

BOROUGH OF BERGENFIELD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2025

BOROUGH OF BERGENFIELD
BERGEN COUNTY, NEW JERSEY

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

We have audited the financial statement of the Borough of Bergenfield which comprise the balance sheets - regulatory basis of the various funds and account group of the Borough of Bergenfield, as of December 31, 2025 and 2024, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2025, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Bergenfield as of December 31, 2025 and 2024, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2025 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Bergenfield as of December 31, 2025 and 2024, or changes in financial position for the years then ended.

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2025 and 2024. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 49% percent and 48% percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2025 and 2024, respectively.

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bergenfield’s internal control. Accordingly, no such opinion is expressed.

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Bergenfield as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by NJ OMB Circular 25-12, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Bergenfield. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

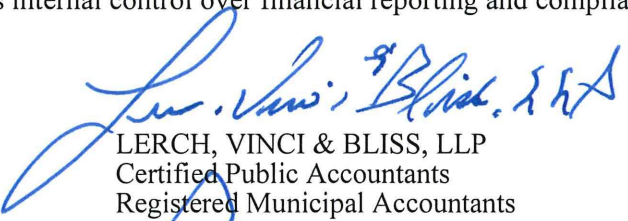
Other Information

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


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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 6, 2026 on our consideration of the Borough of Bergenfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Bergenfield's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Bergenfield's internal control over financial reporting and compliance.



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



Paul J. Lerch
 Registered Municipal Accountant
 RMA Number CR000457

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

ASSETS	<u>Reference</u>	<u>2025</u>	<u>2024</u>
Regular Fund:			
Cash	A-4	\$ 16,978,758	\$ 16,931,380
Cash - Change Funds	A-5	<u>3,850</u>	<u>3,850</u>
		<u>16,982,608</u>	<u>16,935,230</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-8	1,081,794	1,093,041
Tax Title Liens	A-9	1,963	1,496
Property Acquired for Taxes (at Assessed Valuation)	A-10	1,890,900	1,698,373
Other Liens Receivable	A-17	2,500	2,500
Due from Animal Control Fund	B-4	1,141	209
Due from Other Trust Fund- FSA	B-8	2,500	2,500
Due from Federal and State Grant Fund	A	<u>195,107</u>	<u>-</u>
		<u>3,175,905</u>	<u>2,798,119</u>
Deferred Charges:			
Special Emergency Authorizations	A-26	<u>656,000</u>	<u>820,000</u>
Total Regular Fund		<u>20,814,513</u>	<u>20,553,349</u>
Federal and State Grant Fund:			
Grants Receivable	A-28	6,440,077	6,910,076
Due from Current Fund	A	<u>-</u>	<u>128,776</u>
Total Federal and State Grant Fund		<u>6,440,077</u>	<u>7,038,852</u>
Total		<u>\$ 27,254,590</u>	<u>\$ 27,592,201</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves	A-3,A-12	\$ 2,876,250	\$ 2,431,661
Encumbrances Payable	A-13	1,448,424	3,051,714
Accounts Payable	A-23	1,104,887	325,467
Reserve for Tax Appeals	A-15	1,588,842	2,514,356
Tax Overpayments	A-16	37,083	35,583
Prepaid Taxes	A-20	648,391	526,167
Prepaid Revenues	A-27	25,614	
Due to the State of New Jersey Senior and Veteran's Discounts	A-7	13,120	12,638
Due to the State of New Jersey DCA Training Fees / Lead Inspection Fees	A-25	24,288	5,387
Due to County for Added & Omitted Taxes	A-18	23,923	45,087
Due to Local School	A-19	3,455,723	
Reserve for:			
Police Evidence	A-24	4,373	4,373
Due to Federal and State Grant Fund	A	<u>-</u>	<u>128,776</u>
		11,250,918	9,081,209
Reserve for Receivables and Other Assets	A	3,175,905	2,798,119
Fund Balance	A-1	<u>6,387,690</u>	<u>8,674,021</u>
Regular Fund		<u>20,814,513</u>	<u>20,553,349</u>
Federal and State Grant Fund:			
Due to Current Fund	A	195,107	
Appropriated Reserve for Grants	A-21	3,977,093	4,429,981
Unappropriated Reserve for Grants	A-22	81,615	31,185
Encumbrances Payable	A-14	<u>2,186,262</u>	<u>2,577,686</u>
Total Federal and State Grant Fund		<u>6,440,077</u>	<u>7,038,852</u>
Total		<u>\$ 27,254,590</u>	<u>\$ 27,592,201</u>

BOROUGH OF BERGENFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 6,660,000	\$ 6,161,000
Miscellaneous Revenue Anticipated	A-2	6,830,422	7,622,903
Receipts from Delinquent Taxes	A-2	1,051,501	846,466
Receipts from Current Taxes	A-2	101,054,860	95,770,175
Non-Budget Revenue	A-2	313,426	513,601
Other Credits to Income			
Interfunds Returned	A	209	2,213,797
Cancel Appropriated Grant Reserves	A-21	1,503	36,344
Statutory Excess - Animal Control	B-2	1,008	-
Senior / Veteran Deductions Allowed (Prior Year)	A-7	250	
Unexpended Balances of Appropriation Reserves	A-12	<u>1,915,017</u>	<u>2,144,522</u>
		<u>117,828,196</u>	<u>115,308,808</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	17,601,810	15,868,800
Other Expenses	A-3	21,470,781	22,679,115
Deferred Charges and Statutory Expenditures	A-3	4,296,173	3,832,575
Debt Service	A-3	3,176,500	3,255,897
County Taxes Payable	A-18	10,810,102	9,658,350
Local District School Taxes Payable	A-19	55,891,221	53,486,829
Other Debits to Income			
Establish Reserve for Arbitrage Rebate Liability	A-1		332,852
Cancel Grant Receivables	A-28	6,310	
Senior / Veteran Deductions Disallowed (Prior Year)	A-7	5,382	3,566
Interfunds Advanced	A	<u>196,248</u>	<u>2,709</u>
Total Expenditures		<u>113,454,527</u>	<u>109,120,693</u>
Excess in Revenue		4,373,669	6,188,115
Adjustment to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Years	A-26,A-1	<u>-</u>	<u>820,000</u>
Statutory Excess to Surplus		4,373,669	7,008,115
Fund Balance, Beginning of Year	A-1	<u>8,674,021</u>	<u>7,826,906</u>
		13,047,690	14,835,021
Decreased by			
Utilization as Anticipated Revenue	A-1	<u>6,660,000</u>	<u>6,161,000</u>
Fund Balance, End of Year	A	<u>\$ 6,387,690</u>	<u>\$ 8,674,021</u>

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF BERGENFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Reference	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 6,660,000	-	\$ 6,660,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	30,000		33,814	\$ 3,814
Other	A-2	5,000		6,383	1,383
Fees and Permits	A-2	50,000		71,191	21,191
Fines and Costs					
Municipal Court	A-11	275,000		336,586	61,586
Interest and Costs on Taxes	A-11	150,000		230,866	80,866
Interest on Investments and Deposits	A-2	600,000		1,006,127	406,127
PILOT Senior Citizen Complex - Brookside	A-11	95,000		117,437	22,437
Site Rental - Wireless Edge	A-11	114,000		116,710	2,710
Franchise Fees - Cablevision	A-11	125,957		125,957	-
Franchise Fees - Verizon	A-11	117,248		117,248	-
Recreation Summer Program	A-11	10,000		28,801	18,801
Rental - Tennis Courts	A-11	20,000		20,000	-
Dwelling Inspections	A-11	60,000		67,300	7,300
Elevator Inspections	A-11	8,000		10,085	2,085
Rental/Resale Inspections	A-11	25,000		39,980	14,980
Lead Paint Safe Inspections	A-11	55,000		74,535	19,535
Energy Receipts Tax	A-11	2,005,287		2,005,287	-
Uniform Construction Code	A-11	375,000		568,566	193,566
Uniform Fire Safety Act	A-11	85,000		98,194	13,194
Interlocal - Bergenfield Board of Education	A-11	185,000		183,145	(1,855)
Reserve for Payment of Debt	A-11	100,000		100,000	-
Body Armour Grant - Reserve	A-22	3,588		3,588	-
Recycling Tonnage Grant	A-28		\$ 30,177	30,177	-
Municipal Alliance Grant	A-28	5,755		5,755	-
Drive Sober or Get Pulled Over	A-28		7,000	7,000	-
Distracting Driving	A-28		7,000	7,000	-
COPS Technology & Communication Policing Grant			1,000,000	1,000,000	-
Drunk Driving Enforcement Fund			9,187	9,187	-
National Opioid Settlement - Reserve	A-22	27,597		27,597	-
BC OSTF 2025 - Improvements to Wayne Colon Park	A-28	50,000		50,000	-
BC HUD - CDBG Bradley Ave Road Improvements	A-28	130,000		130,000	-
NJ DOT -New Jersey Ave	A-28	201,906	-	201,906	-
Total Miscellaneous Revenues	A-1	<u>4,909,338</u>	<u>1,053,364</u>	<u>6,830,422</u>	<u>867,720</u>
Receipts from Delinquent Taxes	A-1, A-8	700,000	-	1,051,501	351,501
Amount to be Raised by Taxes to Support Municipal Budget		33,824,334		34,955,309	1,130,975
Minimum Library Tax		1,548,228	-	1,548,228	-
Total Amount to be Raised by Taxes for Support Municipal Budget	A-2	<u>35,372,562</u>	-	<u>36,503,537</u>	<u>1,130,975</u>
Total General Revenues		<u>\$ 47,641,900</u>	<u>\$ 1,053,364</u>	<u>\$ 51,045,460</u>	<u>\$ 2,350,196</u>
Non-Budget Revenue	A-2,A-1			313,426	
				<u>\$ 51,358,886</u>	

BOROUGH OF BERGENFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collection		
Revenue from Collections	A-1,A-8	\$ 101,054,860
Less: Allocated to School and County Taxes	A-18,A-19	<u>66,701,323</u>
Balance for Support of Municipal Budget Appropriations		34,353,537
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,150,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 36,503,537</u>
Licenses- Other		
Borough Clerk	A-11	\$ 5,840
Board of Health	A-11	<u>543</u>
	A-2	<u>\$ 6,383</u>
Fees and Permits - Other		
Board of Health Registrar	A-11	\$ 53,007
Fire Department	A-11	6,930
Police Department	A-11	<u>11,254</u>
	A-2	<u>\$ 71,191</u>
Interest on Investments and Deposits		
Due from Animal Control Trust Fund	B-10,B-9,B-4	\$ 5,044
Cash Receipts	A-11	687,888
Due from General Capital Fund	C-10	<u>313,195</u>
	A-2	<u>\$ 1,006,127</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Reference</u>	
ANALYSIS OF NON-BUDGET REVENUES		
Police Admin		\$ 56,396
Transaction Fee - Tax Collection		32,450
Board of Ed Gas - Refund		18,179
Police Alarms		16,300
Zoning		12,750
Seasonal Field Fees/Park Rentals		9,070
Recycling and Waste Related		7,868
Towing		4,350
Cost of Sales - Taxes		4,313
Crane Permits		2,200
Advertising Fee		1,865
Returned check fee		665
Miscellaneous		<u>147,020</u>
	A-4,A-1	<u>\$ 313,426</u>

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<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					
General Administration (Administrative Executive)					
Salaries and Wages	\$ 298,500	\$ 313,500	\$ 308,967	\$ 4,533	
Other Expenses	336,950	336,950	334,161	2,789	
Grant Consultant	43,200	43,200	43,200	-	
Mayor & Council					
Salaries and Wages	96,000	96,000	88,625	7,375	
Other Expenses	1,000	1,000	870	130	
Municipal Clerk					
Salaries and Wages	281,244	281,244	268,004	13,240	
Other Expenses	73,500	73,500	64,001	9,499	
Financial Administration (Treasury)					
Salaries and Wages	312,435	317,435	314,978	2,457	
Other Expenses	92,200	92,200	70,361	21,839	
Audit Services					
Other Expenses	90,000	90,000	90,000	-	
Revenue Administration (Tax Collection)					
Salaries and Wages	165,645	165,645	163,645	2,000	
Other Expenses	54,950	54,950	54,950	-	
Tax Assessment Administration					
Salaries and Wages	34,150	34,150	28,050	6,100	
Other Expenses	32,530	32,530	29,676	2,854	
Legal Services (Legal Department)					
Other Expenses	370,000	370,000	291,871	78,129	
Engineering Services - Other Expenses					
	165,000	165,000	133,150	31,850	
Planning Board					
Salaries and Wages	4,800	4,800	4,800	-	
Other Expenses	20,400	20,400	6,725	13,675	
Site Plan					
Salaries and Wages	2,400	2,400	2,400	-	
Insurance					
Workers Compensation Insurance	775,050	712,950	712,120	830	
Liability Insurance	756,750	818,850	698,422	120,428	
Group Insurance Plan for Employees	6,680,896	6,680,896	6,024,825	656,071	
Health Benefit Waivers	71,000	64,474	35,939	28,535	
LAND USE ADMINISTRATION					
Zoning Board of Adjustment					
Salaries and Wages	5,600	5,600	5,600	-	
Other Expenses	20,050	20,050	12,415	7,635	

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
PUBLIC SAFETY					
Police Department					
Salaries and Wages	\$ 8,845,000	\$ 8,845,000	\$ 8,324,473	\$ 520,527	
Other Expenses	218,250	218,250	174,699	43,551	
Office of Emergency Management					
Salaries and Wages	10,000	10,000	8,908	1,092	
Other Expenses	8,800	8,800	7,804	996	
First Aid Organization					
Other Expenses	91,500	95,000	93,717	1,283	
Fire Official					
Salaries and Wages	129,601	129,601	106,588	23,013	
Other Expenses	16,050	16,050	11,762	4,288	
Fire Department					
Salaries and Wages	886,500	906,500	874,281	32,219	
Other Expenses	238,750	238,750	206,983	31,767	
Fire Hydrant Service	262,956	262,956	262,955	1	
Municipal Prosecutors Office					
Other Expenses	27,000	27,000	25,375	1,625	
Municipal Court					
Salaries and Wages	128,100	128,100	112,205	15,895	
Other Expenses	63,725	63,725	59,299	4,426	
Public Defender (P.L. 1997, C. 256)					
Other Expenses	7,000	7,000	2,862	4,138	
PUBLIC WORKS					
Streets and Roads Maintenance					
Salaries and Wages	482,010	482,010	411,629	70,381	
Other Expenses	249,000	249,000	242,567	6,433	
Building and Grounds					
Other Expenses	309,000	309,000	296,775	12,225	
Solid Waste Collection					
Salaries and Wages	3,804,000	3,714,000	3,538,634	175,366	
Other Expenses	645,724	652,250	552,181	100,069	
Vehicle Maintenance (Including Police)					
Other Expenses	252,500	252,500	129,154	123,346	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	260,643	260,643	256,606	4,037	
Other Expenses	170,300	170,300	159,728	10,572	

**BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<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)					
Environmental Committee					
Other Expenses	\$ 500	\$ 500	\$	\$ 500	
Stigma Free Initiative	3,000	3,000	\$ 2,987	13	
Welfare/Administration of Public Assistance					
Salaries and Wages	8,000	8,000	7,090	910	
Other Expenses	250	250		250	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	165,000	165,000	118,436	46,564	
Other Expenses	108,350	108,350	48,516	59,834	
Community Affairs - Senior Citizens					
Salaries and Wages	16,000	16,000	9,430	6,570	
Other Expenses	30,000	30,000	16,721	13,279	
Maintenance of Parks					
Salaries and Wages	192,000	73,500	23,606	49,894	
Other Expenses	111,500	121,500	118,370	3,130	
OTHER COMMON OPERATING FUNCTIONS (Unclassified)					
Celebration of Public Events					
Other Expenses	89,000	89,000	74,960	14,040	
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	518,642	543,642	534,733	8,909	
Other Expenses	17,050	17,050	7,297	9,753	
Other Code Enforcement Functions					
Rent Leveling Board					
Salaries and Wages	2,400	2,400	2,400	-	
Barrier-Free					
Salaries and Wages	2,400	2,400	2,400	-	
Other Expenses	50	50		50	
Shade Tree Board					
Salaries and Wages	2,400	2,400	1,200	1,200	
Other Expenses	600	600	530	70	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity and Gas	300,000	337,500	306,592	30,908	
Street Lighting	275,000	310,000	307,738	2,262	
Telephone	160,000	160,000	144,445	15,555	
Water	115,000	130,000	116,019	13,981	
Gasoline	450,000	450,000	357,456	92,544	

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<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"					
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill - Tipping Fees	\$ 1,175,000	\$ 1,175,000	\$ 1,091,379	\$ 83,621	-
Total Operations Within "CAPS"	31,632,801	31,590,301	28,939,245	2,651,056	-
Contingent	2,500	2,500	-	2,500	-
Total Operations Including Contingent Within "CAPS"	31,635,301	31,592,801	28,939,245	2,653,556	-
Detail:					
Salaries and Wages	16,463,827	16,313,801	15,297,021	1,016,780	
Other Expenses (Including Contingent)	15,171,474	15,279,000	13,642,224	1,636,776	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees Retirement System	1,014,082	1,014,082	1,014,082	-	
Social Security Syst. (O.A.S.I.)	675,000	710,000	681,568	28,432	
Police and Fireman's Retirement System	2,358,091	2,358,091	2,358,091	-	
Defined Contribution Retirement Plan	50,000	50,000	42,928	7,072	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	4,097,173	4,132,173	4,096,669	35,504	-
Total General Appropriations for Municipal Purposes Within "CAPS"	35,732,474	35,724,974	33,035,914	2,689,060	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (Chap. 82, 541 PL 85)					
Salaries and Wages	-	1,097,589	1,097,589	-	
Other Expenses	1,649,000	551,411	492,804	58,607	
UTILITY EXPENSES AND BULK PURCHASES					
Sewerage Processing and Disposal - BCUA					
Operation and Maintenance and Debt Service Costs	3,100,000	3,100,000	3,097,755	2,245	
Sewerage Processing and Disposal - Tenafly	8,500	8,500	8,500	-	
Workers Compensation Insurance	60,050	60,050	60,050	-	
Liability Insurance	38,150	38,150	38,150	-	
Group Insurance Plan for Employees	796,415	796,415	796,415	-	
Health Benefit Waivers	6,526	6,526	6,526	-	
PUBLIC SAFETY					
Fire Department					
LOSAP - Other Expenses	115,000	115,000	-	115,000	
LANDFILL/SOLID WASTE DISPOSAL					
Recycling Tax	40,000	40,000	38,032	1,968	
INTERLOCAL - BERGENFIELD BOARD OF EDUCATION - SLEO					
Salaries and Wages	185,000	190,420	183,130	7,290	
Other Expenses	-	2,080		2,080	

The Accompanying Notes are an Integral Part of These Financial Statements

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<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 - EXCLUDED FROM "CAPS"					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Municipal Alliance - State Share	\$ 5,755	\$ 5,755	\$ 5,755	\$ -	\$ -
Municipal Alliance - Local Share	1,439	1,439	1,439	-	-
Body Armour Grant	3,588	3,588	3,588	-	-
COPS Technology & Communication Policing Grant		1,000,000	1,000,000	-	-
Recycling Tonnage Grant		30,177	30,177	-	-
National Opioid Settlement	27,597	27,597	27,597	-	-
BC OSTF 2025 - Improvements to Wayne Colon Park	50,000	50,000	50,000	-	-
US Department of Housing-Bradley Ave Impvts	130,000	130,000	130,000	-	-
NJ DOT -New Jersey Ave	201,906	201,906	201,906	-	-
Distracting Driving		7,000	7,000	-	-
Drive Sober or Get Pulled Over		7,000	7,000	-	-
Drunk Driving Enforcement Fund	-	9,187	9,187	-	-
	<u>6,418,926</u>	<u>7,479,790</u>	<u>7,292,600</u>	\$ 187,190	<u>-</u>
 Total Operations - Excluded from "CAPS"					
	<u>6,418,926</u>	<u>7,479,790</u>	<u>7,292,600</u>	\$ 187,190	<u>-</u>
 Detail:					
Salaries and Wages	185,000	1,288,009	1,280,719	7,290	-
Other Expenses	6,233,926	6,191,781	6,011,881	179,900	-
	<u>6,233,926</u>	<u>6,191,781</u>	<u>6,011,881</u>	<u>179,900</u>	<u>-</u>
 CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Capital Improvement Excluded from "CAPS"	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,025,000	2,025,000	2,025,000	-	-
Interest on Bonds	1,151,500	1,151,500	1,151,500	-	-
	<u>3,176,500</u>	<u>3,176,500</u>	<u>3,176,500</u>	<u>-</u>	<u>-</u>
 Total Municipal Debt Service Excluded from "CAPS"	<u>3,176,500</u>	<u>3,176,500</u>	<u>3,176,500</u>	<u>-</u>	<u>-</u>
 Deferred Charges - Special Emergency	164,000	164,000	164,000	-	-
	<u>164,000</u>	<u>164,000</u>	<u>164,000</u>	<u>-</u>	<u>-</u>
 Total Deferred Charges-Municipal Excluded from "CAPS"	<u>164,000</u>	<u>164,000</u>	<u>164,000</u>	<u>-</u>	<u>-</u>
 Total General Appropriations Excluded from "CAPS"	<u>9,759,426</u>	<u>10,820,290</u>	<u>10,633,100</u>	<u>187,190</u>	<u>-</u>
 Total General Appropriations	45,491,900	46,545,264	43,669,014	2,876,250	-
Reserve for Uncollected Taxes	2,150,000	2,150,000	2,150,000	-	-
	<u>2,150,000</u>	<u>2,150,000</u>	<u>2,150,000</u>	<u>-</u>	<u>-</u>
 Total General Appropriations	\$ 47,641,900	\$ 48,695,264	\$ 45,819,014	\$ 2,876,250	\$ -
	<u>\$ 47,641,900</u>	<u>\$ 48,695,264</u>	<u>\$ 45,819,014</u>	<u>\$ 2,876,250</u>	<u>\$ -</u>
 Reference	A-2	A-3	A-1	A, A-1	

BOROUGH OF BERGENFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Reference</u>	<u>Budget After Modification</u>		<u>Paid or Charged</u>
Budget as Adopted	A-3	\$ 47,641,900		
Added by N.J.S.A. 40A:4-87	A-3	<u>1,053,364</u>		
		<u>\$ 48,695,264</u>		
Cash Disbursed	A-4		\$ 40,582,941	
Reserve for Uncollected Taxes	A-2		2,150,000	
Encumbrances Payable	A-13		1,448,424	
Deferred Charges	A-26		164,000	
Transfer of Grants to Appropriated Reserves	A-21		<u>1,473,649</u>	
			<u>\$ 45,819,014</u>	

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2025 AND 2024

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
ASSETS			
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	\$ 248,176	\$ 255,543
		<u>248,176</u>	<u>255,543</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-1	11,961	8,531
		<u>11,961</u>	<u>8,531</u>
OTHER TRUST FUND			
Cash	B-1	3,281,987	2,985,367
		<u>3,281,987</u>	<u>2,985,367</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	3,344,073	2,931,230
Contribution Receivable	B	106,062	92,375
		<u>3,450,135</u>	<u>3,023,605</u>
Total Assets		<u>\$ 6,992,259</u>	<u>\$ 6,273,046</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2025 AND 2024

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
LIABILITIES AND RESERVES			
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-5		\$ 10,006
Reserve for Unemployment Compensation Insurance	B-6	<u>\$ 248,176</u>	<u>245,537</u>
		<u>248,176</u>	<u>255,543</u>
ANIMAL CONTROL TRUST FUND			
Due to Current Fund	B-4	1,141	209
Due to State of New Jersey	B-3	19	4
Reserve for Animal Control Expenditures	B-2	<u>10,801</u>	<u>8,318</u>
		<u>11,961</u>	<u>8,531</u>
OTHER TRUST FUND			
Due to Current Fund - Other Trust Flex Spending	B-8	2,500	2,500
Reserve for:			
Payroll Deductions and Withholdings	B-12	129,462	191,965
Miscellaneous Deposits	B-7	<u>3,150,025</u>	<u>2,790,902</u>
		<u>3,281,987</u>	<u>2,985,367</u>
LENGTH OF SERVICE AWARD PROGRAM			
TRUST FUND (UNAUDITED)			
Reserve for LOSAP	B	<u>3,450,135</u>	<u>3,023,605</u>
Total Liabilities and Reserves		<u>\$ 6,992,259</u>	<u>\$ 6,273,046</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2025 AND 2024

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
ASSETS			
Cash	C-2, C-3	\$ 8,893,894	\$ 8,511,553
Deferred Charges to Future Taxation			
Funded	C-4	29,390,000	31,415,000
Unfunded	C-5	<u>7,239,675</u>	<u>5,055,112</u>
Total Assets		<u>\$ 45,523,569</u>	<u>\$ 44,981,665</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-12	\$ 29,390,000	\$ 31,415,000
Bond Anticipation Notes Payable	C-11	4,000,000	
Contracts Payable	C-8	3,795,271	4,427,735
Improvement Authorizations			
Funded	C-6	1,407,018	2,638,874
Unfunded	C-6	4,446,925	3,805,608
Reserve for Payment of Bonds	C-9	1,167,509	1,262,602
Reserve for Arbitrage Rebate Liability	C-13	332,852	332,852
Capital Improvement Fund	C-7	472,727	587,727
Fund Balance	C-1	<u>511,267</u>	<u>511,267</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 45,523,569</u>	<u>\$ 44,981,665</u>

There were bonds and notes authorized but not issued on December 31, 2025 and 2024 of \$3,239,675 and \$5,055,112, respectively. (Exhibit C-14)

BOROUGH OF BERGENFIELD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
Balance, January 1	C	\$ 511,267	\$ 490,927
Increased by:			
Cancellation of Improvement Authorization	C-6	-	20,340
Balance, December 31	C	<u>\$ 511,267</u>	<u>\$ 511,267</u>

BOROUGH OF BERGENFIELD
COMPARATIVE BALANCE SHEETS- REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Land	\$ 6,550,150	\$ 6,550,150
Land Improvements	440,177	440,177
Buildings and Building Improvements	24,877,978	24,877,978
Machinery and Equipment	<u>20,302,250</u>	<u>18,567,184</u>
 Total Assets	 <u>\$ 52,170,555</u>	 <u>\$ 50,435,489</u>
 Investment in General Fixed Assets	 <u>\$ 52,170,555</u>	 <u>\$ 50,435,489</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Description of Regulatory Basis of Accounting

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

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2024 balances to conform to the December 31, 2025 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, 2025 AND 2024

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

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

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

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. The Borough has elected not to implement GASB 101 "Compensated Absences" to determine its compensated absences liability. The Borough had reported compensated absences liability for only vested employees eligible for such payments. GAAP requires the liability to be determined for both vested and non-vested employees and that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the proprietary funds and government-wide financial statements.

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

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

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

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

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

No depreciation has been provided for in the financial statements.

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund

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

1977 Appropriation “CAP”: The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the “cost of living adjustment” (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum. Exceptions to the limitations imposed by the Appropriation CAP also exist for other items including capital expenditures; debt service extraordinary expenses approved by the Local Finance Board; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

2010 Levy “CAP”: The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year’s amount to be raised by taxation for municipal purposes, exclusive of amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2%, and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting (Continued)

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2025 and 2024 the Borough Council increased the original budget by \$1,053,364 and \$2,179,333. The increases were funded by additional aid allotted to the Borough. The governing body approved several budget transfers during 2025 and 2024.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2025 and 2024, the book value of the Borough's deposits were \$22,113,552 and \$18,849,472 and bank and brokerage firm balances of the Borough's deposits amounted to \$22,493,080 and \$18,930,656, 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>2025</u>	<u>2024</u>
Insured	\$ 21,599,322	\$ 18,145,772
Uninsured and Collateralized	<u>893,758</u>	<u>784,884</u>
	<u>\$ 22,493,080</u>	<u>\$ 18,930,656</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2025 and 2024, the Borough’s bank balances of \$893,758 and \$784,884 an were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2025</u>	<u>2024</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 893,758	\$ 784,884
	<u>\$ 893,758</u>	<u>\$ 784,884</u>

B. Investments

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

As of December 31, 2025 and 2024 the Borough had the following investments:

<u>Investment Type</u>	<u>Valuation Basis</u>	<u>2025</u>	<u>2024</u>
Investment:			
N.J. Cash Management Fund	Book Value	\$ 7,305,074	\$ 9,846,752
Lincoln Financial LOSAP Retirement Fund (Unaudited)	Fair Value	<u>3,344,073</u>	<u>2,931,230</u>
		<u>\$ 10,649,147</u>	<u>\$ 12,777,982</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2025 and 2024, \$10,649,147 and \$12,777,982 of the Borough’s investments were exposed to custodial credit risk as follows:

	<u>Fair</u> <u>Value</u>	<u>Book</u> <u>Value</u>
<u>2025</u>		
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ 3,344,073	
Collateral held by Borough Agent in the Borough's name		\$ 7,305,074
<u>2024</u>		
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	\$ 2,931,230	
Collateral held by Borough Agent in the Borough's name		\$ 9,846,752

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2025 and 2024, the Borough’s investment in Lincoln Financial Group was rated A2 by Moody’s Investor Services and A- by Standard and Poors.

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

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2025 and 2024 are categorized as Level 2.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
<u>Current Fund</u>		
Property Taxes	\$ 1,081,794	\$ 1,093,041
Tax Title Liens	<u>1,963</u>	<u>1,496</u>
	<u>\$ 1,083,757</u>	<u>\$ 1,094,537</u>

In 2025 and 2024, the Borough collected \$1,051,501 and \$846,466 from delinquent taxes, which represented 96% and 97%, 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>2025</u>		<u>2024</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 3,641		\$ 2,709	
Animal Control Fund		\$ 1,141		\$ 209
Other Trust Fund-FSA	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
	<u>\$ 3,641</u>	<u>\$ 3,641</u>	<u>\$ 2,709</u>	<u>\$ 2,709</u>

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

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

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<u>2025</u>			
Special Emergency Authorizations (40A:4-55)	<u>\$656,000</u>	<u>\$164,000</u>	<u>\$492,000</u>
<u>2024</u>			
Special Emergency Authorizations (40A:4-55)	<u>\$820,000</u>	<u>\$164,000</u>	<u>\$656,000</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 7 FUND BALANCES APPROPRIATED

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

	<u>2025</u>		<u>2024</u>	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 5,731,690	\$ 5,000,000	\$ 7,854,021	\$ 6,660,000
Non-Cash Surplus	<u>656,000</u>	<u>-</u>	<u>820,000</u>	<u>-</u>
	<u>\$ 6,387,690</u>	<u>\$ 5,000,000</u>	<u>\$ 8,674,021</u>	<u>\$ 6,660,000</u>

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2025 and 2024.

	2025				Balance, December 31, 2025
	Balance December 31, 2024	Increase	Decrease	Adjustments	
Land	\$ 6,550,150				\$ 6,550,150
Land Improvements	440,177				440,177
Buildings and Building Improvements	24,877,978				24,877,978
Machinery and Equipment	<u>18,567,184</u>	<u>\$ 1,869,584</u>	<u>\$ 134,518</u>	<u>-</u>	<u>20,302,250</u>
	<u>\$ 50,435,489</u>	<u>\$ 1,869,584</u>	<u>\$ 134,518</u>	<u>\$ -</u>	<u>\$ 52,170,555</u>
	2024				Balance, December 31, 2024
	Balance December 31, 2023	Increase	Decrease	Adjustments	
Land	\$ 6,477,650	\$ 72,500			\$ 6,550,150
Land Improvements	419,753	20,424			440,177
Buildings and Building Improvements	24,915,728	34,750	\$ 72,500		24,877,978
Machinery and Equipment	<u>18,215,208</u>	<u>1,109,613</u>	<u>757,637</u>	<u>-</u>	<u>18,567,184</u>
	<u>\$ 50,028,339</u>	<u>\$ 1,237,287</u>	<u>\$ 830,137</u>	<u>\$ -</u>	<u>\$ 50,435,489</u>

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2025</u>	<u>2024</u>
Issued		
General		
Bonds and Notes	\$ 33,390,000	\$ 31,415,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>1,167,509</u>	<u>1,262,602</u>
Net Debt Issued	<u>32,222,491</u>	<u>30,152,398</u>
Authorized But Not Issued		
General		
Bonds and Notes	<u>3,239,675</u>	<u>5,055,112</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 35,462,166</u>	<u>\$ 35,207,510</u>

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of 0.775% and 0.844% at December 31, 2025 and 2024, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2025</u>			
General Debt	\$ 36,629,675	\$ 1,167,509	\$ 35,462,166
Total	<u>\$ 36,629,675</u>	<u>\$ 1,167,509</u>	<u>\$ 35,462,166</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2024</u>			
General Debt	\$ 36,470,112	\$ 1,262,602	\$ 35,207,510
Total	<u>\$ 36,470,112</u>	<u>\$ 1,262,602</u>	<u>\$ 35,207,510</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Borrowing Power

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

	<u>2025</u>	<u>2024</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 160,116,284	\$ 145,983,437
Net Debt	<u>35,462,166</u>	<u>35,207,510</u>
Remaining Borrowing Power	<u>\$ 124,654,118</u>	<u>\$ 110,775,927</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>2025</u>	<u>2024</u>
\$11,700,000, 2019 General Improvement Bonds, due in annual installments of \$1,200,000 to \$1,250,000 through February 15, 2029, interest from 2.00% to 3.00%	\$ 4,900,000	\$ 6,100,000
\$26,965,000, 2022 General Improvement Bonds due in annual installments of \$825,000 to \$1,645,000 through August 1, 2042, interest from 3.00% to 5.00%	<u>24,490,000</u>	<u>25,315,000</u>
	<u>\$ 29,390,000</u>	<u>\$ 31,415,000</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2024 is as follows:

Calendar Year	General		Total
	Principal	Interest	
2026	\$ 2,025,000	\$ 1,086,250	\$ 3,111,250
2027	2,025,000	1,015,000	3,040,000
2028	2,075,000	937,000	3,012,000
2029	2,075,000	858,250	2,933,250
2030	1,620,000	798,250	2,418,250
2031-2035	8,100,000	2,970,650	11,070,650
2036-2040	8,180,000	1,395,050	9,575,050
2041-2042	<u>3,290,000</u>	<u>148,050</u>	<u>3,438,050</u>
Total	<u>\$ 29,390,000</u>	<u>\$ 9,208,500</u>	<u>\$ 38,598,500</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2025 and 2024 were as follows:

	Balance, December 31, 2024	Additions	Reductions	Balance, December 31, 2025	Due Within One Year
<u>2025</u>					
General Capital Fund Bonds Payable	\$ 31,415,000	\$ -	\$ 2,025,000	\$ 29,390,000	\$ 2,025,000
General Capital Fund Long-Term Liabilities	\$ 31,415,000	\$ -	\$ 2,025,000	\$ 29,390,000	\$ 2,025,000
	Balance, December 31, 2023	Additions	Reductions	Balance, December 31, 2024	Due Within One Year
<u>2024</u>					
General Capital Fund Bonds Payable	\$ 33,440,000		\$ 2,025,000	\$ 31,415,000	\$ 2,025,000
Intergovernmental Loans Payable	<u>13,936</u>	<u>-</u>	<u>13,936</u>	<u>-</u>	<u>-</u>
General Capital Fund Long-Term Liabilities	<u>\$ 33,453,936</u>	<u>\$ -</u>	<u>\$ 2,038,936</u>	<u>\$ 31,415,000</u>	<u>\$ 2,025,000</u>

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2025 and 2024 was as follows:

Purpose	Rate (%)	Maturity Date	Balance, December 31,			Balance, December 31, 2025
			2024	Increased	Decreased	
2025						
<u>General Capital Fund</u>						
2616 Various Public Improvements	3.15%	11/13/2026	-	\$ 2,355,112	-	\$ 2,355,112
2623 Various Public Improvements	3.15%	11/13/2026	-	1,644,888	-	1,644,888
			<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>

2024

General Capital Fund

THERE WERE NONE

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
2025		
Construction for New Muni Building	\$ 1,257,601	2026
Electric Garbage Trucks	807,040	2026
2024		
Construction for New Muni Building	\$ 1,896,606	2025
PAL Field Lighting Improvement Project	931,000	2025
Electric Garbage Trucks	807,040	2025

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$2,449,583 and \$2,641,872 at December 31, 2025 and 2024, 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, 2025 and 2024, the Borough has reserved in the Other Trust Fund \$1,268,168 and \$1,038,979, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2025 and 2024 were as follows:

	Balance, December 31, <u>2024</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2025</u>	<u>Due Within One Year</u>
<u>2025</u>					
Compensated Absences*	\$ 2,641,872		\$ 192,289	\$ 2,449,583	
Net Pension Liability- PERS (1)	10,052,346			10,052,346	
Net Pension Liability- PFRS (1)	17,604,372			17,604,372	
Net OPEB Obligation (1)	51,064,540			51,064,540	
Net OPEB Obligation- Other for Prescription and Dental	<u>24,459,509</u>	<u>\$ 4,576,927</u>	<u>1,468,123</u>	<u>27,568,313</u>	<u>-</u>
	<u>\$ 105,822,639</u>	<u>\$ 4,576,927</u>	<u>\$ 1,660,412</u>	<u>\$ 108,739,154</u>	<u>\$ -</u>
	Balance, December 31, <u>2023</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	<u>Due Within One Year</u>
<u>2024</u>					
Compensated Absences*	\$ 3,282,253		\$ 640,381	\$ 2,641,872	
Net Pension Liability- PERS	10,344,233	\$ 662,614	954,501	10,052,346	
Net Pension Liability- PFRS	17,704,216	2,033,230	2,133,074	17,604,372	
Net OPEB Obligation	43,429,225	7,635,315		51,064,540	
Net OPEB Obligation- Other for Prescription and Dental	<u>26,598,958</u>	<u>1,408,046</u>	<u>3,547,495</u>	<u>24,459,509</u>	<u>-</u>
	<u>\$ 101,358,885</u>	<u>\$ 11,739,205</u>	<u>\$ 7,275,451</u>	<u>\$ 105,822,639</u>	<u>\$ -</u>

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

*The change in the liability is presented as a net change.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

The following represents the membership tiers for PFRS:

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

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

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

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

Other Pension Funds

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

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

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

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2025 was not available and for June 30, 2024 is \$13.7 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.22% at June 30, 2024. The collective net pension liability of the participating employers for local PFRS at June 30, 2025 was not available and for June 30, 2024 is \$12.4 billion and the plan fiduciary net position as a percentage of total pension liability is 72.66% at June 30, 2024.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2025 and 2024 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee’s annual compensation.

For the years ended December 31, 2025 and 2024 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2025, 2024 and 2023 were equal to the required contributions.

During the years ended December 31, 2025, 2024 and 2023, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31,</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2025	\$ 2,358,091	\$ 1,006,652	\$ 42,928
2024	2,133,074	954,501	38,051
2023	2,174,518	947,469	39,630

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2023 for the measurement date of June 30, 2025 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2025 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2024 and 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due, based on statutory requirements.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2024, the Borough reported a liability of \$10,052,346 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough’s proportionate share was 0.07398 percent, which was an increase of 0.00256 from its proportionate share measured as of June 30, 2023 of 0.07142 percent.

For the year ended December 31, 2024, the pension system has determined the Borough’s pension (benefit) to be (\$78,813) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$954,501. At December 31, 2024, the Borough’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 201,367	\$ 26,762
Changes of Assumptions	12,488	114,373
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		466,100
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>411,585</u>	<u>521,994</u>
Total	<u>\$ 625,440</u>	<u>\$ 1,129,229</u>

At December 31, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2025	\$ (550,307)
2026	307,351
2027	(231,809)
2028	(38,105)
2029	<u>9,081</u>
	<u>\$ (503,789)</u>

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2024</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>2024</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2024 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2024</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 13,357,096</u>	<u>\$ 10,052,346</u>	<u>\$ 7,240,022</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2024. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

Police and Firemen’s Retirement System (PFRS)

At December 31, 2024, the Borough reported a liability of \$17,604,372, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough’s proportionate share was 0.17048 percent, which was an increase of 0.01024 from its proportionate share measured as of June 30, 2023 of 0.16024 percent.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2024, the pension system has determined the Borough pension expense (benefit) to be \$268,307, for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$2,133,074. At December 31, 2024, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,109,062	\$ 172,459
Changes of Assumptions	27,829	147,946
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		39,428
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>963,800</u>	<u>516,519</u>
Total	<u>\$ 2,100,691</u>	<u>\$ 876,352</u>

At December 31, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2025	(753,078)
2026	1,084,484
2027	364,392
2028	(11,448)
2029	490,104
Thereafter	<u>49,885</u>
	<u>\$ 1,224,339</u>

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2024</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the Pub-2010 (safety employee) amount-weighted mortality table (sex specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality (sex specific) projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retire amount – weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2024, are summarized in the following table:

<u>Asset Class</u>	2024	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Cash Equivalents	2.00%	3.40%
U.S. Treasury Bond	7.00%	4.10%
Non-US Developed Large-Cap Equity	9.50%	6.70%
Non-US Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Small Cap Equity	1.50%	9.60%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Private Debit/Credit	8.00%	9.10%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Equity	10.00%	10.00%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2024 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2024</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 25,152,731</u>	<u>\$ 17,604,372</u>	<u>\$ 11,318,243</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2024. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

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

At December 31, 2024, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,470,664. For the year ended December 31, 2024, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$399,272 which is the same as the actual contribution the State made on behalf of the Borough of \$399,272. At December 31, 2024 (measurement date June 30, 2023) the State’s share of the PFRS net pension liability attributable to the Borough was 0.17048 percent, which an increase of 0.1024 from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2023) of 0.16024 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported in the Borough’s financial statements.

Pension Plan Fiduciary Net Position

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

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

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

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

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

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

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2024:

Active Plan Members	60,691
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>28,899</u>
Total	<u>89,590</u>
Contributing Employers	555
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2025 was not available and for June 30, 2024 is \$17.9 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.89)% at June 30, 2024.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2023 which was rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of \$399.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$62.8 million for fiscal year 2024.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2025, 2024 and 2023 were \$2,651,810, \$2,353,726 and \$2,357,418, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2025, 2024 and 2023 were \$230,725, \$193,042 and \$186,924, respectively.

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2024 for the measurement date of June 30, 2025 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2025 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2024 and 2023. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

At December 31, 2024, the Borough reported a liability of \$51,064,540, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023. The Borough’s proportionate share of the net OPEB liability was based on the ratio of the Borough’s proportionate share of the OPEB liability attributable to the Borough at June 30, 2024 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2024. As of the measurement date of June 30, 2024 the Borough’s proportionate share was 0.28519 percent, which was a decrease of 0.00421 from its proportionate share measured as of June 30, 2023 of 0.28940 percent.

For the year ended December 31, 2024, the Plan has determined the Borough’s OPEB expense (benefit) to be (68,049), based on the actuarial valuation which is less than the actual contributions reported in the Borough’s financial statements of \$658,783. At December 31, 2024, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,586,058	\$ 8,652,089
Changes of Assumptions	8,537,025	8,476,392
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments		23,115
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	9,066,377	3,491,527
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 20,189,460</u>	<u>\$ 20,643,123</u>

At December 31, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2025	\$ (1,878,387)
2026	(1,543,782)
2027	977,607
2028	(162,570)
2029	322,940
Thereafter	<u>1,830,529</u>
	<u>\$ (453,663)</u>

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough’s total OPEB liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

2024

Salary Increases*

PERS:

Rate For All Future Years

2.75% to 6.55%
 Based on Years of Service

PFRS:

Rate For All Future Years

3.25% to 16.25%
 Based on Years of Service

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

Mortality Rates

Pre-retirement healthy mortality

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

Post-retirement healthy mortality

Post-retirement mortality rates for Chapter 330 retirees were based on the Pub-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the Pub-2010 General classification headcount-weighted mortality table with fully generational improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality

Disabled retiree mortality rates for PERS future disabled retirees were based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on Pub-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the Pub-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled mortality rates for other current retirees were based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 7.50% and decreases to a 4.50% long-term trend rate after 9 years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in Fiscal Year 2027 and decreasing to 4.50% in Fiscal Year 2034. For HMO the trend is increasing to 23.58% in Fiscal Year 2027 and decreasing to 4.50% in Fiscal Year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after 9 years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 measurement date was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough’s proportionate share of the net OPEB liability as of December 31, 2024 calculated using the discount rate of 3.93% as well as what the Borough’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.93% or 1-percentage-point higher 4.93% than the current rate:

	1% Decrease <u>2.93%</u>	Current Discount Rate <u>3.93%</u>	1% Increase <u>4.93%</u>
<u>2024</u> Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 59,484,686</u>	<u>\$ 51,064,540</u>	<u>\$ 44,320,752</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2024. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the Plan.

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2024</u> Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 43,190,178</u>	<u>\$ 51,064,540</u>	<u>\$ 61,188,757</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2024. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the pension system.

OPEB Plan Fiduciary Net Position

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

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Borough Administered Post-Retirement Health Benefits Program

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

Plan Description

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

Benefits Provided

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

Employees Covered by Postemployment Benefits

At December 31, 2025, the following employees were covered by postemployment health care benefits:

	<u>2025</u>
Active Employees	138
Inactive Employees or Beneficiaries Currently Receiving Benefits	127
	<u>265</u>

At December 31, 2025 and 2024, the Borough’s total OPEB liabilities were \$27,568,313 and \$24,459,509, respectively. Net OPEB liability was measured as of December 31, 2025 and 2024, respectively, and the OPEB liability was determined by an actuarial valuation as of January 1, 2025 and 2024, respectively.

For the years ended December 31, 2025 and 2024, the Borough has determined it’s OPEB expense (benefit) to be \$242,997 and (\$115,825), respectively, based on the actuarial valuations which are less than the actual contributions reported in the Borough’s financial statements of \$900,665 and \$797,782, respectively. At December 31, 2025 and 2024, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Employees Covered by Postemployment Benefits (Continued)

	<u>2025</u>		<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 4,043,843	\$ 1,524,591	\$ 1,771,142	\$ 2,307,467
Changes of Assumptions	<u>2,315,081</u>	<u>6,127,285</u>	<u>3,464,300</u>	<u>7,987,399</u>
Total	<u>\$ 6,358,924</u>	<u>\$ 7,651,876</u>	<u>\$ 5,235,442</u>	<u>\$ 10,294,866</u>

At December 31, 2025 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2026	\$ (1,020,123)
2027	(1,196,858)
2028	485,278
2029	(9,766)
2030	<u>448,517</u>
	<u>\$ (1,292,952)</u>

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2025 was based on the December 31, 2025 measurement date as determined by an actuarial valuation as of January 1, 2025, which was rolled forward to December 31, 2025. The total OPEB liability reported for the year ended December 31, 2024 was based on the December 31, 2024 measurement date as determined by an actuarial valuation as of January 1, 2024, which was rolled forward to December 31, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2025</u>	<u>2024</u>
Inflation Rate	3.00%	3.00%
Salary Increases	3.00%	3.00%
Discount Rate	4.43%	4.28%
Healthcare Cost Trend Rates	7% decreasing to 4.5%	7% decreasing to 4.
Retirees' Share of Benefit-Related Costs	None	None

The discount rate was based on S&P Municipal Bond 20 Year High Grade Bond Index for 2024 and 2023.

Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2025 salaries were reported as \$16,686,202.

Changes in the Total OPEB Liability

The change in the Borough's OPEB liability for the years ended December 31, 2025 and 2024 based on measurement dates of January 1, 2025 and 2024, respectively are as follows:

	<u>Total OPEB Liability 2025</u>	<u>Total OPEB Liability 2024</u>
Balance - Beginning of Year	\$ 24,459,509	\$ 26,598,958
Changes for the Year:		
Service Cost	278,816	360,043
Interest on the Total OPEB Liability	1,039,526	1,048,003
Changes of Benefit Terms		
Differences Between Expected and Actual Experience	3,258,585	(325,051)
Changes in Assumptions	(567,458)	(2,424,662)
Benefit Payments	(900,665)	(797,782)
Net Changes	<u>3,108,804</u>	<u>(2,139,449)</u>
Balance - End of Year	<u>\$ 27,568,313</u>	<u>\$ 24,459,509</u>

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough’s net OPEB liability as of December 31, 2025 and 2024 calculated using the discount rate of 4.43% and 4.28%, respectively, as well as what the Borough’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 3.43% and 3.28%, respectively or 1-percentage-point higher 5.43% and 5.28%, respectively than the current rate:

	1% Decrease (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
<u>2025</u>			
Net OPEB Liability	<u>\$ 32,209,520</u>	<u>\$ 27,568,313</u>	<u>\$ 23,874,361</u>
	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
<u>2024</u>			
Net OPEB Liability	<u>\$ 28,529,730</u>	<u>\$ 24,459,509</u>	<u>\$ 21,215,259</u>

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

The following presents the Borough’s net OPEB liability as of December 31, 2025 and 2024 calculated using the healthcare trend rates as disclosed above as well as what the Borough’s net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.0%)	Healthcare Cost Trend Rates (7.0%)	1% Increase (8.0%)
<u>2025</u>			
Net OPEB Liability	<u>\$ 23,793,639</u>	<u>\$ 27,568,313</u>	<u>\$ 32,345,625</u>
	1% Decrease (6.0%)	Healthcare Cost Trend Rates (7.0%)	1% Increase (8.0%)
<u>2024</u>			
Net OPEB Liability	<u>\$ 21,152,922</u>	<u>\$ 24,459,509</u>	<u>\$ 28,633,449</u>

**BOROUGH OF BERGENFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 14 RISK MANAGEMENT

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

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

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

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

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

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

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2025	-	\$ 23,507	\$ 29,276	\$ 248,176
2024	-	22,860	38,241	245,537
2023	-	21,691	7,397	255,660

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2025 and 2024. 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, 2025 and 2024, the Borough reserved \$1,588,842 and \$2,514,356, 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, 2025 and 2024, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2025 and 2024, the Borough estimated arbitrage earnings due to the IRS to be \$332,852, respectively. This amount has been reserved in the General Capital Fund.

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

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

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

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

BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

The Borough of Bergenfield has contributed \$1,360 and \$1,358 for 2025 and 2024, respectively, for each eligible volunteer member into the Plan.

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 18 TAX ABATEMENTS

For the years ended December 31, 2025 and 2024, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law"), the Five-Year Exemption and Abatement Law (the "FYEA) and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- Prior to the enactment of the Long Term Tax Exempt Law (NJSA 40A:20 et.seq.) and under the provisions of the Senior Citizens Nonprofit Rental Housing Tax Law (NJSA 55:141-1), which has since been repealed, allows for the clearance, re-planning, development or redevelopment of blighted areas by means of a non-profit rental housing project for the elderly, developed, erected and owed by a non-profit corporations under the Federal Senior Citizens Housing Loan Program, and pursuant to section 202 of the Federal Housing Act of 1959, as amended; authorizing and providing for the exemption in part of such non-profit rental housing projects from taxation under the law. A qualified municipality could abate for up to 50 years the property taxes on newly construction senior housing. The process beings when the municipality passes by ordinance or resolution, as appropriate, that such residential rental senior housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor to make a PILOT payment to the municipality in an amount equal to a percentage of the annual gross revenue from each senior housing project. For the years ended December 31, 2025 and 2024 the Borough abated property taxes totaling \$504,630 and \$476,145, respectively, under this law. The Borough received \$117,248 and \$105,839 in PILOT payments under this program for the years ended December 31, 2025 and 2024, respectively.

**BOROUGH OF BERGENFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 19 SUBSEQUENT EVENT

Debt Authorized

On April 21, 2026 the Borough adopted a bond ordinance authorizing the issuance \$2,668,000 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, 2024		\$ 16,931,380
Increased by Receipts:		
Taxes Receivable	\$ 101,488,694	
Non-Budget Revenue	313,426	
Revenue Accounts Receivable	5,039,973	
Due from State of New Jersey	86,850	
Tax Overpayments	49,783	
Prepaid Taxes	648,391	
Grants Receivable	1,830,876	
Unappropriated Reserves- Grants	81,615	
DCA Training Fees / DCA Lead Inspection Fees	62,772	
Prepaid Revenue	25,614	
Receipts From Animal Control Fund	498	
Receipts From General Capital Fund	313,195	
Receipts From Other Trust Fund	90,252	
Petty Cash	<u>1,100</u>	
		<u>110,033,039</u>
		126,964,419
Decreased by Disbursements:		
2025 Budget Appropriations	40,582,941	
2025 Appropriation Reserves	2,670,770	
Encumbrances Payable - Reserve for Grants	1,053,374	
County Taxes Payable	10,831,266	
Local School District Taxes Payable	52,435,498	
Tax Overpayments	48,283	
Reserve for Tax Appeals	925,514	
Accounts Payable	118,168	
DCA Training Fees	43,871	
Reserve for Grants - Appropriated	1,189,246	
Payments to Other Trust Fund	85,630	
Petty Cash	<u>1,100</u>	
		<u>109,985,661</u>
Balance, December 31, 2025		<u>\$ 16,978,758</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF CHANGE FUND**

Balance, December 31, 2024	\$ <u>3,850</u>
Balance, December 31, 2025	\$ <u>3,850</u>

STATEMENT OF PETTY CASH FUND

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

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

Balance, December 31, 2024	\$ 12,638
Decreased by:	
Cash Received from State	\$ 86,850
Senior Citizens' and Veterans Deductions Disallowed by Tax Collector- 2025	750
Senior Citizens' and Veterans Deductions Disallowed by Tax Collector- 2024	<u>5,382</u>
	<u>92,982</u>
	105,620
Increased by:	
Senior Citizens Deductions Per Tax Billings	14,250
Veterans Deductions Per Tax Billings	72,750
Senior Citizens' and Veterans Deductions Allowed by Tax Collector	5,250
Senior Citizens' and Veterans Deductions Allowed by Tax Collector- 2024	<u>250</u>
	<u>92,500</u>
Balance, December 31, 2025	\$ <u>13,120</u>

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

Year	Balance,	2025 Levy	Added in 2025	Senior	Collected In		Senior	Cancelled	Transferred to Tax Title Liens	Balance,
	December 31, 2024			Citizens' and Veterans' Deductions Disallowed	2024	2025	Citizens' and Veterans' Deductions Allowed			December 31, 2025
2016	\$ 912									\$ 912
2017	2,410									2,410
2024	<u>1,089,719</u>	-	-	-	-	\$ 1,051,501	-	\$ 38,218	-	-
	1,093,041	-	-	-	-	1,051,501	-	38,218	-	3,322
2025	<u>-</u>	<u>\$ 102,050,833</u>	<u>\$ 227,038</u>	<u>\$ 750</u>	<u>\$ 526,167</u>	<u>100,437,193</u>	<u>\$ 92,250</u>	<u>144,072</u>	<u>\$ 467</u>	<u>1,078,472</u>
	<u>\$ 1,093,041</u>	<u>\$ 102,050,833</u>	<u>\$ 227,038</u>	<u>\$ 750</u>	<u>\$ 526,167</u>	<u>\$ 101,488,694</u>	<u>\$ 92,250</u>	<u>\$ 182,290</u>	<u>\$ 467</u>	<u>\$ 1,081,794</u>

Analysis of 2025 Tax Levy

TAX YIELD

General Purpose Tax	\$ 102,050,833
Added Taxes (NJSA 54:4-63.1 et seq)	<u>227,038</u>
	<u>\$ 102,277,871</u>

TAX LEVY

Local District School Tax (Abstract)	\$ 55,891,221
County Tax (Abstract)	10,786,179
Due County for Added and Omitted Taxes (54:4-63.1)	<u>23,923</u>
	66,701,323
Local Tax for Municipal Purposes	35,372,562
Add Additional Taxes Levied	<u>203,986</u>
	<u>35,576,548</u>
	<u>\$ 102,277,871</u>

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

Balance, December 31, 2024	\$	1,496
Increased by:		
Transfer from Current Year Taxes Receivable		467
Balance, December 31, 2025	\$	1,963

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2024	\$	1,698,373
Increased by:		
Adjustment to Foreclosed Property		265,027
		1,963,400
Decreased by:		
Properties Sold		72,500
Balance, December 31, 2025	\$	1,890,900

BOROUGH OF BERGENFIELD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2024</u>	Accrued <u>2025</u>	<u>Collected</u>	Balance, December 31, <u>2025</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 33,814	\$ 33,814	
Licenses		5,840	5,840	
Construction Code Official				
Fees and Permits		568,566	568,566	
Board of Health/Registrar of				
Fees and Permits		53,007	53,007	
Licenses		543	543	
Fire Prevention				
Fees and Permits		6,930	6,930	
Police Departments				
Fees and Permits		11,254	11,254	
Municipal Court				
Fines and Costs		336,586	336,586	
Interest and Costs on Taxes		230,866	230,866	
Interest on Investments and Deposits		687,888	687,888	
Rental - Tennis Courts		20,000	20,000	
Uniform Fire Safety		98,194	98,194	
PILOT Senior Citizen Complex		117,437	117,437	
Inspections		191,900	191,900	
Interlocal - Bergenfield Board of Education		183,145	183,145	
Franchise Fees- Verizon		117,248	117,248	
Franchise Fees- Cablevision		125,957	125,957	
Site Rental - Wireless Edge Towers 2		116,710	116,710	
Recreation Summer Program		28,801	28,801	
Reserve for Payment of Debt		100,000	100,000	
Energy Receipts Tax	-	<u>2,005,287</u>	<u>2,005,287</u>	-
	<u>\$ -</u>	<u>\$ 5,039,973</u>	<u>\$ 5,039,973</u>	<u>\$ -</u>
Cash Receipts			<u>\$ 5,039,973</u>	

BOROUGH OF BERGENFIELD
STATEMENT OF 2024 APPROPRIATION RESERVES

	Balance, December 31, <u>2024</u>	Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages					
Mayor & Council	\$ 7,375		\$ 7,375		\$ 7,375
General Administration	24,329		24,329		24,329
Municipal Clerk	4,438		4,438		4,438
Financial Administration	529		529		529
Tax Collection	2,614		2,614		2,614
Tax Assessment Administration	3,600		3,600		3,600
Police Department	242,055		242,055	\$ 240,813	1,242
Office of Emergency Management	2,500		2,500	-	2,500
Fire Official	22,309		22,309	-	22,309
Fire Department	52,356		52,356	50,000	2,356
Municipal Court	2,518		2,518	-	2,518
Streets and Roads Maintenance	87,128		87,128	80,000	7,128
Solid Waste Collection	128,603		128,603	120,000	8,603
Board of Health	8,260		8,260	-	8,260
Welfare/Administration of Public Assistance	1,000		1,000		1,000
Recreation Services and Programs	30,261		30,261	92	30,169
Community Affairs-Senior Citizens	4,170		4,170	-	4,170
Maintenance of Parks	60,376		60,376	60,000	376
Building Inspector	18,861		18,861	-	18,861
Barrier Free Board	1,600		1,600		1,600
Interlocal - Bergenfield Board of Education	17,945	-	17,945	-	17,945
Total Salaries and Wages	722,827	-	722,827	550,905	171,922
Other Expenses					
General Administration	17,240	\$ 58,086	75,326	28,935	46,391
Grant Consultant	-	3,600	3,600	3,600	-
Mayor & Council	225	523	748	523	225
Municipal Clerk	13,166	601	13,767	930	12,837
Financial Administration	33,606	5,522	39,128	19,979	19,149
Audit Services	-	83,050	83,050	64,800	18,250
Tax Collection	3,391	669	4,060	784	3,276
Tax Assessment Administration	6,018	831,787	837,805	812,963	24,842
Legal Services	89,660	37,451	127,111	65,238	61,873
Engineering	25,983	208,328	234,311	179,553	54,758
Planning Board	13,299	-	13,299	-	13,299
Other Insurance BC Joint Ins		172,543	172,543	166,549	5,994
Worker Compensation Insurance	922	177,269	178,191	177,270	921
Liability Insurance	41,331		41,331		41,331
Group Insurance	370,865	398,379	769,244	409,872	359,372
Health Benefit Waiver	8,117	-	8,117	-	8,117
Zoning Board of Adjustment	6,277	-	6,277	1,885	4,392
Police Department	24,813	17,618	42,431	18,974	23,457
Police Cars	-	36,696	36,696	36,696	-
Office of Emergency Management	4,000		4,000	-	4,000
First Aid Organization (Ambulance)	357	2,000	2,357	730	1,627
Fire Official	3,303	1,973	5,276	1,973	3,303
Fire Department	87,834	96,410	184,244	99,834	84,410

**BOROUGH OF BERGENFIELD
STATEMENT OF 2024 APPROPRIATION RESERVES**

	Balance, December 31, <u>2024</u>	Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Fire Hydrant Service	\$ 14	-	\$ 14	-	\$ 14
Prosecutor	4,750	\$ 4,175	8,925	\$ 4,350	4,575
Municipal Court	13,556	2,616	16,172	6,409	9,763
Public Defender	2,000	2,733	4,733	187	4,546
Streets and Roads Maintenance	79,021	28,495	107,516	97,504	10,012
Buildings and Grounds	67,385	50,833	118,218	48,694	69,524
Solid Waste Collection	77,871	119,500	197,371	184,760	12,611
Vehicle Maintenance	151,834	31,315	183,149	22,111	161,038
Board of Health	15,861	34,920	50,781	36,391	14,390
Environmental Committee	500	-	500	-	500
Stigma Free	225	1,480	1,705	1,480	225
Welfare/Administration of Public Asst.	250	-	250	-	250
Recreation Services and Programs	19,013	26,789	45,802	12,239	33,563
Community Affairs- Senior Citizens	16,470	-	16,470	-	16,470
Maintenance of Parks	4,312	30,004	34,316	32,093	2,223
Celebration of Public Events	7,279	15,814	23,093	13,464	9,629
Building Inspector	10,965	2	10,967	714	10,253
Barrier Free Board	50	-	50	-	50
Shade Tree Board	505	-	505	-	505
Electricity & Gasoline	23,158	30,000	53,158	23,687	29,471
Street Lighting	18,827	32,231	51,058	30,351	20,707
Telephone	17,609	15,894	33,503	13,866	19,637
Water	22,383	-	22,383	-	22,383
Gasoline	87,752	226,946	314,698	70,247	244,451
Sanitary Landfill - Tipping Fees	63,959	249,972	313,931	223,008	90,923
Contingent	2,500	-	2,500	-	2,500
Social Security System	41,821	-	41,821	672	41,149
Defined Contribution Retirement Plan	11,949	-	11,949	-	11,949
Sewerage Processing and Disposal - BCUA	9,659	-	9,659	-	9,659
Sewerage Processing - Tenafly	-	8,500	8,500	7,312	1,188
LOSAP	115,000	-	115,000	92,375	22,625
Sanitary Landfill - Recycling Tax	6,890	6,990	13,880	4,451	9,429
Public Library	65,059	-	65,059	-	65,059
Total Other Expenses	<u>1,708,834</u>	<u>3,051,714</u>	<u>4,760,548</u>	<u>3,017,453</u>	<u>1,743,095</u>
Grand Total	<u>\$ 2,431,661</u>	<u>3,051,714</u>	<u>\$ 5,483,375</u>	<u>\$ 3,568,358</u>	<u>\$ 1,915,017</u>
2024 Appropriation Reserves			\$ 2,431,661		
Encumbrances Transferred to 2024 Reserves			<u>3,051,714</u>		
			<u>\$ 5,483,375</u>		
Cash Disbursed				\$ 2,670,770	
Transfer to Accounts Payable				<u>897,588</u>	
				<u>\$ 3,568,358</u>	

**BOROUGH OF BERGENFIELD
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2024		\$ 3,051,714
Increased by:		
Charges to 2025 Budget Appropriations		<u>1,448,424</u>
		4,500,138
Decreased by:		
Restored to 2024 Appropriation Reserves		<u>3,051,714</u>
Balance, December 31, 2025		<u>\$ 1,448,424</u>

EXHIBIT A-14

STATEMENT OF ENCUMBRANCES PAYABLE - RESERVE FOR GRANTS

Balance, December 31, 2024		\$ 2,577,686
Increased by:		
Charges to 2025 Reserve for Grants- Appropriated		<u>758,048</u>
		3,335,734
Decreased by:		
Cancelled Prior Year Encumbrances	\$ 96,098	
Cash Disbursement	<u>1,053,374</u>	
		<u>1,149,472</u>
Balance, December 31, 2025		<u>\$ 2,186,262</u>

EXHIBIT A-15

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2024		\$ 2,514,356
Decreased by:		
Cash Paid to Appellants		<u>925,514</u>
Balance, December 31, 2025		<u>\$ 1,588,842</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2024	\$	35,583
Increased by:		
Cash Receipts		<u>49,783</u>
		85,366
Decreased by:		
Refunded		<u>48,283</u>
Balance, December 31, 2025	\$	<u>37,083</u>

STATEMENT OF OTHER LIENS RECEIVABLE

Balance, December 31, 2024	\$	<u>2,500</u>
Balance, December 31, 2025	\$	<u>2,500</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2024	\$	45,087
Increased by:		
2025 Levy		
General County Tax (Abstract)	\$ 10,322,804	
County Open Space Preservation	463,375	
Due County for Added and Omitted Taxes	<u>23,923</u>	
		<u>10,810,102</u>
		10,855,189
Decreased by:		
Payments		<u>10,831,266</u>
Balance, December 31, 2025	\$	<u>23,923</u>

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

Increased by:	
Levy - Calendar Year	\$ 55,891,221
Decreased by:	
Payments	<u>52,435,498</u>
Balance, December 31, 2025	<u>\$ 3,455,723</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2024	\$ 526,167
Increased by:	
Collection of 2026 Taxes	<u>648,391</u>
	1,174,558
Decreased by:	
Apply to 2025 Tax Receivable	<u>526,167</u>
Balance, December 31, 2025	<u>\$ 648,391</u>

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

	Balance, December 31, <u>2024</u>	Transfer from Current Year <u>Appropriations</u>	<u>Cancellation</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2025</u>
Alcohol Education and Rehabilitation	\$ 6,155			\$ 1,260	\$ 4,895
Bergen County DMHAS Youth Leadership Grant	64		\$ 64		-
Bergen County Food Safety Grant	4,512			4,512	-
Bergen County Open Space - Cooper Pond Phase II	117,592				117,592
Bergen County Open Space - Coopers Pond	158,697				158,697
BC Open Space - Veteran Memorial Park Basketball & Tennis Court Renovations	75,375				75,375
BC Open Space 2025 - Improvements to Wayne Colon Park		\$ 50,000			50,000
Body Armor Grant	703	3,588		1,312	2,979
Bulletproof Vest Partnership - USDOJ - FY 2024	7,306			863	6,443
Clean Communities Grant	235,342			66,997	168,345
DCA Bergenfield Little League Challenger Program	50,000				50,000
DCA American Rescue Plan - Firefighter Grant	75,000				75,000
DCA Public Service & Capital Improvements	1,225,000			49,799	1,175,201
Drive Sober or Get Pulled Over	7,000			7,000	-
Drunk Driving Enforcement Fund	3,103	9,187		3,103	9,187
Pedestrian Safety Grant	20,000			14,760	5,240
Drive Sober or Get Pulled Over		7,000		7,000	-
Distracting Driving		7,000		7,000	-
FY 2024 Local Efficiency Achievement Program Implementation Grant	300,000				300,000
Green Acres - Urban Parks Grant	24,000				24,000
Local Recreation Improvement Grant - Coopers Pond Improvements	60,000				60,000
Municipal Alliance- FY 2025	4,823		4,946	(123)	-
Municipal Alliance- FY 2026		5,755			5,755
Municipal Alliance- Local Match- FY 2024	1,439		1,439		-
Municipal Alliance- Local Match- FY 2025	1,129			1,129	-
Municipal Alliance- Local Match- FY 2026		1,439			1,439
National Opioid Settlement	71,111	27,597		1,500	97,208
NJ DEP - Equipment Modernization Program	62,202				62,202
NJ DEP - Urban Rain Garden Grant	212,750			115,540	97,210
NJ DOT - Hickory Ave	31,153		68,892	(37,739)	-
NJ DOT - Twin Boro Park Improvements	724,000			647,694	76,306
NJ DOT -New Jersey Ave		201,906		201,906	-
Recycling Tonnage Grant - 2020	5,294			5,294	-
Recycling Tonnage Grant - 2021	30,626			23,766	6,860
Recycling Tonnage Grant - 2022	30,162			1	30,161
Recycling Tonnage Grant - 2024	32,434				32,434
Recycling Tonnage Grant - 2024	33,369				33,369
Recycling Tonnage Grant - 2025		30,177			30,177
Stormwater Assistance Grant	15,000			15,000	-
The Recycling Partnership	54,640			54,640	-
US Department of HUD - CDBG Coopers Pond	750,000				750,000
US Department of HUD - CDBG Bradley Ave. Improvements		130,000		130,000	-
COPS Technology & Communication Policing Grant		1,000,000		625,080	374,920
FEMA - Building Resilient Infrastructure & Communities	-		-	(96,098)	96,098
	<u>\$ 4,429,981</u>	<u>\$ 1,473,649</u>	<u>\$ 75,341</u>	<u>\$ 1,851,196</u>	<u>\$ 3,977,093</u>

Grants Receivable	\$ 73,838
Fund Balance	<u>1,503</u>
	<u>\$ 75,341</u>

Cash Disbursements	\$ 1,189,246
Cancelled Encumbrance	(96,098)
Encumbrances-Grants	<u>758,048</u>
	<u>\$ 1,851,196</u>

BOROUGH OF BERGENFIELD
STATEMENT OF UNAPPROPRIATED RESERVES

	Balance, December 31, <u>2024</u>	Cash <u>Receipts</u>	Anticipated as 2025 Budget <u>Revenue</u>	Balance, December 31, <u>2025</u>
Body Armor	\$ 3,588		\$ 3,588	-
Clean Communities		\$ 54,722		\$ 54,722
National Opioid Settlement	<u>27,597</u>	<u>26,893</u>	<u>27,597</u>	<u>26,893</u>
	<u>\$ 31,185</u>	<u>\$ 81,615</u>	<u>\$ 31,185</u>	<u>\$ 81,615</u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2024	\$ 325,467
Increased by:	
Transfer from 2024 Appropriation Reserves	<u>897,588</u>
	1,223,055
Decreased by:	
Cash Disbursements	<u>118,168</u>
Balance, December 31, 2025	<u>\$ 1,104,887</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF RESERVE FOR POLICE EVIDENCE**

EXHIBIT A-24

Balance, December 31, 2024	\$ <u>4,373</u>
Balance, December 31, 2025	\$ <u>4,373</u>

EXHIBIT A-25

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

Balance, December 31, 2024	\$ 5,387
Increased by: Cash Receipts	<u>62,772</u>
	68,159
Decreased by: Cash Disbursements	<u>43,871</u>
Balance, December 31, 2025	\$ <u>24,288</u>

EXHIBIT A-26

STATEMENT OF DEFERRED CHARGES N.J.S.A. 40A:4-53 - SPECIAL EMERGENCY

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, December 31, 2024</u>	<u>Increased</u>	<u>Reduced by 2025 Budget</u>	<u>Balance, December 31, 2025</u>
10/15/2024	Revaluation of Real Property	\$ 770,000	\$ 154,000	\$ 770,000		\$ 154,000	\$ 616,000
10/15/2024	Tax Map	50,000	10,000	<u>50,000</u>	<u>-</u>	<u>10,000</u>	<u>40,000</u>
				<u>\$ 820,000</u>	<u>-</u>	<u>\$ 164,000</u>	<u>\$ 656,000</u>

EXHIBIT A-27

STATEMENT OF PREPAID REVENUE

Increased by: Cash Receipts	\$ <u>25,614</u>
Balance, December 31, 2025	\$ <u>25,614</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2024</u>	Accrued <u>2025</u>	<u>Collected</u>	<u>Canceled</u>	Balance, December 31, <u>2025</u>
BC CDBG - North Taylor Street	\$ 4,164			\$ 4,164	
BC DMHAS Youth Leadership Grant	2,146			2,146	
BC OSTF - Cooper Pond Phase II	117,592				\$ 117,592
BC OSTF - East Church Road Improvements	118,390		\$ 118,390		-
BC OSTF - Thomas Roos Park	87,038				87,038
Bergen County Open Space - Coopers Pond	158,697				158,697
BC OSTF - Veteran Memorial Park Basketball & Tennis Court Renovations	75,375				75,375
BC HUD - CDBG Bradley Ave Road Improvements		\$ 130,000			130,000
BC OSTF 2025 - Improvements to Wayne Colon Park		50,000			50,000
Bulletproof Vest Partnership - USDOJ - FY 2022	1,238		1,238		-
Bulletproof Vest Partnership - USDOJ - FY 2024	3,272		3,272		-
Bulletproof Vest Partnership - USDOJ - FY 2024	7,306		2,391		4,915
Body Armour Grant		3,588	3,588		-
FEMA - Building Resilient Infrastructure & Communities	142,584		69,573		73,011
FY 2024 Local Efficiency Achievement Program Implementation Grant	300,000				300,000
Green Acres - PAL Field Lighting Improvement	455,000				455,000
Green Acres - Urban Parks Grant	500,000				500,000
Local Recreation Improvement Grant - Coopers Pond Improvements	60,000				60,000
Municipal Alliance Grant - 2025	5,754		808	4,946	-
Municipal Alliance Grant - 2026		5,755			5,755
NJ DEP - Equipment Modernization Program	1,282,863				1,282,863
NJ DEP - Urban Rain Garden Grant	212,750		21,524		191,226
NJ DOT - Hickory Ave	411,945		343,053	68,892	-
NJ DOT - Roosevelt Ave Improvements	58,518		58,518		-
NJ DOT - Twin Boro Park Improvements	724,000		30,170		693,830
NJ DOT - 1st St. Bedford Ave. Delford Ave & N. 1st St.	54,444				54,444
NJ DOT - 1st St., Bedford Ave, Delford Ave. & N. 1st St.		201,906	151,430		50,476
US Department of HUD - CDBG Coopers Pond	750,000				750,000
Pedestrian Safety Grant	20,000		13,895		6,105
Drive Sober or Get Pulled Over Grant	7,000		7,000		-
Drive Sober or Get Pulled Over		7,000	7,000		-
Distracting Driving		7,000	7,000		-
Drunk Driving Enforcement Fund		9,187	9,187		-
National Opioid Settlement	-	27,597	27,597		-
Recycling Tonnage Grant		30,177	30,177		-
DCA American Rescue Plan - Firefighter Grant	75,000				75,000
DCA Bergenfield Little League Challenger Program	50,000		37,500		12,500
DCA Public Service & Capital Improvements	1,225,000		918,750		306,250
COPS Technology & Communication Policing Grant	-	1,000,000	-	-	1,000,000
	<u>\$ 6,910,076</u>	<u>\$ 1,472,210</u>	<u>\$ 1,862,061</u>	<u>\$ 80,148</u>	<u>\$ 6,440,077</u>
Transferred from Unappropriated Reserves			\$ 31,185		
Cash Collected			<u>1,830,876</u>		
			<u>\$ 1,862,061</u>		
Cancelled to Fund Balance				\$ 6,310	
Cancelled to Grants Receivable				<u>73,838</u>	
				<u>80,148</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, 2024	\$ 255,543	\$ 8,531	\$ 2,985,367
Increased by Receipts:			
Employee Contributions	\$ 23,507		
Borough's Share of Dog Licenses		\$ 5,826	
Cat License Fees		567	
State Dog License Fees		1,061	
Interest on Deposits	8,408	422	\$ 4,622
Miscellaneous Reserves			1,801,403
Received for Current Fund			85,630
Net Payroll			11,298,241
Receipts from Payroll Agency	-	-	10,635,898
	<u>31,915</u>	<u>7,876</u>	<u>23,825,794</u>
	287,458	16,407	26,811,161
Decreased by Disbursements:			
Payment to the State of New Jersey -			
Unemployment Insurance Benefit Claims	39,282		
State Dog License Fees		1,046	
Expenditures under R.S. 4:19-15.11		2,902	
Miscellaneous Reserves			1,442,280
Net Payroll			11,298,241
Payroll Deductions Payable			10,698,401
Payments to Current Fund	-	498	90,252
	<u>39,282</u>	<u>4,446</u>	<u>23,529,174</u>
Balance, December 31, 2025	<u>\$ 248,176</u>	<u>\$ 11,961</u>	<u>\$ 3,281,987</u>

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

Balance, December 31, 2024		\$ 8,318
Increased by:		
Dog License Fees	\$ 4,277	
Cat License Fees	567	
Miscellaneous and Late Fees	1,549	
		6,393
		14,711
Decreased by:		
Statutory Excess Due to Current Fund	1,008	
Expenditures Under R.S. 4:19-15.11		
Cash Disbursements	2,902	
		3,910
Balance, December 31, 2025		\$ 10,801

Animal License Fees Collected

Year	
2023	\$ 5,443
2024	5,358
	\$ 10,801

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

Balance, December 31, 2024		\$ 4
Increased by:		
State Fees Collected		1,061
		1,065
Decreased by:		
Payments to State of New Jersey		1,046
Balance, December 31, 2025		\$ 19

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

Balance, December 31, 2024		\$ 209
Increased by:		
Statutory Excess due to Current Fund	\$ 1,008	
Interest on Investments	<u>422</u>	
		<u>1,430</u>
		1,639
Decreased by:		
Payments to Current Fund		<u>498</u>
Balance, December 31, 2025		<u><u>\$ 1,141</u></u>

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

Balance, December 31, 2024		\$ 10,006
Increased by:		
Unemployment Insurance Benefit Claims		<u>29,276</u>
		39,282
Decreased by:		
Payments to the State of New Jersey		<u>39,282</u>
Balance, December 31, 2025		<u><u>\$ -</u></u>

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

Balance, December 31, 2024		\$ 245,537
Increased by:		
Interest on Investments	\$ 8,408	
Employee Contributions	<u>23,507</u>	
		<u>31,915</u>
		277,452
Decreased by:		
Unemployment Insurance Benefit Claims		<u>29,276</u>
Balance, December 31, 2025		<u><u>\$ 248,176</u></u>

BOROUGH OF BERGENFIELD
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND

	Balance, December 31, <u>2024</u>	Increased by	<u>Decreased By</u>	Balance December 31, <u>2025</u>
Accumulated Absence Liability Trust Fund	\$ 1,038,979	\$ 560,000	\$ 330,811	\$ 1,268,168
Barrier Free - Play for All	1,292	6,219	2,022	5,489
Confiscated Funds	80,184	-	63,873	16,311
Construction Code Penalties	146,064	6,050	11,037	141,077
Developers Escrow	348,050	175,079	154,288	368,841
Employee Health Savings	-	132,480	45,333	87,147
Family Fun Day	77,621	8,430	10,480	75,571
Federal Forfeiture of Funds	244,986	2,561	122,698	124,849
Fire Code Penalties	58,142	1,252		59,394
Flexible Spending Account	2,618	12,425	12,075	2,968
Goodwill/Elm St. Relief	34,973	7,750	1,514	41,209
Mayor's Wellness Campaign	4,262	29,680	18,363	15,579
POAA	6,745	3,976		10,721
Police Donations	1,138	-	-	1,138
Police Donations - Youth Campaign	3,230	-	-	3,230
Police Outside Detail	54,960	88,635	85,630	57,965
Recreation		250		250
Snow Removal	373,678	125,000	43,306	455,372
Street Openings	94,780	9,000	1,000	102,780
Tax Title Lien Premiums	185,200	313,400	220,700	277,900
Tax Title Lien Redemption	-	317,716	317,716	-
Tree Replacement	24,423	1,500	1,434	24,489
Veteran's Park Donations	<u>9,577</u>	<u>-</u>	<u>-</u>	<u>9,577</u>
 Total	 <u>2,790,902</u>	 <u>1,801,403</u>	 <u>1,442,280</u>	 <u>3,150,025</u>
		Cash Receipts		
		\$ <u>1,801,403</u>		
		Cash Disbursed	\$ <u>1,442,280</u>	

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

Balance, December 31, 2024	\$	<u>2,500</u>
Balance, December 31, 2025	\$	<u><u>2,500</u></u>

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

Balance, December 31, 2024	\$	-
Increase by:		
Interest on Investments	\$	3,132
Fees due to Current Fund		<u>85,630</u>
		<u>88,762</u>
		88,762
Decrease by:		
Payments to Current Fund		<u>88,762</u>
Balance, December 31, 2025	\$	<u><u>-</u></u>

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

Increased by:		
Interest on Deposits and Investments	\$	<u>1,490</u>
Decreased by:		
Payments to Current Fund	\$	<u>1,490</u>

EXHIBIT B-11

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

Increased by:		
Cash Receipts	\$	<u>11,298,241</u>
Decreased by:		
Cash Disbursements	\$	<u>11,298,241</u>

EXHIBIT B-12

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

Balance, December 31, 2024	\$	191,965
Increased by:		
Cash Receipts		<u>10,635,898</u>
		10,827,863
Decreased by:		
Cash Disbursements		<u>10,698,401</u>
Balance, December 31, 2025	\$	<u>129,462</u>

GENERAL CAPITAL FUND

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

Balance, December 31, 2024		\$ 8,511,553
Increased by:		
Interest Earned on Investments	\$ 313,195	
Bond Anticipation Notes	4,000,000	
Premium on Sale of Bond Anticipation Notes	<u>1,800</u>	
		<u>4,314,995</u>
		12,826,548
Decreased by:		
Payments to Current Fund	413,195	
Improvement Authorizations	<u>3,519,459</u>	
		<u>3,932,654</u>
Balance, December 31, 2025		<u>\$ 8,893,894</u>

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

	Balance, December 31, <u>2025</u>
Contracts Payable	\$ 3,795,271
Capital Improvement Fund	472,727
Fund Balance	511,267
Reserve for Payment of Bonds	1,167,509
Reserve for Arbitrage Rebate Liability	332,852

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Improvement Description</u>	
2318	Various Capital Improvements	189,337
2355/2447	Various Public Improvements	244,034
2448	Various Public Improvements	30,151
2475	Various Public Improvements	63,659
2490	Various Public Improvements	204,441
2524	Various Public Improvements	37,133
2527, 2586	Municipal Building Renovations	144,730
2546	Various Public Improvements	60,243
2599	Various Public Improvements	26,660
2602	Various Public Improvements	406,619
2616	Various Public Improvements	745,673
2623	Various Public Improvements	605,262
2645	Various Public Improvements	(143,685)
2645	Acquisition of New Fire Hose	<u>11</u>
		<u>\$ 8,893,894</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2024		\$ 31,415,000
Decreased by:		
Paid by 2025 Budget Appropriation:		
Bonds	\$ <u>2,025,000</u>	<u>2,025,000</u>
Balance, December 31, 2025		<u>\$ 29,390,000</u>

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

Ordinance Number	Improvement Description	Balance, December 31, 2024	Authorized 2025	Cancelled	Balance, December 31, 2025	Analysis of Balance December 31, 2025		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2616	Various Public Improvements	\$ 2,355,112			\$ 2,355,112	\$ 2,355,112		
2623	Various Public Improvements	2,700,000			2,700,000	1,644,888		\$ 1,055,112
2644	Various Public Improvements	<u>-</u>	\$ 2,185,000	\$ 437	<u>2,184,563</u>	<u>-</u>	\$ 143,685	<u>2,040,878</u>
		<u>\$ 5,055,112</u>	<u>\$ 2,185,000</u>	<u>\$ 437</u>	<u>\$ 7,239,675</u>	<u>\$ 4,000,000</u>	<u>\$ 143,685</u>	<u>\$ 3,095,990</u>
								Improvement Authorizations Unfunded \$ 4,446,925
								Less:
								Unexpended Note Proceeds
								Ordinance 2616 \$ 745,673
								Ordinance 2623 <u>605,262</u>
								<u>1,350,935</u>
								<u>\$ 3,095,990</u>

**BOROUGH OF BERGENFIELD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

<u>2025 Authorization</u>												
Number	Date	Amount	Balance, December 31, 2024		Capital Improvement Fund	Deferred to Future Charges Unfunded	Contract Payable Reinstated	Transferred and Reappropriated	Cancelled	Paid or Charged	Balance, December 31, 2025	
			Funded	Unfunded							Funded	Unfunded
2318	Various Public Improvements	12/29/03	\$ 682,123	\$ 189,337							\$ 189,337	
2355/2447	Various Public Improvements & Acquisition of Equipment	05/17/05	1,573,000	244,034							-	244,034
2448	Various Public Improvements	12/6/2011	1,500,000	30,151								30,151
2475	Various Public Improvements	3/17/2015	2,800,000	63,659			\$ 11,054			\$ 11,054		63,659
2490	Various Public Improvements	4/5/2016	5,500,000	283,244			123,139			201,942		204,441
2507	Various Public Improvements	3/21/2017	3,100,000	137,428			76,090		\$ 281	213,237		-
2524	Various Public Improvements	3/20/2018	4,000,000	74,232			11,933			49,032		37,133
2527, 2586	Municipal Building Renovation	6/19/2018	12,000,000	697,128			2,300,521			2,852,919		144,730
2546	Various Public Improvements	3/19/2019	2,700,000	5,378			345,273			290,408		60,243
2564	Various Public Improvements	4/2/2020	4,000,000	65,000			1,258	\$ (65,000)		1,258		-
2579	Various Public Improvements	4/20/2021	4,195,000	178,411			235,823		1,496	412,738		-
2599	Various Public Improvements	4/19/2022	2,100,000	4,640			518,690		1,330	495,340		26,660
2602	Various Public Improvements	6/21/2022	2,300,000	666,232			52,565			312,178		406,619
2616	Various Public Improvements	4/18/2024	3,302,000	-	\$ 1,126,650		263,276			644,253		\$ 745,673
2623	Various Public Improvements	5/7/2024	4,200,000	-	2,678,958		488,113			1,506,697		1,660,374
2644	Various Public Improvements	4/15/2025	2,300,000	-		\$ 115,000	\$ 2,185,000			437		2,040,878
2645	Acquisition of New Fire Hose	4/15/2025	65,000	-						64,989		-
			<u>\$ 2,638,874</u>	<u>\$ 3,805,608</u>	<u>\$ 115,000</u>	<u>\$ 2,185,000</u>	<u>\$ 4,427,735</u>	<u>\$ -</u>	<u>\$ 3,544</u>	<u>\$ 7,314,730</u>	<u>\$ 1,407,018</u>	<u>\$ 4,446,925</u>
										Cash Disbursed	\$ 3,519,459	
										Contracts Payable	<u>3,795,271</u>	
											<u>\$ 7,314,730</u>	
										Deferred Charges Unfunded /	\$ 437	
										Reserve for Payment of Bonds	<u>3,107</u>	
											<u>\$ 3,544</u>	

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

Balance, December 31, 2024	\$	587,727
Decrease by:		
Appropriation to Finance Improvement Authorization		115,000
Balance, December 31, 2025	\$	472,727

STATEMENT OF CONTRACTS PAYABLE

Balance, December 31, 2024	\$	4,427,735
Increased by:		
Charges to Improvement Authorizations		3,795,271
		8,223,006
Decreased by:		
Restored to Improvement Authorizations		4,427,735
Balance, December 31, 2025	\$	3,795,271

STATEMENT OF RESERVE FOR PAYMENT OF BONDS

Balance, December 31, 2024	\$	1,262,602
Decreased		
Current Fund Budgeted Revenue		100,000
		1,162,602
Increased		
Premium on Bond Anticipation Notes	\$	1,800
Funded Projects Cancelled		3,107
		4,907
Balance, December 31, 2025	\$	1,167,509

STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2024		\$	-
Increased			
Payments to Current Fund	\$	<u>413,195</u>	
			<u>413,195</u>
			413,195
Decreased			
Interest on Investments and Deposits		313,195	
Current Fund Budgeted Revenues		<u>100,000</u>	
			<u>413,195</u>
Balance, December 31, 2025		\$	<u><u>-</u></u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2024</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2025</u>
2616	Various Public Improvements	11/14/2025	11/14/2025	11/13/2026	3.15%	-	\$ 2,355,112	-	\$ 2,355,112
2623	Various Public Improvements	11/14/2025	11/14/2025	11/13/2026	3.15%	-	<u>1,644,888</u>	-	<u>1,644,888</u>
						<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>
							Issued for Cash <u>\$ 4,000,000</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, 2025</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2024</u>	<u>2025</u>		<u>Balance, December 31, 2025</u>
			<u>Date</u>	<u>Amount</u>			<u>Increased</u>	<u>Decreased</u>	
2019 General Improvement Bonds	February 14, 2019	\$ 11,700,000	2/15/2026-2027	\$ 1,200,000	2.00%				
			2/15/2028-2029	1,250,000	3.00%	\$ 6,100,000	-	\$ 1,200,000	\$ 4,900,000
2022 General Improvement Bonds	August 1, 2022	26,965,000	8/1/2026-2029	825,000	5.00%				
			8/1/2030-2036	1,620,000	3.00%-5.00%				
			8/1/2037	1,635,000	4.00%				
			8/1/2038-2039	1,640,000	4.00%				
			8/1/2040-2042	1,645,000	3.00%	<u>25,315,000</u>	<u>-</u>	<u>825,000</u>	<u>24,490,000</u>
						<u>\$ 31,415,000</u>	<u>\$ -</u>	<u>\$ 2,025,000</u>	<u>\$ 29,390,000</u>
					Budget Appropriation			<u>\$ 2,025,000</u>	

**BOROUGH OF BERGENFIELD
STATEMENT OF RESERVE FOR ARBITRAGE REBATE LIABILITY**

Balance, December 31, 2024	<u>\$ 332,852</u>
Balance, December 31, 2025	<u>\$ 332,852</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, December 31, <u>2024</u>	2025 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	<u>Cancelled</u>	Balance, December 31, <u>2025</u>
2616	Various Public Improvements	\$ 2,355,112		\$ 2,355,112		-
2623	Various Public Improvements	2,700,000		1,644,888	-	\$ 1,055,112
2644	Various Public Improvements	<u>-</u>	<u>\$ 2,185,000</u>	<u>-</u>	<u>\$ 437</u>	<u>2,184,563</u>
		<u>\$ 5,055,112</u>	<u>\$ 2,185,000</u>	<u>\$ 4,000,000</u>	<u>\$ 437</u>	<u>\$ 3,239,675</u>

SINGLE AUDIT SECTION

PART II

GOVERNMENT AUDITING STANDARDS SECTION

YEAR ENDED DECEMBER 31, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Bergenfield, which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2025, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the Current Fund for the year then ended and the related notes to the financial statements, and have issued our report thereon dated May 6, 2026. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

Report on Internal Control over Financial Reporting

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

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

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

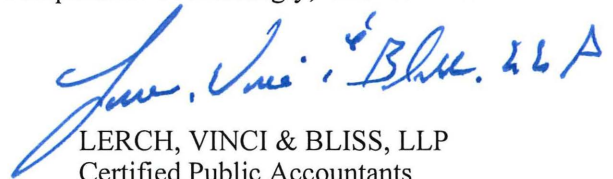
Report on Compliance and Other Matters

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


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

Purpose of this Report

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



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
May 6, 2026



LERCH, VINCI & BLISS, LLP

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 25-12**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Borough of Bergenfield's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 25-12 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Bergenfield's major State programs for the year ended December 31, 2025. The Borough of Bergenfield's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Bergenfield complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended December 31, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements of New Jersey OMB Circular 25-12, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Bergenfield's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and New Jersey OMB Circular 25-12 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Bergenfield's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and New Jersey OMB Circular 25-12, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough of Bergenfield's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Bergenfield's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 25-12, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bergenfield's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

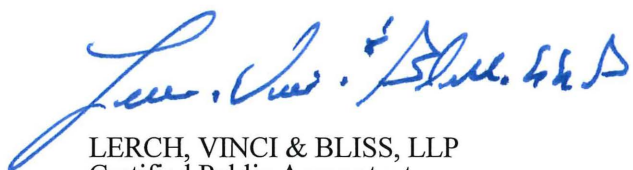
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 25-12. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 25-12

We have audited the financial statements - regulatory basis of the Borough of Bergenfield, which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2025, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the Current Fund for the year then ended as of and for the year ended December 31, 2025, and the related notes to the financial statements and have issued our report thereon dated May 6, 2026, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 25-12 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of State awards is fairly stated in all material respects in relation to the financial statements as a whole.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
May 6, 2026

**BOROUGH OF BERGENFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

	AL Number	State Account Number	Grant Year	Grant Award Amount	2025 Receipts	Balance, December 31, 2024	Revenue Realized	Expenditures	Adjustment	Balance, December 31, 2025	Cumulative Expenditures
<u>U.S. Department of Housing and Urban Development</u>											
(Passed through County Dept. of Community Development)											
Community Devel. Block Grants											
	14.218	N/A									
Coopers Pond			2024	\$ 750,000		\$ 750,000				\$ 750,000	
Bradley Ave Road Improvements			2025	130,000			\$ 130,000	\$ 130,000		-	\$ 130,000
<u>Law and Public Safety- Division of Highway Traffic Safety</u>											
Impaired Driving											
	20.616	066-1160-100-157	2018	3,286		855		855		-	3,286
			2019	2,248		2,248		2,248		-	2,248
			2025	9,187	\$ 9,187		9,187			9,187	-
Drive Sober or Get Pulled Over											
	20.616	066-1160-100-157	2024	7,000	7,000	7,000		7,000		-	7,000
			2025		7,000		7,000	7,000		-	-
Distracted Driving Incentive											
	20.616	066-1160-100-157	2025	7,000	7,000	-	7,000	7,000		-	7,000
Pedestrian Safety Grant											
	20.616	066-1160-100-163	2024	20,000	13,895			14,760	\$ 20,000	5,240	14,760
<u>Law and Public Safety- New Jersey State Police</u>											
FEMA - Building Resilient Infrastructure											
	97.042	066-1200-100-D14	2024	142,584	69,573				96,098	96,098	46,486
<u>U.S. Department of Justice</u>											
COPS - Technology & Policing Grant											
	16.710	N/A	2025	1,000,000			1,000,000	625,080		374,920	625,080
<u>U.S. Department of Treasury</u>											
Police Bulletproof Vest Partnership Program											
	16.607	N/A	2025	7,306	2,391	7,306		863		6,443	863
<u>U.S. Department of Agriculture</u>											
(Passed through State Dept. of Community Affairs)											
American Rescue Plan - Firefighters Grant											
	21.027	022-8030-100-689	2025	75,000		75,000	-	-	-	75,000	-
Total						\$ 842,409	\$ 1,153,187	\$ 794,806	\$ 116,098	\$ 1,316,888	

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

BOROUGH OF BERGENFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

<u>State Grant Program</u>	<u>State Programs Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2025 Grant Receipts</u>	<u>Balance, December 31, 2024</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2025</u>	<u>Cumulative Expenditures</u>
<u>Division of Criminal Justice</u>										
Body Armor Fund	1020-718-001-2009-090160	2024	\$ 3,443		\$ 703		\$ 703			\$ 3,443
		2025	3,588			\$ 3,588	609		\$ 2,979	609
<u>Department of Environmental Protection</u>										
Clean Communities Program	4900-765008-178900	2019	44,651		5,163		5,163		-	44,651
		2020	40,262		40,262		40,262		-	40,262
		2021	42,859		42,859		21,572		21,287	21,572
		2022	43,308		43,308				43,308	-
		2024	48,576		48,576				48,576	-
		2025	55,174		55,174				55,174	-
		2026		\$ 54,722						-
Recycling Tonnage Grant	4900-752001-178810	2020	28,969		5,294		5,294		-	28,969
		2021	30,626		30,626		23,766		6,860	23,766
		2022	30,161		30,162		1		30,161	-
		2023	32,434		32,434				32,434	-
		2024	33,369		33,369				33,369	-
		2025	30,177	30,177		30,177			30,177	-
Recycling Partnership	N/A	2021	54,640		54,640		54,640		-	54,640
Green Acres Program - Urban Parks		2024	500,000		24,000				24,000	476,000
Equipment Modernization Program	71H-042-4801-003	2022	1,282,863		62,202				62,202	1,220,661
Stormwater Assistance		2024	15,000		15,000		15,000		-	15,000
Urban Rain Garden		2025	212,750	21,524	217,750		115,540	\$ (5,000)	97,210	115,540
<u>Department of Transportation of State and Highway Projects</u>										
N. Prospect Roadway Rehab	078-6320-480-XXX	2019	218,240						-	218,240
Hickory Ave	078-6320-480-XXX	2022	1,012,608	343,053	31,153			(31,153)	-	1,012,608
Twin Boro Park Improvements	078-6320-480-XXX	2024	724,000	30,170	724,000		647,694		76,306	647,694
New Jersey Avenue	078-6320-480-XXX	2025	201,906		-	201,906	201,906		-	201,906
<u>Municipal Alliance Fund</u>										
	N/A	2024	5,754	808	4,823			(4,823)	-	5,754
		2025	5,755			5,755			5,755	-

BOROUGH OF BERGENFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

<u>State Grant Program</u>	<u>State Programs Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2025 Grant Receipts</u>	<u>Balance, December 31, 2024</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2025</u>	<u>Cumulative Expenditures</u>
<u>Department of Community Affairs</u>										
Local Efficiency Achievement Program Implementation Grant		2024	\$ 300,000		\$ 300,000				\$ 300,000	
Local Recreation Improvement Grant - Coopers Pond Improvements		2024	60,000		60,000				60,000	
Bergenfield Little League Challenger Program		2025	50,000	\$ 37,500	50,000				50,000	
Public Service & Capital Improvement		2025	1,225,000	918,750	1,225,000		\$ 49,799		1,175,201	\$ 49,799
<u>Division of Judiciary- Municipal Court</u>										
Alcohol Education & Rehabilitation Fund	9735-760-001-060000	2015	886		736		736		-	886
		2016	1,355		1,355		524		831	524
		2017	242		242				242	-
		2019	1,527		1,527				1,527	-
		2020	250		250				250	-
		2022	2,045		2,045				2,045	-
					<u>\$ 3,142,653</u>	<u>\$ 241,426</u>	<u>\$ 1,183,209</u>	<u>\$ (40,976)</u>	<u>\$ 2,159,894</u>	

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

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

**BOROUGH OF BERGENFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2025**

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 25-12 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	<u>\$ 1,153,187</u>	<u>\$ 241,426</u>	<u>\$ 1,394,613</u>

**BOROUGH OF BERGENFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2025**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 INDIRECT COST RATE

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

**BOROUGH OF BERGENFIELD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Part I – Summary of Auditor’s Results

Financial Statement Section

A) Type of auditors' report issued: Modified - Presentation of
Unaudited LOSAP Fund

B) Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X none reported

C) Noncompliance material to basic financial statements noted? _____ yes X no

State Awards Section

Dollar threshold used to determine Type A programs: \$ 1,000,000

Auditee qualified as low-risk auditee? _____ yes X no

Type of auditors' report on compliance for major programs: Unmodified

Internal Control over compliance:

1) Significant Deficiencies identified? _____ yes X no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ yes X no

Identification of major programs:

<u>State Program Number</u>	<u>Name of State Program</u>
078-6320-480-XXX	Department of Transportation of State and Highway Projects

Federal Awards Section

Not Applicable.

**BOROUGH OF BERGENFIELD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE ENDED DECEMBER 31, 2025**

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*.

There are none.

**BOROUGH OF BERGENFIELD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 25-12.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.

**BOROUGH OF BERGENFIELD
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

	<u>Year 2025</u>		<u>Year 2024</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 6,660,000	5.66 %	\$ 6,161,000	5.35 %
Miscellaneous - From Other Than Local				
Property Tax Levies	7,143,848	6.05	8,136,504	7.05
Collection of Delinquent Taxes and Tax Title Liens	1,051,501	0.89	846,466	0.73
Collection of Current Tax Levy	101,054,860	85.77	95,770,175	83.06
Other Credits	<u>1,917,987</u>	<u>1.63</u>	<u>4,394,663</u>	<u>3.81</u>
Total Income	<u>117,828,196</u>	<u>100.00</u> %	<u>115,308,808</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	46,545,264	41.04 %	45,636,387	41.83 %
County Taxes	10,810,102	9.53	9,658,350	8.85
Local District School Taxes	55,891,221	49.26	53,486,829	49.02
Other Expenditures - Debits	<u>207,940</u>	<u>0.17</u>	<u>339,127</u>	<u>0.30</u>
Total Expenditures	<u>113,454,527</u>	<u>100.00</u> %	<u>109,120,693</u>	<u>100.00</u> %
Excess in Revenue	4,373,669		6,188,115	
Adjustments to Income before Fund Balance:				
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>-</u>		<u>820,000</u>	
Statutory Excess to Surplus	4,373,669		7,008,115	
Fund Balance, Beginning of Year	<u>8,674,021</u>		<u>7,826,906</u>	
	13,047,690		14,835,021	
Less Utilization as Anticipated Revenue	<u>6,660,000</u>		<u>6,161,000</u>	
Fund Balance, End of Year	<u>\$ 6,387,690</u>		<u>\$ 8,674,021</u>	

**BOROUGH OF BERGENFIELD
GENERAL INFORMATION**

COMPARATIVE SCHEDULE OF CALENDAR YEAR TAX RATE INFORMATION

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>Calendar Year Tax Rate</u>	\$ <u>3.738</u>	\$ <u>3.527</u>	\$ <u>3.410</u>
<u>Apportionment of Tax Rate</u>			
Municipal*	\$ 1.294	\$ 1.224	\$ 1.178
County- Regular Tax	0.379	0.336	0.319
County- Open Space	0.017	0.016	0.014
Local School	2.048	1.951	1.899
* Municipal Apportionment Total Includes Municipal Library.			
<u>Assessed Valuation</u>			
2025	\$ <u>2,730,091,830</u>		
2024		\$ <u>2,742,259,530</u>	
2023			\$ <u>2,724,843,330</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>
2025	\$ 102,277,871	\$ 101,054,860	98.80%
2024	97,173,592	95,770,175	98.56%
2023	93,779,472	92,599,614	98.74%

**BOROUGH OF BERGENFIELD
GENERAL INFORMATION**

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Period Ended</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Tax Levy</u>
December 31, 2025	\$ 1,963	\$ 1,081,794	\$ 1,083,757	1.06%
December 31, 2024	1,496	1,093,041	1,094,537	1.13%
December 31, 2023	1,055	914,419	915,474	0.98%

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, 2025	\$ 1,890,900
December 31, 2024	1,698,373
December 31, 2023	1,698,373

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Period Ended</u>	<u>Fund Balance</u>	Utilized In Budget of Succeeding <u>Year</u>
Current Fund	December 31, 2025	\$ 6,387,690	\$ 5,000,000
	December 31, 2024	8,674,021	6,660,000
	December 31, 2023	7,826,906	6,161,000

**BOROUGH OF BERGENFIELD
GENERAL INFORMATION**

<u>Name</u>	<u>Title</u>	<u>Dates</u>
Arvin Amatorio	Mayor	2027
Domingo Almonte	Councilperson	2026
Buddy Deauna	Councilperson	2025
Ora Kornbluth	Councilperson	2025
Thomas Lodato	Councilperson	2027
Marc Pascual	Councilperson	2026
Hernando Rivera	Councilperson	2027
Corey Gallo	Borough Administrator	
Marie Quinones-Wilson	Borough Clerk	
Richard Cahill	CFO	
Juan Ortiz	Tax Collector	
John Schettino	Municipal Attorney	
Harry Hillenius	Building Inspector	
Franklin Montero	Municipal Court Judge	
Michael Ravenda	Construction Code Official / Zoning Official	
Marc A. Calello	Borough Prosecutor	

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

**BOROUGH OF BERGENFIELD
SUPPLEMENTARY DATA**

GENERAL COMMENTS

Current Year Comments

Our audit revealed that the 2025 local school tax levy was not recorded in full resulting in a unpaid school tax liability of \$3,455,723 at year end. This amount was recorded in the financial statements for the year ending December 31, 2025. It is recommended that the total school tax levy be recorded when available and that school taxes be paid in full by year end.

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 \$53,000, except by contract or agreement."

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

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

- BCCPS 2025 Electricity Generation Supply Service Bid
- Twin Boro Park Phase III Improvements Preliminary Assessment Report
- 2025 Road Improvement Program
- 2025 New Jersey Avenue Improvements
- Borough Hall Parking Lot
- Municipal Building Fountain
- PAL Field Rain Garden
- Fire Hose and Related Equipment for the Bergenfield Fire Department
- Bergenfield Fire Department Equipment
- Wide Area Network (WAN) Services and Internal Network Support
- Police Athletic Field Rain Garden
- Borough Hall Parking Lot Improvements

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

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

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

**BOROUGH OF BERGENFIELD
SUPPLEMENTARY DATA**

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 1, 2025 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 17, 2025 and was complete.

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

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

Suggestions to Management

- Old unspent appropriated grant balances in the Current Fund should be reviewed and either expended or cancelled.
- Old outstanding grants receivable in the Current Fund be reviewed for collectability.

APPRECIATION

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

**BOROUGH OF BERGENFIELD
RECOMMENDATIONS**

Recommendations

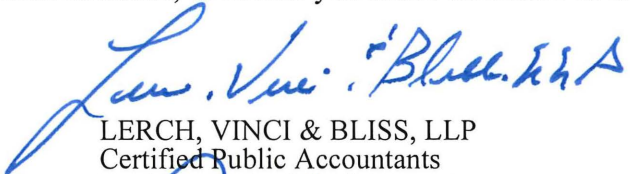
1. It is recommended that the total school tax levy be recorded when available and that school taxes be paid in full by year end.

Status of Prior Year's Audit Findings/Recommendations


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

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

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



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



Paul J. Lerch
Certified Public Accountant
RMA Number CR000457