662,311
Decreased by:	
Cancellation	\$ 7,541
Cash Disbursements	<u>287,765</u>
	<u>295,306</u>
Balance, December 31, 2014	<u>\$ 367,005</u>

**STATEMENT OF RESERVE FOR PAYMENT OF BONDS**

Balance, December 31, 2013	\$ 398,223
Decreased by:	
Anticipated Revenue in the 2014 Current Fund Budget	<u>55,928</u>
Balance, December 31, 2014	<u>\$ 342,295</u>

**STATEMENT OF DUE TO CURRENT FUND**

Increased by:	
Excess Proceeds Received for Bond Anticipation Note	
Principal Payments	<u>\$ 3,546</u>
Balance, December 31, 2014	<u>\$ 3,546</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2014</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2013</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
Wastewater Treatment Loan	1997/98	\$ 1,130,000	2015 \$ 68,426 2016 75,260 2017 74,861	4.0 - 5.0 %	\$ 288,196	\$ 69,649	\$ 218,547
					<u>\$ 288,196</u>	<u>\$ 69,649</u>	<u>\$ 218,547</u>
					Paid by Budget Appropriation		<u>\$ 69,649</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	Amount of Original Issue	Maturities of Loan Outstanding		<u>Interest Rate</u>	Balance, December 31, 2013	Decreased	Balance, December 31, 2014
			<u>Date</u>	<u>Amount</u>				
Ord. #2324 Purchase of Real Property	2003/04	\$ 227,500	2015	\$ 11,652				
			2016	11,886				
			2017	12,125				
			2018	12,369				
			2019	12,617				
			2020	12,871				
			2021	13,130				
			2022	13,393				
			2023	13,663				
			2024	13,936				
					2.00%	\$ 139,064	\$ 11,422	\$ 127,642
						<u>\$ 139,064</u>	<u>\$ 11,422</u>	<u>\$ 127,642</u>
Paid by Budget Appropriation						<u>\$ 11,422</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, 2014</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2013</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
2004 General Improvements	July 15, 2003	\$ 8,587,000	\$ 1,987,000	3.25%	\$ 1,987,000	\$ 1,987,000	
2007 General Improvement Bonds	August 14, 2006	4,953,000	400,000	4.125%			
			425,000				
	8/1/2017	500,000	450,000				
			525,000				
	8/1/2021		553,000	4.150%		300,000	\$ 3,353,000
					\$ 5,640,000	\$ 2,287,000	\$ 3,353,000
							\$ 2,287,000

Budget Appropriation

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, December 31, <u>2013</u>	Notes Paid with <u>Capital Cash</u>	Paid by Budget <u>Appropriation</u>	Bond Anticipation <u>Notes Issued</u>	Balance, December 31, <u>2014</u>
2383	Various Public Improvements	\$ 87,332	\$ 759	\$ 55,928		\$ 32,163
2384	Environmental Clean Up		2,787			2,787
2393	Various Public Improvements	31,368				31,368
2461	Various Public Improvements	<u>1,326,000</u>	-	-	<u>\$ 1,326,000</u>	-
		<u>\$ 1,444,700</u>	<u>\$ 3,546</u>	<u>\$ 55,928</u>	<u>\$ 1,326,000</u>	<u>\$ 66,318</u>



**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

### INDEPENDENT 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, 2014, and the related notes to the financial statements, and have issued our report thereon dated July 14, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented 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 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 omission of OPEB note disclosure and also, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2014-001 that we consider to be a significant deficiency in internal control over financial reporting.

### **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 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 and which are described in the accompanying schedule of findings and responses as item 2014-001.

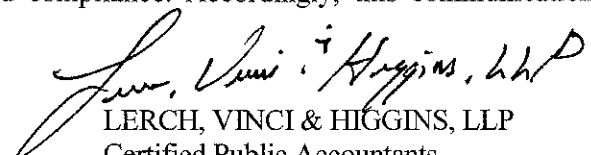
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Bergenfield in Part III of this report of audit entitled; "Letter of Comments and Recommendations"

### **Borough of Bergenfield's Responses to Findings**

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

### **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

**BOROUGH OF BERGENFIELD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Federal CFDA Number	Grant Year	Grant Award Amount	2014 Receipts	Balance, December 31, 2013	Revenue Realized	Adjustment	Expenditures	Balance, December 31, 2014	Cumulative Expenditures
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development) Community Devel. Block Grants									
14.218	2014	\$ 100,000		\$ 100,000			\$ 55,753	\$ 100,000	\$ 55,753
	2014	65,230		65,230				9,477	\$ 55,753
Law and Public Safety- Division of Highway Traffic Safety									
20.601	2011	3,946		\$ 802		\$ (802)			3,946
	2013	5,416		5,416		(2,206)	1,192	2,018	3,398
	2014	7,858	7,858						
Department of Transportation of State and Highway Projects									
	2013	150,000		150,000			150,000		150,000
	2014	149,000			149,000		149,000		149,000
	2013	250,000		250,000				250,000	
Public Assistance Grant									
97.036	2014	29,203	29,203		29,203		29,203		29,203
FEMA									
Total									
				\$ 406,218	\$ 343,433	\$ (3,008)	\$ 385,148	\$ 361,495	

FEMA Reimbursement- Hurricane Sandy

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

**BOROUGH OF BERGENFIELD  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

State Grant Program	Grant Number	Grant Year	Grant Award	Grant Receipts	Balance, December 31, 2013	Revenue Realized	Expended	Adjustments	Balance, December 31, 2014	Cumulative Expenditures
Department of Law & Public Safety Body Armor Fund	1020-718-001-2009-090160	2013	\$ 4,440		\$ 272		\$ 272			\$ 4,440
		2014	5,637	4,296		5,637	9,106	4,168	699	9,106
Department of Environmental Protection Clean Communities Program	4900-765008-178900	2012	32,164		32,164		27,267		4,897	27,267
		2013	37,763		37,763				37,763	
		2014		35,413						
Recycling Tonnage Grant	4900-752001-178810	2012	7,765		1,078		1,078			1,078
		2013	29,446		29,446		13,461		15,985	13,461
		2014		27,964		28,061			28,061	
CSIP Grant	N/A	2013	15,805		15,805		15,580	(225)	15,580	
Municipal Alliance Fund	N/A	2013	15,279		15,279		10,781	(4,498)	10,781	
Division of Judiciary- Municipal Court Alcohol Education & Rehabilitation Fund	9735-760-001-060000	2011	1,053		53				53	1,000
		2013	1,972		1,972				1,972	
		2014		886						
					\$ 133,832	\$ 33,698	\$ 77,545	\$ (555)	\$ 89,430	

\*= Prior Year Encumbrance Cancelled

\*\*= Balance Cancelled

Note: This schedule is not subject to a single audit in accordance with NI OMB Circular 15-08

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

**BOROUGH OF BERGENFIELD  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2014**

**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>\$ 343,433</u>	<u>\$ 33,698</u>	<u>\$ 377,131</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, 2014**

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2014, 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	4860-510-702440	\$ 127,642
Dept. of Economic Development Authority	L-04387	<u>218,547</u>
		<u>\$ 346,189</u>



**BOROUGH OF BERGENFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

- A) Type of auditors' report issued: Modified- Unaudited LOSAP and the Omission of OPEB Note Disclosure
- 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?   X   yes        none reported
- C) Noncompliance material to basic financial statements noted?   X   yes        no

**Federal Awards Section**

Not Applicable

**State Awards Section**

Not Applicable

**BOROUGH OF BERGENFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE ENDED DECEMBER 31, 2014**

***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*.

**Finding 2014-001**

The Borough's actuarial calculation of the OPEB liability for post-employment retiree benefits was not available.

**Criteria or Specific Requirement**

GASB Statement 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) requires the recognition of the cost of benefits in periods when the related services are received by the employer.

**Condition**

In addition to the health benefits offered to their retirees and their spouses through the New Jersey State health benefit plan, the Borough offers prescription and dental benefits to their retirees and their spouses.

**Context**

The Borough's OPEB liability for the prescription and dental post-employment benefits for these individuals was not calculated.

**Effect**

The liability associated with the prescription and dental postemployment benefits was not disclosed in the financial statements for the year ended December 31, 2014.

**Cause**

The Borough has not completed the actuarial calculation.

**Recommendation**

The Borough institute measures to ensure in future periods that the actuarial calculation on the prescription and dental postemployment benefits for their retirees and their spouses would be available for the period under audit.

**Views of Responsible Officials and Planned Corrective Action**

Management is in agreement and is in the process of obtaining the actuarial calculation of the OPEB liability.

**BOROUGH OF BERGENFIELD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

*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 OMB Circular A-133 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, 2014**

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, 2014**

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

	<u>Fiscal Year 2014</u>		<u>Fiscal Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 1,950,000	2.21 %	\$ 1,815,000	2.06 %
Miscellaneous - From Other Than Local				
Property Tax Levies	4,699,471	5.33	5,519,916	6.26
Collection of Delinquent Taxes and Tax Title Liens	797,627	0.90	1,141,236	1.29
Collection of Current Tax Levy	79,454,535	90.09	78,653,012	89.18
Other Credits	1,297,737	1.47	1,330,481	1.51
	<u>88,199,370</u>	<u>100.00</u> %	<u>88,459,645</u>	<u>100.30</u> %
<b>EXPENDITURES</b>				
<b>Budget Expenditures</b>				
Municipal Purposes	34,069,990	39.50 %	33,884,731	39.29 %
County Taxes	5,908,159	6.85	6,043,389	7.01
Local District School Taxes	46,194,008	53.56	45,763,348	53.06
Other Expenditures - Debits	73,852	0.09	159,567	0.19
	<u>86,246,009</u>	<u>100.00</u> %	<u>85,851,035</u>	<u>99.54</u> %
Excess in Revenue	1,953,361		2,608,610	
Fund Balance, Beginning of Year	<u>6,368,084</u>		<u>5,574,474</u>	
	8,321,445		8,183,084	
Less Utilization as Anticipated Revenue	<u>1,950,000</u>		<u>1,815,000</u>	
Fund Balance, End of Year	<u>\$ 6,371,445</u>		<u>\$ 6,368,084</u>	

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Calendar Year Tax Rate</u>	\$ <u>3.065</u>	\$ <u>3.031</u>	\$ <u>2.970</u>
<u>Apportionment of Tax Rate</u>			
Municipal*	\$ 1.087	\$ 1.068	\$ 1.042
County- Regular Tax	0.222	0.226	0.225
County- Open Space	0.003	0.003	0.003
Local School	1.753	1.734	1.700

\* Municipal Apportionment Total Includes Municipal Library.

Assessed Valuation

2014	\$ <u>2,634,731,000</u>		
2013		\$ <u>2,640,124,530</u>	
2012			\$ <u>2,653,070,530</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>
2014	\$ 80,788,939	\$ 79,654,535	98.60%
2013	80,155,046	78,853,012	98.38%
2012	78,846,031	77,443,642	98.22%

**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<u>Period Ended</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
December 31, 2014	\$ 302,206	\$ 1,086,861	\$ 1,389,067	1.72%
December 31, 2013	290,555	1,121,607	1,412,162	1.76%
December 31, 2012	283,976	1,158,662	1,442,638	1.83%

**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, 2014	\$ 28,173
December 31, 2013	28,173
December 31, 2012	28,173

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Period Ended</u>	<u>Fund Balance</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	December 31, 2014	\$ 6,371,445	\$ 1,900,000
	December 31, 2013	6,368,084	1,950,000
	December 31, 2012	5,574,474	1,815,000



**BOROUGH OF BERGENFIELD  
GENERAL INFORMATION**

<u>Name</u>	<u>Title</u>	<u>Dates</u>
Norman Schmelz	Mayor	
Ora Kornbluth	Council President	
Kathleen J. Sahlberg	Councilwoman	
Charles K. Steinel	Councilman	
Thomas A. Lodato	Councilman	
Hernando Rivera	Councilman	
P. Christopher Tully	Councilman	
Lidia Leszczynski	Tax Collector	
Juan Uribe	CFO	1/1/14 - 6/19/14
Rich Chaill	CFO	9/1/14- 12/31/14
William Senande	Borough Administrator	1/1/2014- 10/24/14
Frederick McGarril	Acting Borough Administrator	11/12/14- 12/31/14
Anne Dodd	Acting Borough Clerk	1/1/14-7/14/14
Anne Dodd	Borough Clerk	7/15/14-12/31/14
Kenneth Pfannen	Construction Code Official	
Harry Hillenius	Building Inspector/ Zoning Official	
George Reggo	Tax Assessor	
Helene Herbert	Municipal Court Judge	
Kim Grimaldi	Court Administrator	
Gregg F. Paster	Borough Prosecutor	
Felicia Williams	Registrar of Vital Statistics	
Anne Marie Della Cruz	Social Service Director	
Susan Muller	Social Service Director	
Edward Kneisler	Public Works Superintendent	
John Schettino	Borough Attorney	

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

**BOROUGH OF BERGENFIELD  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Prior Year Comments- Unresolved**

Our audit of the cash disbursement cycle revealed that numerous purchase orders tested were dated subsequent to the invoice date. It is recommended that purchase orders be generated when the order is being placed for the goods and/or services.

Our audit of the payroll agency bank account revealed that there is an excess balance in the account which represents the pension deducted from the employees for a retro pay in prior years. It is recommended that the Borough calculate and remit to the state amounts due for pension deductions on the prior year's retro pay.

Our audit of the payroll deductions revealed the following:

- There are several employees eligible for the Defined Contribution Retirement Plan (DCRP) that have not been enrolled.
- The payroll clerk's base salary utilized to calculate Chapter 78 health care contributions didn't include the amount received for rent leveling and for payroll administrator.

It is recommended that:

- The Borough enrolls the eligible employees into the Defined Contribution retirement Plan (DCRP).
- The payroll clerk's base salary utilized in calculating the Chapter 78 health care contributions include the amounts received for rent leveling and for payroll administrator.

Our audit of the accumulated leave balances for the various collective bargaining unit agreements revealed that the accumulated leave calculated was not in agreement with the contractual provisions of the respective collective bargaining agreements and in several instances the incorrect salary rates were utilized to calculate the liability. It is recommended that accumulated leave be reviewed to ensure that the time accrued is within the contractual provision of the respective collective bargaining agreements and that the proper rate of salary is utilized to calculate the liability.

**Current Year Comments**

Our audit of checks issued to an individual from the payroll deduction account revealed that proper documentation supporting the reason for the payment was not maintained. It is recommended that all checks issued to an individual from the payroll deduction account contain proper supporting documentation.

Our review of the checks issued from the Flexible Spending Account (FSA) account revealed that there was only one authorized signatures on these checks. It is recommended that all checks issued from the Flexible Spending Account (FSA) account contain two authorized signatures.

Our audit of the salaries revealed that the borough attorney and the planning board attorney who are not considered employees of the Borough are being paid through payroll. It is recommended that the borough attorney and the planning board attorney who are not Borough employees be removed from payroll and paid through accounts payable.

Our audit of employees who have terminated with the Borough revealed that the former Borough Administrator who resigned on October 24, 2014 remained on dental benefits through March 2015. It is recommended that the health benefit bills be reviewed on a monthly basis to ensure that only active employees or qualifying retirees are receiving health benefits.

**BOROUGH OF BERGENFIELD  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Current Year Comments (Continued)**

Our reconciliation of the W-2 wages for the tax collector revealed that her state wages were reduced by her contribution to the flexible spending account (FSA); this voluntary deduction is pre-tax for federal withholding and not for state withholding. It is recommended that the voluntary deduction for the Flexible Spending Account (FSA) be corrected so that it doesn't reduce the state taxable wages.

Our audit of the bidding revealed that the borough didn't obtain competitive bids for the following:

- HVAC maintenance and repairs from two different vendors where the aggregate amount expended for each vendor was in excess of the bid threshold.
- Computer equipment and supplies where the aggregate amount expended was in excess of the bid threshold.
- A signed professional services agreement was not available for our review for the Borough attorney and a professional services agreement wasn't executed for the technology consultant.

It is recommended that the Borough seek competitive bids for time and materials for their HVAC maintenance and repairs and for their computer equipment and supplies. In addition, signed professional services agreement be available for all professional service contract awards and professional service agreements be executed for all professional service contract awards.

Our review of the tax title lien redemption and premium accounts revealed that there is a potential overage in the tax title lien redemption account and a shortage in the tax title lien premium account. It is recommended that the variances in the tax title lien redemption and premium accounts be researched and reconciled and the necessary adjustments be made to reflect the Borough's liability in each of these accounts.

Our audit of the fixed asset additions revealed that the Borough isn't recording all fixed asset additions in the Edmunds fixed asset computer software module. It is recommended that the Borough update the fixed asset records in the Edmunds fixed asset computer software module to reflect all assets acquired/owned by the Borough.

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

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500, except by contract or agreement."

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

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

Police In-Car Video System Including  
Mobile Tablet Computers  
Resurfacing Merritt Ave.

Resurfacing Bradley Ave.  
Acquisition of Dump Truck

**BOROUGH OF BERGENFIELD  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

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

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.

**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, 2014 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.

**BOROUGH OF BERGENFIELD  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on November 18, 2014 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>
2014	7
2013	8
2012	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.

**Suggestions to Management**

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

**APPRECIATION**

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

## **BOROUGH OF BERGENFIELD RECOMMENDATIONS**

It is recommended that:

1. The Borough institute measures to ensure in future periods that the actuarial calculation on the prescription and dental post-employment benefits for their relatives and their spouses would be available for the period under audit.
- \* 2. Purchase orders be generated when the order is being placed for the goods and/or services.
- \* 3. The Borough calculate and remit to the state amounts due for pension deductions on the prior year's retro pay.
- \* 4. With regards to payroll deductions, it is recommended that:
  - o The Borough enrolls the eligible employees into the Defined Contribution Retirement Plan (DCRP).
  - o The payroll clerk's base salary utilized in calculating the Chapter 78 health care contributions include the amounts received for rent leveling and for payroll administrator.
- \* 5. Accumulated leave be reviewed to ensure that the time accrued is within the contractual provisions of the respective collective bargaining agreements and that the proper rate of salary is utilized to calculate the liability.
6. All checks issued to an individual from the payroll deduction account contain proper supporting documentation.
7. All checks issued from the Flexible Spending Account (FSA) account contain two authorized signatures.
8. The Borough Attorney and Planning Board Attorney who are not Borough employees be removed from payroll and paid through accounts payable.
9. The health benefit bills be reviewed on a monthly basis to ensure that only active employees or qualifying retirees are receiving health benefits.
10. Voluntary deduction for the Flexible Spending Account (FSA) be corrected so that it doesn't reduce the state taxable wages.
11. The Borough seek competitive bids for time and materials for their HVAC maintenance and repairs and for their computer equipment and supplies. In addition, signed professional services agreement be available for all professional service contract awards and professional service agreement be executed for all professional service contract awards.
12. The variances in the tax title lien redemption and premium accounts be researched and reconciled and the necessary adjustments be made to reflect the Borough's liability in each of these accounts.
13. The Borough update the fixed asset records in the Edmunds fixed asset computer software module to reflect all assets acquired/owned by the Borough.

**BOROUGH OF BERGENFIELD  
RECOMMENDATIONS**

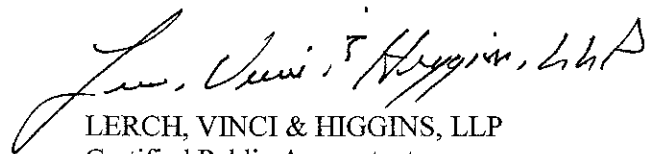
**Status of Prior Year's Audit Findings/Recommendations**

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

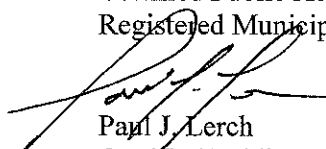
\* \* \* \* \*

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

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



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



Paul J. Lerch  
Certified Public Accountant  
RMA Number CR00457