

BOROUGH OF HASBROUCK HEIGHTS

BERGEN COUNTY, NEW JERSEY

REPORT OF AUDIT

YEAR ENDED DECEMBER 31, 2020

BOROUGH OF HASBROUCK HEIGHTS

TABLE OF CONTENTS

<u>Exhibits</u>		<u>Page</u>
<u>PART I – Report on Audit of Financial Statements and Supplementary Schedules</u>		
	Independent Auditor’s Report	1-3
Financial Statements		
A	Comparative Balance Sheets – Regulatory Basis - Current Fund	4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	6
A-2	Statement of Revenues – Regulatory Basis – Current Fund	7-8
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	9-14
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds	15-16
B-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Other Trust Fund	17
B-2	Comparative Statements of Changes in Fund Balance – Regulatory Basis – Assessment Trust Fund	18
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	19
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis - General Capital Fund	20
D	Comparative Balance Sheets – Regulatory Basis – Public Assistance Fund	21
E	Comparative Schedules of General Fixed Assets – Regulatory Basis – General Fixed Assets Account Group	22
	Notes to Financial Statements	23-63
Supplementary Schedules		
<u>Current Fund</u>		
A-4	Statement of Current Cash – Regular Fund	64
A-5	Statement of Cash – Change Funds	65
A-6	Statement of Petty Cash Fund	65
A-7	Schedule of Cash – Grant Fund	66
A-8	Schedule of Due to State of New Jersey for Senior Citizens’ & Veterans’ Deductions	66
A-9	Statement of Taxes Receivable and Analysis of Property Tax Levy	67
A-10	Schedule of Tax Title Liens Receivable	68
A-11	Schedule of Martin Act Property Liens Receivable	68
A-12	Schedule of Property Acquired for Taxes	68
A-13	Schedule of Due From County of Bergen	69
A-14	Statement of Revenue Accounts Receivable	69
A-15	Statement of 2019 Appropriation Reserves	70-72
A-16	Statement of Encumbrances Payable	73
A-17	Statement of Prepaid Taxes	73
A-18	Statement of Tax Overpayments	73
A-19	Statement of County Taxes Payable	74
A-20	Statement of School Taxes Payable	74
A-21	Statement of Due to State of New Jersey – Surcharge Fees	74

BOROUGH OF HASBROUCK HEIGHTS

TABLE OF CONTENTS

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Current Fund (Continued)</u>		
A-22	Statement of Reserve for Tax Appeals	75
A-23	Statement of Reserve for Sale of Municipal Assets	75
A-24	Statement of Reserve for Terminal Pay	75
A-25	Statement of Maintenance of Free Public Library with State Aid	76
A-26	Statement of Federal and State Grants Receivable – Grant Fund	77
A-27	Statement of Appropriated Grant Reserves – Grant Fund	77
A-28	Statement of Unappropriated Grant Reserves – Grant Fund	77
A-39	Statement of Due to Current Fund – Grant Fund	77
<u>Trust Funds</u>		
B-3	Statement of Trust Cash	78
B-4	Statement of Due to the State of New Jersey – Animal Control Fund	79
B-5	Statement of Reserve for Animal Control Expenditures – Animal Control Fund	79
B-6	Statement of Due to Current Fund – Animal Control Fund	79
B-7	Statement of Miscellaneous Reserves – Other Trust Fund	80
B-8	Statement of Payroll Deductions Payable – Other Trust Fund	81
B-9	Statement of Police Outside Duty Receivable -Other Trust Fund	81
B-10	Statement of Due from Current Fund – Other Trust Fund	82
B-11	Statement of Reserve for Unemployment Insurance – Other Trust Fund	82
B-12	Statement of Reserve for FEMA Reimbursements – Other Trust Fund	82
B-13	Statement of Due to State of New Jersey – Unemployment Insurance – Other Trust Fund	83
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash	84
C-3	Analysis of General Capital Cash	85-87
C-4	Statement of Grants Receivable – State of N.J.	88
C-5	Schedule of Grants Receivable – County of Bergen – Community Development Block Grant/Open Space Grant	89
C-6	Statement of Grants Receivable FEMA	89
C-7	Statement of Deferred Charges Funded	89
C-8	Statement of Deferred Charges to Future Taxation – Unfunded	90-93
C-9	Statement of Improvement Authorizations	94-96
C-10	Statement of General Serial Bonds	97
C-11	Statement of Bond Anticipation Notes	98-101
C-12	Statement of Capital Improvement Fund	102
C-13	Statement of Reserve for Garrison Avenue Repair – FEMA Funds	102
C-14	Statement of Reserve for Payment of Bond Anticipation Notes	102
C-15	Statement of Due to Current Fund	103
C-16	Statement of Contracts Payable	102
C-17	Statement of Bonds and Notes Authorized But Not Issued	104
<u>Public Assistance Fund</u>		
D-1	Statement of Public Assistance Cash – Treasurer	105
D-2	Statement of Public Assistance Revenues	105
D-3	Statement of Public Assistance Expenditures	105
D-4	Statement of Due to Current Fund	105
D-5	Statement of Reserve for Public Assistance	106

BOROUGH OF HASBROUCK HEIGHTS

TABLE OF CONTENTS

<u>Exhibits</u>	<u>Page</u>
<u>Part II – Government Auditing Standards</u>	
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	107-108
Schedule of Expenditures of Federal Awards – Schedule A	109
Schedule of Expenditures of State Financial Assistance – Schedule B	110
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	111
Schedule of Findings and Responses	112-113
Summary Schedule of Prior Year Audit Findings	114
<u>Part III-Supplementary Data and Letter of Comments and Recommendations</u>	
Comparative Statement of Operations and Changes in Fund Balance - Current Fund	115
Comparative Schedule of Tax Rate Information	116
Comparison of Tax Levies and Collection Currently	116
Delinquent Taxes and Tax Title Liens	117
Property Acquired by Tax Title Lien Liquidation	117
Comparative Schedule of Fund Balance	117
Officials in Office and Surety Bonds	118
General Comments	119-120
Appreciation	121
Recommendations	122

BOROUGH OF HASBROUCK HEIGHTS

BERGEN COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2020



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Hasbrouck Heights
Hasbrouck Heights, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Hasbrouck Heights, as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis, statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year then ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Hasbrouck Heights as of December 31, 2020 and 2019, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 15 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 year ended December 31, 2020 and 2019. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 47 percent and 44 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2020 and 2019.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Hasbrouck Heights as of December 31, 2020, and the results of operations and changes in fund balance – regulatory basis and the respective revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2020 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated July 28, 2021 on our consideration of the Borough of Hasbrouck Heights' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Hasbrouck Heights' 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 Hasbrouck Heights' internal control over financial reporting and compliance.



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



Andrew D. Parente
Registered Municipal Accountant
RMA Number CR00529

Fair Lawn, New Jersey
July 28, 2021

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

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
REGULAR FUND			
Cash	A-4	\$ 3,044,037	\$ 3,405,039
Cash - Change Funds	A-5	<u>275</u>	<u>275</u>
		<u>3,044,312</u>	<u>3,405,314</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	389,447	315,918
Tax Title Liens Receivable	A-10	218,567	326,124
Martin Act Property Liens Receivable	A-11		543
Property Acquired for Taxes	A-12		304,730
Due from County of Bergen	A-13		6,413
Revenue Accounts Receivable	A-14	<u>2,456</u>	<u>8,194</u>
		<u>610,470</u>	<u>961,922</u>
Total Regular Fund		<u>3,654,782</u>	<u>4,367,236</u>
GRANT FUND			
Cash	A-7	<u>129,892</u>	<u>138,237</u>
Total Grant Fund		<u>129,892</u>	<u>138,237</u>
Grand Total		<u>\$ 3,784,674</u>	<u>\$ 4,505,473</u>

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

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCES			
REGULAR FUND			
Liabilities:			
Appropriation Reserves	A-3, A-15	\$ 971,632	\$ 680,194
Encumbrances Payable	A-16	135,103	156,945
Prepaid Taxes	A-17	198,236	143,796
Tax Overpayments	A-18	48,092	25,031
Due to State of New Jersey - Senior Citizens' and Veterans' Deductions	A-8	7,616	8,640
Due to County for Added Taxes	A-19	6,379	5,398
Due to State of New Jersey:			
Building Surcharge Fees	A-21	2,703	2,392
Marriage License Fees	A-21	1,908	1,783
Burial Permit Fees	A-21	1,790	1,790
Reserve for:			
Tax Appeals	A-22	209,198	360,789
Sale of Municipal Assets	A-23		30,000
Terminal Pay	A-24	175,000	150,000
Maintenance of Free Public Library with State Aid	A-25	4,152	1,047
		<u>1,761,809</u>	<u>1,567,805</u>
Reserve for Receivables and Other Assets		610,470	961,922
Fund Balance	A-1	<u>1,282,503</u>	<u>1,837,509</u>
 Total Regular Fund		 <u>3,654,782</u>	 <u>4,367,236</u>
GRANT FUND			
Appropriated Grant Reserves	A-27	106,988	97,602
Unappropriated Grant Reserves	A-28	<u>22,904</u>	<u>40,635</u>
 Total Grant Fund		 <u>129,892</u>	 <u>138,237</u>
 Grand Total		 <u>\$ 3,784,674</u>	 <u>\$ 4,505,473</u>

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

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
REVENUE AND OTHER INCOME			
Fund Balance Utilized	A-2	\$ 1,315,000	\$ 1,275,000
Miscellaneous Revenue Anticipated	A-2	2,652,381	3,360,650
Receipts from Delinquent Taxes	A-2	327,792	385,258
Receipts from Current Taxes	A-2	51,382,575	49,972,641
Non-Budget Revenues	A-2	30,483	104,305
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	335,433	143,034
Cancellation of Appropriated Grant Reserves	A-27	324	
Liquidated Prior Year Receivable	A-13	6,413	
Cancellation of Prior Year Accounts Payable	A		4,262
Cancellation of Reserve for Revaluation of Real Property	A	-	1,900
Total Income		<u>56,050,401</u>	<u>55,247,050</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	9,363,732	9,161,575
Other Expenses	A-3	6,959,593	6,933,180
Capital Improvements	A-3	75,000	51,500
Municipal Debt Service	A-3	1,366,556	1,369,771
Deferred Charges and Statutory Expenditures	A-3	2,006,628	2,031,365
County Taxes	A-19	4,604,020	4,383,308
Due to County for Added Tares	A-19	6,379	5,398
Local District School Tax	A-20	30,887,794	30,127,255
Senior Citizens Deductions Disallowed - Prior Years	A-8	250	1,000
Refund of Prior Year Revenue	A-4	20,455	1,800
Total Expenditures		<u>55,290,407</u>	<u>54,066,152</u>
Statutory Excess in Revenues		759,994	1,180,898
Fund Balance, Beginning of Year	A	<u>1,837,509</u>	<u>1,931,611</u>
		2,597,503	3,112,509
Decreased by:			
Utilization as Anticipated Revenue	A-1, A-2	<u>1,315,000</u>	<u>1,275,000</u>
Fund Balance, End of Year	A	<u>\$ 1,282,503</u>	<u>\$ 1,837,509</u>

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

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,315,000	\$ 1,315,000	-
 MISCELLANEOUS REVENUES				
Licenses:				
Alcoholic Beverages	A-14	17,500	14,968	\$ (2,532)
Other	A-14	58,500	38,070	(20,430)
Fees and Permits	A-14	57,000	48,989	(8,011)
Fines and Costs:				
Municipal Court	A-14	169,000	61,801	(107,199)
Interest and Costs on Taxes	A-14	91,000	123,426	32,426
Interest on Investments and Deposits	A-2	65,000	40,452	(24,548)
Lease - Hasbrouck Heights Swim Club	A-14	7,000	7,000	-
Cable TV Franchise Fees	A-14	172,071	172,071	-
Car Dealership Registration Fees	A-14	71,000	90,280	19,280
Energy Receipts Taxes	A-14	1,083,148	1,083,148	-
Uniform Construction Code Fees	A-14	180,000	201,606	21,606
Hotel and Motel Occupancy Fee	A-14	455,000	257,385	(197,615)
Uniform Fire Safety Act (P.L. 1983, Ch. 383)	A-14	11,600	12,324	724
Reserve for Interest on Bond Anticipation Notes	A-14	46,821	46,821	
State and Federal Revenues Offset with Appropriations:				
Reserve for Recycling Tonnage Grant	A-28	17,409	17,409	
Body Amor Fund	A-26	2,934	2,934	
Reserve for Clean Communities Program	A-28	22,905	22,905	
Reserve for Alcohol Education & Rehabilitation	A-28	321	321	
Other Special Items:				
Reserve for Sale of Municipal Assets	A-23	30,000	30,000	
Due from H.H. Bd. of Ed. - Debt Service Hitchcock Field	A-14	62,500	62,503	3
Due from H.H. Bd. of Ed. - Class III Police Officers	A-14	186,500	74,427	(112,073)
Due from H.H. Bd. of Ed. - Capital Improvement Fund	A-14	50,000	50,000	
Sewer Service Charges - City of Hackensack	A-14	35,000	35,509	509
Fire Protection - Teterboro	A-14	112,881	112,881	
911 Coverage - Teterboro	A-14	7,524	7,376	(148)
911 Coverage - Wood-Ridge	A-14	11,178	11,178	
Due from PSE&G - Williams Avenue Lease Agreement	A-14	24,000	22,000	(2,000)
Pistol Range - Carlstadt	A-14	3,061	3,061	
Pistol Range - Maywood	A-14	500	500	
Lease - Port of New York Authority	A-14	1,036	1,036	-
		<u>3,052,389</u>	<u>2,652,381</u>	<u>(400,008)</u>
Total Miscellaneous Revenues				
RECEIPTS FROM DELINQUENT TAXES		<u>315,000</u>	<u>327,792</u>	<u>12,792</u>
 AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes		15,560,696	16,243,885	683,189
Minimum Library Tax		636,739	636,739	-
		<u>16,197,435</u>	<u>16,880,624</u>	<u>683,189</u>
Total General Revenues		<u>\$ 20,879,824</u>	<u>21,175,797</u>	<u>\$ 295,973</u>
Non-Budget Revenue			<u>30,483</u>	
			<u>\$ 21,206,280</u>	

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

	<u>Reference</u>	<u>2020</u>
ANALYSIS OF REALIZED REVENUE		
Allocation of Current Tax Collection		
Revenue from Collections	A-9	\$ 51,382,575
Less: Allocated to School and County Taxes	A-19,A-20	<u>35,498,193</u>
Balance for Support of Municipal Budget Appropriations		15,884,382
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>996,242</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 16,880,624</u>
RECEIPTS FROM DELINQUENT TAXES		
Delinquent Tax Collections	A-9	\$ 305,854
Tax Title Liens	A-10	<u>21,938</u>
	A-1, A-2	<u>\$ 327,792</u>
ANALYSIS OF INTEREST ON INVESTMENTS AND DEPOSITS		
Interest on Investments and Deposits	A-2, A-14	\$ 29,954
Due from Animal Control Fund	B-6	146
Due from Other Trust Fund	B-10	4,605
Due from General Capital Fund	C-15	5,631
Due from Public Assistance Trust Fund	D-4	<u>116</u>
		<u>\$ 40,452</u>
ANALYSIS OF NON-BUDGET REVENUE		
Miscellaneous Refunds		\$ 2,293
Sewer Charges		1,204
Towing Application Fees		2,500
Miscellaneous Franchise Fees		8,158
State Housing Inspection Fees		6,685
2% Administrative Fee - Senior Citizen's and Veteran's Deductions		1,254
Police Reports		5,626
Miscellaneous Charges and Fees		<u>2,763</u>
	A-2, A-4	<u>\$ 30,483</u>

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

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive - Mayor and Council					
Salaries and Wages	\$ 39,500	\$ 39,500	\$ 32,975	\$ 6,525	
Administrative and Executive					
Salaries and Wages	167,000	167,000	152,439	14,561	
Other Expenses	60,450	47,450	41,128	6,322	
Elections					
Salaries and Wages	6,000	6,000	6,000		
Other Expenses	13,000	13,000	7,634	5,366	
Financial Administration					
Salaries and Wages	155,500	155,500	153,873	1,627	
Other Expenses - Audit	38,500	38,500	2,550	35,950	
Other Expenses - Miscellaneous	3,000	3,000	1,509	1,491	
Assessment of Taxes					
Salaries and Wages	10,500	10,500	10,000	500	
Other Expenses	49,200	49,200	30,278	18,922	
Collection of Taxes					
Salaries and Wages	114,500	114,500	112,018	2,482	
Other Expenses	14,600	14,600	11,574	3,026	
Legal Services					
Other Expenses	182,500	182,500	159,575	22,925	
Municipal Court					
Salaries and Wages	100,000	100,000	84,932	15,068	
Other Expenses	12,500	12,500	4,095	8,405	
Municipal Prosecutor					
Salaries and Wages	24,500	24,500	20,724	3,776	
Other Expenses	500	500		500	
Public Defender					
Salaries and Wages	11,000	11,000	4,710	6,290	
Other Expenses	500	500		500	
Engineering Services and Costs					
Other Expenses	20,500	20,500	15,615	4,885	
Public Buildings and Grounds					
Salaries and Wages	73,000	76,500	74,381	2,119	
Other Expenses	111,500	121,500	121,270	230	
MUNICIPAL LAND USE LAW					
Planning Board					
Salaries and Wages	10,500	10,500	10,261	239	
Other Expenses	4,000	4,000	1,224	2,776	
Zoning Board of Adjustment					
Salaries and Wages	44,000	44,000	42,703	1,297	
Other Expenses	6,500	6,500	3,245	3,255	
Master Plan					
Other Expenses	7,500	2,000	-	2,000	
Codification of Ordinances					
Other Expenses	6,000	6,000	1,195	4,805	
Shade Trees					
Salaries and Wages	305,000	320,000	312,721	7,279	
Other Expenses	28,400	28,400	21,191	7,209	
Recycling Program					
Salaries and Wages	267,500	267,500	244,813	22,687	
Other Expenses	99,000	159,000	148,966	10,034	

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

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
			<u>Reserved</u>
			<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)			
INSURANCE			
Employee Group Insurance	\$ 2,235,400	\$ 2,167,400	\$ 2,162,102
Workman's Compensation Insurance	349,379	349,379	349,379
Other Insurance Premiums	307,800	307,800	303,154
			4,646
PUBLIC SAFETY FUNCTIONS			
Fire			
Salaries and Wages	113,000	113,000	100,574
Other Expenses	113,500	113,500	109,424
Uniform Fire Safety Act (Ch. 383 P.L. 1983)			
Salaries and Wages	60,250	60,250	56,900
Other Expenses	6,800	6,800	2,588
Police Department			
Salaries and Wages	5,021,500	5,021,500	4,788,052
Other Expenses	243,500	243,500	171,550
Emergency Management Services			
Salaries and Wages	6,950	7,100	6,891
Other Expenses	7,000	7,000	5,028
			209
			1,972
STREETS AND ROADS			
Road Repairs and Maintenance			
Salaries and Wages	360,000	371,000	362,878
Other Expenses	77,000	77,000	68,610
			8,122
			8,390
SANITATION			
Street Cleaning			
Salaries and Wages	333,000	363,000	355,694
Other Expenses	30,600	30,600	21,006
Garbage and Trash Removal			
Salaries and Wages	710,000	710,000	634,784
Other Expenses	69,750	74,750	73,600
Sewer Maintenance			
Salaries and Wages	205,650	221,650	216,212
Other Expenses	25,000	25,000	17,934
			5,438
			7,066
Sanitary Landfill - Contractual -Bergen County	415,000	415,000	374,551
			40,449
HEALTH AND WELFARE			
Board of Health			
Salaries and Wages	50,750	52,750	51,556
Other Expenses - Contractual	75,000	75,000	74,900
Other Expenses - Miscellaneous	6,200	6,200	5,846
			1,194
			100
			354
Dog Regulation			
Other Expenses - Contractual	10,000		-
Other Expenses - Miscellaneous	500	500	500
Administration of Public Assistance			
Other Expenses	250	250	250

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<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" (Cont'd)					
RECREATION AND EDUCATION					
Parks and Playground					
Salaries and Wages	\$ 233,000	\$ 240,000	\$ 235,182	\$ 4,818	
Other Expenses	16,500	16,500	14,799	1,701	
Recreation					
Salaries and Wages	96,750	65,100	57,447	7,653	
Other Expenses	37,000	37,000	30,801	6,199	
Celebration of Public Events, Anniversary or Holiday					
Salaries and Wages	14,750	14,750	14,359	391	
Other Expenses	18,500	18,500	13,350	5,150	
Senior Citizen's Transportation					
Salaries and Wages	19,500	19,500	8,352	11,148	
Other Expenses	2,000	2,000	187	1,813	
Senior Citizen's Activities					
Salaries and Wages	33,900	33,900	33,213	687	
Other Expenses	17,000	17,000	2,888	14,112	
UNIFORM CONSTRUCTION CODE					
Construction Code Officials					
Salaries and Wages	142,500	142,500	136,524	5,976	
Other Expenses	4,000	4,000	3,671	329	
UNCLASSIFIED					
Utilities					
Gasoline	105,000	75,000	61,846	13,154	
Electricity	127,000	127,000	124,452	2,548	
Telephone	77,000	77,000	73,524	3,476	
Natural Gas	36,500	36,500	30,683	5,817	
Street Lighting	106,000	103,000	101,896	1,104	
Fire Hydrant Service	125,000	123,000	122,670	330	
Water	21,000	24,000	22,062	1,938	-
Total Operations Within "CAPS"	<u>14,053,329</u>	<u>14,052,829</u>	<u>13,234,718</u>	<u>818,111</u>	<u>-</u>
Detail:					
Salaries & Wages	8,730,000	8,783,000	8,321,168	461,832	-
Other Expenses	<u>5,323,329</u>	<u>5,269,829</u>	<u>4,913,550</u>	<u>356,279</u>	<u>-</u>

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

	<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>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
STATUTORY CHARGES					
Public Employees Retirement System	\$ 515,000	\$ 515,000	\$ 502,297	\$ 12,703	
Social Security System (O.A.S.I.)	345,000	345,000	344,003	997	
Police and Firemans Retirement System	1,132,128	1,132,128	1,117,128	15,000	
Unemployment Insurance	15,000	14,500	-	14,500	-
		<u>2,007,128</u>	<u>1,963,428</u>	<u>43,200</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"		<u>2,007,128</u>	<u>1,963,428</u>	<u>43,200</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>16,060,457</u>	<u>16,059,457</u>	<u>15,198,146</u>	<u>861,311</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library					
Salaries and Wages	470,000	470,000	429,294	40,706	
Other Expenses	183,250	183,250	176,048	7,202	
Other Expenses - Group Plan for Employees	119,000	119,000	119,000	-	
Bergen County Utilities Authority - Sewer Service Charges					
Other Expenses - Contractual	1,193,000	1,193,000	1,192,958	42	
Reserve for Tax Appeals	60,000	60,000	60,000	-	
Length of Service Awards Program (LOSAP)	52,500	52,500		52,500	
Police - Class III Police Officers					
Salaries and Wages	173,250	173,250	62,232	-	\$ 111,018
Other Expenses	13,250	13,250	4,761	7,434	1,055
Recycling Tax	18,750	19,750	17,313	2,437	
Street Cleaning					
Salaries and Wages	48,500	48,500	48,500		
Other Expenses	6,500	6,500	6,500	-	-
Total Other Operations Excluded from "CAPS"	<u>2,338,000</u>	<u>2,339,000</u>	<u>2,116,606</u>	<u>110,321</u>	<u>112,073</u>

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Reserve for Clean Communities Program	\$ 22,905	\$ 22,905	\$ 22,905		
Reserve for Alcohol Education & Rehabilitation	321	321	321		
Body Amor Fund	2,934	2,934	2,934		
Recycling Tonnage Grant	<u>17,409</u>	<u>17,409</u>	<u>17,409</u>	-	-
 Total Public and Private Programs Offset by Revenues	 <u>43,569</u>	 <u>43,569</u>	 <u>43,569</u>	 -	 -
 Total Operations Excluded from "CAPS"	 <u>2,381,569</u>	 <u>2,382,569</u>	 <u>2,160,175</u>	 <u>\$ 110,321</u>	 <u>\$ 112,073</u>
Detail:					
Salaries and Wages	691,750	691,750	540,026	40,706	
Other Expenses	<u>1,689,819</u>	<u>1,690,819</u>	<u>1,620,149</u>	<u>69,615</u>	<u>112,073</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	-	-
 Total Capital Improvements - Excluded from "CAPS"	 <u>75,000</u>	 <u>75,000</u>	 <u>75,000</u>	 -	 -
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	350,000	350,000	350,000		
Payment of Bond Anticipation Notes and Capital Notes	802,500	802,500	802,500		
Interest on Bonds	54,800	54,800	54,800		
Interest on Notes	<u>159,256</u>	<u>159,256</u>	<u>159,256</u>	-	-
 Total Municipal Debt Service - Excluded from "CAPS"	 <u>1,366,556</u>	 <u>1,366,556</u>	 <u>1,366,556</u>	 -	 -

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 3,823,125	\$ 3,824,125	\$ 3,601,731	\$ 110,321	\$ 112,073
Subtotal General Appropriations	19,883,582	19,883,582	18,799,877	971,632	112,073
Reserve for Uncollected Taxes	<u>996,242</u>	<u>996,242</u>	<u>996,242</u>	-	-
Total General Appropriations	<u>\$ 20,879,824</u>	<u>\$ 20,879,824</u>	<u>\$ 19,796,119</u>	<u>\$ 971,632</u>	<u>\$ 112,073</u>
<u>Reference</u>	A-2		A-1	A,A-1	

	<u>Reference</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>
Budget as Adopted	A-3	<u>\$ 20,879,824</u>	
Cash Disbursements	A-4		\$ 18,561,205
Encumbrances Payable	A-16		135,103
Reserve for Tax Appeals	A-22		60,000
Appropriated Grant Reserves	A-27		43,569
Reserve for Uncollected Taxes	A-2		<u>996,242</u>
			<u>\$ 19,796,119</u>

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

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Assessment Trust Fund			
Cash	B-3	\$ <u>1,839</u>	\$ <u>1,839</u>
Animal Control Fund			
Cash	B-3	<u>21,406</u>	<u>28,252</u>
Other Trust Fund			
Cash	B-3	1,062,124	1,017,166
Police Outside-Duty Receivable	B-9	<u>100,220</u>	<u>95,862</u>
		<u>1,162,344</u>	<u>1,113,028</u>
Length of Service Awards Program Fund (Unaudited)			
Investments	B	999,862	848,644
Contribution Receivable	B	<u>49,350</u>	<u>47,000</u>
		<u>1,049,212</u>	<u>895,644</u>
TOTAL ASSETS		<u>\$ 2,234,801</u>	<u>\$ 2,038,763</u>

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

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Assessment Trust Fund			
Fund Balance	B-2	\$ 1,839	\$ 1,839
Animal Control Fund			
Reserve for Animal Control Expenditures	B-5	21,406	28,252
Other Trust Fund			
Miscellaneous Reserves	B-7	865,722	876,641
Payroll Deductions Payable	B-8	171,440	164,028
Reserve for Unemployment Insurance	B-11	52,023	56,378
Reserve for FEMA Reimbursements	B-12	8,680	8,680
Due to State of New Jersey - Unemployment Insurance	B-13	25,197	
Fund Balance	B-1	39,282	7,301
		<u>1,162,344</u>	<u>1,113,028</u>
Length of Service Awards Program Fund (Unaudited)			
Reserve for LOSAP Benefits	B	1,049,212	895,644
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 2,234,801</u>	<u>\$ 2,038,763</u>

BOROUGH OF HASBROUCK HEIGHTS
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
OTHER TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	B	\$ 7,301	\$ 7,301
Increased by:			
Miscellaneous Reserves Cancelled	B-7	<u>31,981</u>	<u>-</u>
Balance, December 31	B	<u>\$ 39,282</u>	<u>\$ 7,301</u>

**BOROUGH OF HASBROUCK HEIGHTS
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	B	\$ <u>1,839</u>	\$ <u>1,839</u>
Balance, December 31	B	\$ <u>1,839</u>	\$ <u>1,839</u>

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

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash	C-2, C-3	\$ 765,881	\$ 1,171,158
Grants Receivable - State of New Jersey	C-4	1,096,100	1,065,168
Grants Receivable - Community Devel. Block Grant/Open Space Grant	C-5	436,156	450,194
Grants Receivable - Due From FEMA	C-6	45,000	45,000
Deferred Charges to Future Taxation			
Funded	C-7	1,020,000	1,370,000
Unfunded	C-8	<u>9,501,448</u>	<u>7,865,998</u>
TOTAL ASSETS		<u>\$ 12,864,585</u>	<u>\$ 11,967,518</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 1,020,000	\$ 1,370,000
Bond Anticipation Notes	C-11	6,749,000	5,823,500
Contracts Payable	C-16	1,153,329	1,622,173
Improvement Authorizations			
Funded	C-9	1,253,258	914,698
Unfunded	C-9	2,541,958	1,999,036
Capital Improvement Fund	C-12	132,385	176,635
Reserve for Garrison Ave. Repair - FEMA Funds	C-13		7,801
Reserve for Payment of Bond Anticipation Notes	C-14		46,821
Fund Balance	C-1	<u>14,655</u>	<u>6,854</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 12,864,585</u>	<u>\$ 11,967,518</u>

There were bonds and notes authorized but not issued on December 31, 2020 of \$2,752,448 and on December 31, 2019 of \$2,042,498 (Exhibit C-17).

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

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	C	\$ 6,854	\$ 6,854
Increased by:			
Cancellation of Reserve for Garrison Avenue Repair - FEMA Funds	C-13	<u>7,801</u>	<u>-</u>
Balance, December 31	C	<u>\$ 14,655</u>	<u>\$ 6,854</u>

**BOROUGH OF HASBROUCK HEIGHTS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE TRUST FUND
AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash	D-1	\$ 31,948	\$ 28,454
TOTAL ASSETS		<u>\$ 31,948</u>	<u>\$ 28,454</u>
 LIABILITIES AND RESERVES			
Reserve for Public Assistance	D-5	\$ 31,948	\$ 28,454
TOTAL LIABILITIES AND RESERVES		<u>\$ 31,948</u>	<u>\$ 28,454</u>

BOROUGH OF HASBROUCK HEIGHTS
COMPARATIVE BALANCE SHEETS OF GENERAL FIXED ASSETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNTS GROUP
AS OF DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Land	\$ 23,971,900	\$ 23,971,900
Buildings	12,563,600	12,563,600
Machinery and Equipment	<u>10,571,075</u>	<u>9,873,600</u>
	<u>\$ 47,106,575</u>	<u>\$ 46,409,100</u>
Investment in General Fixed Assets	<u>\$ 47,106,575</u>	<u>\$ 46,409,100</u>

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

Assessment Trust Fund - This fund is used to account for special benefit assessments levied against properties for specific purposes.

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

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

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

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

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

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

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

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

Financial Statements – Regulatory Basis

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of 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 HASBROUCK HEIGHTS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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 HASBROUCK HEIGHTS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Hasbrouck Heights has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$500 and an estimated useful life in excess of two years.

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

General Fixed Assets purchased after December 31, 2016 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, 2016 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Estimated Historical Cost

No depreciation has been provided for in the financial statements.

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

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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
Public Assistance Trust Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2020 and 2019 the Borough Council did not increase the original budget. However, the governing body did approve several budget transfers during 2020 and 2019.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds and cash in banks, as cash.

A. Cash Deposits

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

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2020 and 2019, the book value of the Borough's deposits were \$5,057,402 and \$5,790,420 and bank and brokerage firm balances of the Borough's deposits amounted to \$6,117,378 and \$5,980,884, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2020</u>	<u>2019</u>
Insured	<u>\$ 6,117,378</u>	<u>\$ 5,980,884</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2020 and 2019, the Borough’s bank balances were not exposed to custodial credit risk.

B. Investments

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

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

	Fair Value	
	(LOSAP - Unaudited)	
	<u>2020</u>	<u>2019</u>
Investment:		
Lincoln Financial LOSAP Investment Fund	\$ <u>999,862</u>	\$ <u>848,644</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2020 and 2019, \$999,862 and \$848,644 of the Borough’s investments was exposed to custodial credit risk as follows:

	Fair Value	
	(LOSAP - Unaudited)	
	<u>2020</u>	<u>2019</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ <u>999,862</u>	\$ <u>848,644</u>

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2020 and 2019, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services.

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

The fair value of the above-listed investment was based on information provided by Lincoln Financial.

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

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

NOTE 4 TAXES RECEIVABLE

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

<u>Current</u>	<u>2020</u>	<u>2019</u>
Property Taxes	\$ 389,447	\$ 315,918
Tax Title Liens	<u>218,567</u>	<u>326,124</u>
	<u>\$ 608,014</u>	<u>\$ 642,042</u>

In 2020 and 2019, the Borough collected \$327,792 and \$385,258 from delinquent taxes, which represented 51% and 56%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 FUND BALANCES APPROPRIATED

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

	<u>2020</u>		<u>2019</u>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund Cash Surplus	<u>\$ 1,282,503</u>	<u>\$ 1,280,000</u>	<u>\$ 1,837,509</u>	<u>\$ 1,315,000</u>

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

NOTE 6 FIXED ASSETS

A. General Fixed Assets

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

	Balance January 1, <u>2020</u>	<u>Increases</u>	<u>Adjustment</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Land	\$ 23,971,900			\$ 23,971,900
Buildings and Building Improvements	12,563,600			12,563,600
Machinery and Equipment	<u>9,873,600</u>	\$ 697,475	<u>-</u>	<u>10,571,075</u>
	<u>\$ 46,409,100</u>	<u>\$ 697,475</u>	<u>\$ -</u>	<u>\$ 47,106,575</u>
	Balance January 1, <u>2019</u>	<u>Increases</u>	<u>Adjustment</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Land	\$ 23,437,200		\$ 534,700	\$ 23,971,900
Buildings and Building Improvements	13,098,300		(534,700)	12,563,600
Machinery and Equipment	<u>9,599,298</u>	\$ 274,302	<u>-</u>	<u>9,873,600</u>
	<u>\$ 46,134,798</u>	<u>\$ 274,302</u>	<u>\$ -</u>	<u>\$ 46,409,100</u>

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

NOTE 7 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. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2020</u>	<u>2019</u>
Issued		
General		
Bonds and Notes	\$ 7,769,000	\$ 7,193,500
Less Funds Temporarily Held to Pay Bonds and Notes	<u>-</u>	<u>46,821</u>
Net Debt Issued	7,769,000	7,146,679
Authorized But Not Issued		
General		
Bonds and Notes	<u>2,752,448</u>	<u>2,042,498</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 10,521,448</u>	<u>\$ 9,189,177</u>

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

NOTE 7 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 0.559% and 0.497% at December 31, 2020 and 2019, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
General Debt	\$ 10,521,448		\$ 10,521,448
School Debt	<u>8,870,000</u>	<u>\$ 8,870,000</u>	<u>-</u>
Total	<u>\$ 19,391,448</u>	<u>\$ 8,870,000</u>	<u>\$ 10,521,448</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2019</u>			
General Debt	\$ 9,235,998	\$ 46,821	\$ 9,189,177
School Debt	<u>9,630,000</u>	<u>9,630,000</u>	<u>-</u>
Total	<u>\$ 18,865,998</u>	<u>\$ 9,676,821</u>	<u>\$ 9,189,177</u>

Statutory Borrowing Power

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

	<u>2020</u>	<u>2019</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 65,850,020	\$ 65,020,840
Less: Net Debt	<u>10,521,448</u>	<u>9,189,177</u>
Remaining Borrowing Power	<u>\$ 55,328,572</u>	<u>\$ 55,831,663</u>

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

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2020</u>	<u>2019</u>
\$3,555,000, 2014 Refunding Bonds, due in annual installments of \$330,000 to \$350,000 through September 15, 2023, interest at 4.00%	<u>\$ 1,020,000</u>	<u>\$ 1,370,000</u>

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

Calendar Year	General		Total
	Principal	Interest	
2021	\$ 345,000	\$ 40,800	\$ 385,800
2022	345,000	27,000	372,000
2023	<u>330,000</u>	<u>13,200</u>	<u>343,200</u>
Total	<u>\$ 1,020,000</u>	<u>\$ 81,000</u>	<u>\$ 1,101,000</u>

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

NOTE 7 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

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

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
General Capital Fund Bonds Payable	\$ 1,370,000	\$ -	\$ 350,000	\$ 1,020,000	\$ 345,000
General Capital Fund Long-Term Liabilities	<u>\$ 1,370,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 1,020,000</u>	<u>\$ 345,000</u>
	Balance, January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
General Capital Fund Bonds Payable	\$ 1,720,000	\$ -	\$ 350,000	\$ 1,370,000	\$ 350,000
General Capital Fund Long-Term Liabilities	<u>\$ 1,720,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 1,370,000</u>	<u>\$ 350,000</u>

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

NOTE 7 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

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

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, January 1, <u>2020</u>	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, <u>2020</u>
<u>2020</u>						
<u>General Capital Fund</u>						
Various Capital Improvements	.80	3/19/2021	\$ 5,823,500	\$ 6,749,000	\$ 5,823,500	\$ 6,749,000
Total General Capital Fund			<u>\$ 5,823,500</u>	<u>\$ 6,749,000</u>	<u>\$ 5,823,500</u>	<u>\$ 6,749,000</u>

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, January 1, <u>2019</u>	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, <u>2019</u>
<u>2019</u>						
<u>General Capital Fund</u>						
Various Capital Improvements	2.750%	3/20/2020	\$ 5,924,500	\$ 5,823,500	\$ 5,924,500	\$ 5,823,500
Total General Capital Fund			<u>\$ 5,924,500</u>	<u>\$ 5,823,500</u>	<u>\$ 5,924,500</u>	<u>\$ 5,823,500</u>

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

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

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

NOTE 8 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects and other significant commitments as follows:

<u>Capital Project</u>	<u>Construction/Other Commitment</u>	<u>Estimated Date of Completion/Acquisition</u>
<u>2020</u>		
Improvements to Raymond Street	\$249,237	2021
2019 Road Resurfacing Program	234,453	2021
Acquisition of Vehicles	316,337	2021
Acquisition of Fire Department Equipment	77,327	2021
<u>2019</u>		
Replacement and Upgrade of Public Safety Communication Equipment	\$321,119	2020
Emergency Repair of Franklin Avenue Pump Station	61,070	2020
Improvements to Myers Ave, Charlton & Pasadena Ave.	208,713	2020
Improvements to Raymond Street	270,301	2020
2019 Road Resurfacing Program	449,318	2020
Acquisition of Vehicles	243,077	2020

NOTE 9 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

In addition, members of the Borough police department are eligible to receive five (5) months of terminal leave as a retirement benefit. Each employee shall be entitled to a terminal leave upon retirement with twenty-five (25) years of service.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$872,792 and \$767,966 at December 31, 2020 and 2019, 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, 2020 and 2019, the Borough has reserved in the Current Fund \$175,000 and \$150,000, respectively to fund compensated absences in accordance with NJSA 40A:4-39. Any remaining potential liability will be raised in that respective year's budget.

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

NOTE 9 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, 2020 and 2019 were as follows:

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
Compensated Absences	\$ 767,966	\$ 104,826		\$ 872,792	
Net Pension Liability - PERS	9,087,881		\$ 838,453	8,249,428	
Net Pension Liability - PFRS	13,534,369	1,567,302		15,101,671	
Net OPEB Liability (1)	<u>12,718,542</u>	<u>-</u>	<u>-</u>	<u>12,718,542</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 36,108,758</u>	<u>\$ 1,672,128</u>	<u>\$ 838,453</u>	<u>\$ 36,942,433</u>	<u>\$ -</u>

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

	Balance, January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
Compensated Absences	\$ 613,185	\$ 154,781		\$ 767,966	
Net Pension Liability - PERS	9,912,559		\$ 824,678	9,087,881	
Net Pension Liability - PFRS	15,171,917		1,637,548	13,534,369	
Net OPEB Liability	<u>16,337,776</u>	<u>-</u>	<u>3,619,234</u>	<u>12,718,542</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 42,035,437</u>	<u>\$ 154,781</u>	<u>\$ 6,081,460</u>	<u>\$ 36,108,758</u>	<u>\$ -</u>

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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 at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Other Pension Funds

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

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

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

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

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.

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 and 2019 is \$16.4 billion and \$18.1 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 58.32% and 56.27%, respectively. The collective net pension liability of the participating employers for local PFRS at June 30, 2020 and 2019 is \$14.9 billion and \$14.2 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 63.52% and 65.00%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 and 2018 which were rolled forward to June 30, 2020 and 2019, respectively.

Actuarial Methods and Assumptions

In the July 1, 2019 and 2018 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

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

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

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2020, 2019 and 2018, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

Year Ended December 31	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2020	\$ 1,117,128	\$ 490,600	\$ 5,450
2019	1,096,155	500,764	15,514
2018	947,905	482,796	2,439

In addition for the years ended December 31, 2020, 2019 and 2018 the Borough contributed for long-term disability insurance premiums (LTDI) \$1,431, \$1,438 and \$4,388, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2020 and 2019, the Borough reported a liability of \$8,249,428 and \$9,087,881, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. 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, 2020, the Borough’s proportionate share was .05059 percent, which was an increase of .00015 percent from its proportionate share measured as of June 30, 2019 of .05044 percent.

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the years ended December 31, 2020 and 2019, the pension system has determined the Borough’s pension expense to be \$313,293 and \$533,913, respectively, for PERS based on the actuarial valuations which are less and more than the actual contribution reported in the Borough’s financial statements of \$490,600 and \$500,764, respectively. At December 31, 2020 and 2019, the Borough’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough’s financial statements are from the following sources:

	2020		2019	
	<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	\$ 150,209	\$ 29,174	\$ 163,116	\$ 40,146
Changes of Assumptions	267,621	3,454,113	907,458	3,154,375
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	281,972			143,456
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>196,135</u>	<u>186,625</u>	<u>332,004</u>	<u>257,585</u>
Total	<u>\$ 895,937</u>	<u>\$ 3,669,912</u>	<u>\$ 1,402,578</u>	<u>\$ 3,595,562</u>

At December 31, 2020 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (784,252)
2022	(784,252)
2023	(784,252)
2024	(363,791)
2025	(57,428)
Thereafter	<u>-</u>
	<u>\$ (2,773,975)</u>

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

NOTE 10 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, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020 and 2019</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

The actuarial assumptions used in the July 1, 2019 and 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.28%

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

	<u>2020</u>	<u>2019</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2057
Municipal Bond Rate *	Not Applicable	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2020 and 2019 calculated using the discount rate of 7.00% and 6.28%, respectively, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% and 5.28%, respectively or 1-percentage-point higher 8.00% and 7.28%, respectively than the current rate:

<u>2020</u>	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ 10,384,654	\$ 8,249,428	\$ 6,437,631
	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
<u>2019</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	\$ 11,479,470	\$ 9,087,881	\$ 7,072,628

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020 and 2019. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2020 and 2019, the Borough reported a liability of \$15,101,671 and \$13,534,369, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. 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, 2020, the Borough's proportionate share was .11687 percent, which was an increase of .00628 percent from its proportionate share measured as of June 30, 2019 of .11059 percent.

For the years ended December 31, 2020 and 2019, the pension system has determined the Borough pension expense to be \$1,121,493 and \$1,201,777, respectively, for PFRS based on the actuarial valuations which are more than the actual contribution reported in the Borough's financial statements of \$1,117,128 and \$1,096,155, respectively. At December 31, 2020 and 2019, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2020		2019	
	<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	\$ 152,250	\$ 54,198	\$ 114,247	\$ 85,689
Changes of Assumptions	38,003	4,048,668	463,761	4,374,184
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	885,482			183,386
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,367,136</u>	<u>231,942</u>	<u>864,439</u>	<u>442,616</u>
Total	<u>\$ 2,442,871</u>	<u>\$ 4,334,808</u>	<u>\$ 1,442,447</u>	<u>\$ 5,085,875</u>

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

At December 31, 2020 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:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (497,565)
2022	(497,565)
2023	(497,563)
2024	(395,454)
2025	(3,790)
Thereafter	<u>-</u>
	<u>\$ (1,891,937)</u>

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020 and 2019</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

The actuarial assumptions used in the July 1, 2019 and 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.85%

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Discount Rate (Continued)

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

	<u>2020</u>	<u>2019</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2076
Municipal Bond Rate *	Not Applicable	From July 1, 2076 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2020 and 2019 calculated using the discount rate of 7.00% and 6.85%, respectively, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% and 5.85%, respectively or 1-percentage-point higher 8.00% and 7.85%, respectively than the current rate:

<u>2020</u>	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough’s Proportionate Share of the PFRS Net Pension Liability	\$ 20,082,114	\$ 15,101,671	\$ 10,965,033
	1% Decrease <u>(5.85%)</u>	Current Discount Rate <u>(6.85%)</u>	1% Increase <u>(7.85%)</u>
<u>2019</u>			
Borough’s Proportionate Share of the PFRS Net Pension Liability	\$ 18,293,535	\$ 13,534,369	\$ 9,595,474

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2020 and 2019. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

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

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Special Funding Situation – PFRS

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

At December 31, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,343,710 and \$2,137,103, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$265,613 and \$248,314, respectively, which are more than the actual contributions the State made on behalf of the Borough of \$180,347 and \$143,996, respectively. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Borough was .11687 percent, which was an increase of .00628 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .11059 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

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

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

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

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

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

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

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

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

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

In the June 30, 2018 OPEB actuarial 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.

Post-Retirement Medical Benefits Contribution

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

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

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2020, 2019 and 2018 were \$514,982, \$550,391 and \$960,223, respectively, which equaled the required contributions for each year.

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

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

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

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2019, the Borough reported a liability of \$12,718,542 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Borough’s proportionate share of the net OPEB liability was based on the ratio of the Borough’s proportionate share of the OPEB liability attributable to the Borough at June 30, 2019 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2019. As of the measurement date of June 30, 2019 the Borough’s proportionate share was .09389 percent, which was a decrease of .01039 percent from its proportionate share measured as of June 30, 2018 of .10428 percent.

For the year ended December 31, 2019, the Plan has determined the Borough’s OPEB (benefit) to be \$(754,191) based on the actuarial valuation which is less than the actual contributions reported in the Borough’s financial statements of \$550,391. At December 31, 2019, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

	<u>2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 3,719,397
Changes of Assumptions		4,507,168
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	\$ 10,477	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions		3,815,890
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 10,477</u>	<u>\$ 12,042,455</u>

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

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

Year Ending <u>December 31,</u>	<u>Total</u>
2020	\$ (1,877,502)
2021	(1,877,502)
2022	(1,877,504)
2023	(1,879,663)
2024	(1,880,662)
Thereafter	<u>(2,639,145)</u>
	<u>\$ (12,031,978)</u>

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

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Actuarial Assumptions

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

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

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

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

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

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

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

Long-Term Expected Rate of Return

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

Discount Rate

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

Calendar

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

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

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

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

<u>2019</u>	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 14,705,870</u>	<u>\$ 12,718,542</u>	<u>\$ 11,103,575</u>

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

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

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

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

<u>2019</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ <u>10,732,882</u>	\$ <u>12,718,542</u>	\$ <u>15,251,586</u>

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

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB 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 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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. 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. 75 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. 75 is zero percent and the State’s proportionate share is 100% of OPEB under this legislation.

At December 31, 2019, the State’s proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$5,560,586. For the year ended December 31, 2019 the plan has determined the State’s proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$73,709. At December 31, 2019, (measurement date June 30, 2019), the State’s share of the OPEB liability attributable to the Borough was .10063 percent, which was a decrease of .00494 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .10557 percent. The State’s proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

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.state.nj.us/treasury/pensions.

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

NOTE 12 RISK MANAGEMENT

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

The Borough of Hasbrouck Heights is a member of the New Jersey Intergovernmental Insurance Fund (NJIIIF). The joint insurance fund is 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 Fund is risk-sharing public entity pool. The NJIIF coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance fund 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 fund, to report claims on a timely basis, to cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. 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 fund provides 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 fund 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>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 25,000	\$ 29,355	\$ 52,023
2019		21,331	56,378
2018	37,500	22,849	77,709

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

NOTE 13 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2020 and 2019. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2020 and 2019, the Borough reserved \$209,198 and \$360,789, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

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

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

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

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Hasbrouck Heights Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 14, 2001 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 Hasbrouck Heights approved the adoption of the Plan at the general election held on November 6, 2001.

The first year of eligibility for entrance into the Plan was calendar year 2001. 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.

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

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

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

The Borough of Hasbrouck Heights has contributed between \$900 and \$1,700 for 2020 and 2019, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$49,350 and \$47,000 for 2020 and 2019, respectively.

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

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

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 16 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Borough) (the "COVID-19 Pandemic"). On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place. Recently, the United States Congress has passed relief and stimulus legislation including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. It is too early to predict if the legislation will have its intended affect.

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

NOTE 16 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

In compliance with the Governor's executive orders, the Borough has instituted necessary precautions and procedures, so as to allow the Borough to continue to provide services during this time. The Borough is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Borough will continue to collect property taxes and other municipal revenues. Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Borough cannot predict how the outbreak will impact the financial condition or operations of the Borough, or if there will be any impact on the assessed values of property within the Borough or deferral of tax payments to municipalities. The Borough cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. At this time, it is not possible to predict any future financial impacts as a result of this pandemic on the Borough's operations; however, such amounts, if any, could be material.

NOTE 17 SUBSEQUENT EVENTS

Special Emergency Appropriation

On March 9, 2021, the Borough authorized a special emergency appropriation in the amount of \$590,000 to provide for the funding of COVID-19 related revenue losses during the 2020 budget year.

Bond Anticipation Notes

On March 18, 2021 the Borough issued bond anticipation notes in the amount of \$6,532,000 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Piper Sandler & Co. at an interest rate of .50%. These notes dated March 18, 2021 will mature on September 24, 2021.

Special Emergency Notes

On June 3, 2021 the Borough issued a special emergency note in the amount of \$590,000 to temporarily finance a deferred charge resulting in revenue losses due to the pandemic. The Borough has awarded the sale of said notes to Valley National Bank at an interest rate of .43%. This note dated June 3, 2021 will mature on June 3, 2022.

CURRENT FUND

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF CASH - REGULAR FUND**

Balance, January 1, 2020		\$	3,405,039
Increased by:			
Petty Cash	\$		600
Due from State of New Jersey - Senior Citizens' & Veterans' Deductions		61,476	
Taxes Receivable		51,481,883	
Tax Title Liens		21,938	
Revenue Accounts Receivable		2,568,314	
Miscellaneous Revenue Not Anticipated		30,483	
Tax Overpayments		30,446	
Due to State of New Jersey:			
Building Surcharge Fees		13,847	
Marriage License Fees		1,250	
Maintenance of Free Public Library With State Aid		5,131	
Prepaid Taxes		198,236	
Receipts from County of Bergen		6,413	
Receipts from Grant Fund		324	
Receipts from Other Trust Fund		4,605	
Receipts from Animal Control Fund		146	
Receipts from General Capital Fund		5,631	
Receipts from Public Assistance Trust Fund		<u>116</u>	
			<u>54,430,839</u>
			57,835,878
Decreased by:			
2020 Budget Appropriations		18,561,205	
2019 Appropriation Reserves		273,055	
County Taxes		4,609,418	
School Taxes		30,887,794	
Tax Overpayments		7,385	
Encumbrances Payable		153,651	
Petty Cash Funds		600	
Reserve for Tax Appeals		236,591	
Maintenance of Free Public Library With State Aid		2,026	
Due to State of New Jersey:			
Building Surcharge Fees		13,536	
Marriage License Fees		1,125	
Payments to Other Trust Fund		25,000	
Refund of Prior Year Revenue		<u>20,455</u>	
			<u>54,791,841</u>
Balance December 31, 2020		\$	<u><u>3,044,037</u></u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF CASH - CHANGE FUNDS**

Balance, January 1, 2020	\$ 275
Balance, December 31, 2020	<u>\$ 275</u>

Analysis of Balance

Tax Collector - Treasurer	\$ 100
Clerk of Municipal Court	100
Borough Clerk	25
Board of Health	<u>50</u>
	<u>\$ 275</u>

STATEMENT OF PETTY CASH FUNDS

<u>Department</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Police Chief	\$ 100	\$ 100
Borough Clerk	100	100
Library	100	100
Tax Collector - Treasurer	100	100
Recreation Director	75	75
Board of Health	25	25
Superintendent of DPW	<u>100</u>	<u>100</u>
	<u>\$ 600</u>	<u>\$ 600</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF CASH - GRANT FUND**

Balance, January 1, 2020		\$ 138,237
Increased by:		
Unappropriated Grant Reserves	\$ 22,904	
Federal and State Grants Receivable	<u>2,934</u>	
		<u>25,838</u>
		164,075
Decreased by:		
Appropriated Grant Reserves	33,859	
Payments to Current Fund	<u>324</u>	
		<u>34,183</u>
Balance, December 31, 2020		<u><u>\$ 129,892</u></u>

EXHIBIT A-8

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

Balance, January 1, 2020		\$ 8,640
Increased by:		
Cash Received From State	\$ 61,476	
Senior Citizens & Veterans Deductions Disallowed - Prior Year	<u>250</u>	
		<u>61,726</u>
		70,366
Decreased by:		
Senior Citizens & Veterans Deductions Allowed Per Tax Duplicate	61,750	
Senior Citizens & Veterans Deductions Allowed Per Tax Collector	<u>1,000</u>	
		<u>62,750</u>
Balance, December 31, 2020		<u><u>\$ 7,616</u></u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

<u>Year</u>	Balance, January 1, <u>2020</u>	2020 <u>Levy</u>	Senior Citizens' and Veterans' Deductions <u>Disallowed</u>	<u>Cash Receipts</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	Transfer to Tax Title <u>Liens</u>	<u>Cancelled</u>	Balance, December 31, <u>2020</u>
				<u>2019</u>	<u>2020</u>				
2019	\$ 315,918		\$ 250		\$ 305,854			\$ 10,314	
2020	<u>-</u>	\$ <u>51,795,894</u>	<u>-</u>	\$ <u>143,796</u>	<u>51,176,029</u>	\$ <u>62,750</u>	\$ <u>17,256</u>	<u>6,616</u>	\$ <u>389,447</u>
	\$ <u>315,918</u>	\$ <u>51,795,894</u>	\$ <u>250</u>	\$ <u>143,796</u>	\$ <u>51,481,883</u>	\$ <u>62,750</u>	\$ <u>17,256</u>	\$ <u>16,930</u>	\$ <u>389,447</u>

Analysis of 2020 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 51,703,787
Added Taxes (54:4-63.1 et seq.)	<u>92,107</u>
	\$ <u>51,795,894</u>
Tax Levy	
Local District School Tax	\$ 30,887,794
County Taxes	
County Taxes	\$ 4,418,203
County Open Space Preservation	185,817
Due County for Added Taxes (54:63.1 et seq.)	<u>6,379</u>
	4,610,399
Local Tax for Municipal Purposes	15,560,696
Local Tax for Library Purposes	636,739
Add Additional Tax Levied	<u>100,266</u>
	<u>16,297,701</u>
	\$ <u>51,795,894</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, January 1, 2020		\$ 326,124
Increased by:		
Transfer from 2020 Taxes Receivable		<u>17,256</u>
		343,380
Decreased by:		
Cancelled	\$ 102,875	
Cash Collections	<u>21,938</u>	
		<u>124,813</u>
Balance, December 31, 2020		<u>\$ 218,567</u>

STATEMENT OF MARTIN ACT PROPERTY LIENS RECEIVABLE

Balance, January 1, 2020		\$ 543
Decreased by:		
Cancellation		<u>\$ 543</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES

Balance, January 1, 2020		\$ 304,730
Decreased by:		
Cancellation		<u>\$ 304,730</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DUE FROM COUNTY OF BERGEN**

Balance, January 1, 2020	\$	6,413
Decreased by:		
Cash Receipts	\$	<u>6,413</u>

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2020</u>	Accrued in 2020	<u>Collected</u>	Balance, December 31, <u>2020</u>
Licenses:				
Alcoholic Beverages		\$ 14,968	\$ 14,968	
Other		38,070	38,070	
Fees and Permits		48,989	48,989	
Fines and Costs:				
Municipal Court	\$ 8,194	56,063	61,801	\$ 2,456
Interest and Costs on Taxes		123,426	123,426	
Interest on Investments and Deposits		29,954	29,954	
Lease - Hasbrouck Heights Swim Club		7,000	7,000	
Cable TV Franchise Fees		172,071	172,071	
Car Dealership Registration Fees		90,280	90,280	
Energy Receipts Taxes		1,083,148	1,083,148	
Uniform Construction Code Fees		201,606	201,606	
Hotel and Motel Occupancy Fee		257,385	257,385	
Uniform Fire Safety Act (P.L. 1983, Ch. 383)		12,324	12,324	
Reserve for Interest on Bond Anticipation Notes		46,821	46,821	
Other Special Items:				
Due from H.H. Bd. of Ed. - Debt Service Hitchcock Field		62,503	62,503	
Due from H.H. Bd. of Ed. - Class III Police Officers		74,427	74,427	
Due from H.H. Bd. of Ed. - Capital Improvement Fund		50,000	50,000	
Sewer Service Charges - City of Hackensack		35,509	35,509	
Fire Protection - Teterboro		112,881	112,881	
911 Coverage - Teterboro		7,376	7,376	
911 Coverage - Wood-Ridge		11,178	11,178	
Due from PSE&G - Williams Avenue Lease Agreement		22,000	22,000	
Pistol Range - Carlstadt		3,061	3,061	
Pistol Range - Maywood		500	500	
Lease - Port of New York Authority	-	1,036	1,036	-
	<u>8,194</u>	<u>2,562,576</u>	<u>2,568,314</u>	<u>2,456</u>
	\$	\$	\$	\$

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance, January 1, <u>2020</u>	Encumbrances Payable <u>Canceled</u>	Balance After <u>Modification</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Administrative and Executive - Mayor and Council					
Salaries and Wages	\$ 643		\$ 643		\$ 643
Administrative and Executive					
Salaries and Wages	24,558	\$ 600	25,158		25,158
Other Expenses	7,329		7,329	\$ 40	7,289
Elections					
Other Expenses	3,590		3,590		3,590
Financial Administration					
Salaries and Wages	3,058		3,058		3,058
Other Expenses	37,500		37,500	31,041	6,459
Other Expenses - Audit	2,094		2,094		2,094
Assessment of Taxes					
Salaries and Wages	1,823		1,823		1,823
Other Expenses	3,227		3,227	1,800	1,427
Collection of Taxes					
Salaries and Wages	53		53		53
Other expenses	4,196	749	4,945		4,945
Legal Services and Costs					
Salaries and Wages					
Other Expenses	6,865		6,865	6,854	11
Municipal Court					
Salaries and Wages	7,071		7,071		7,071
Other Expenses	278		278	40	238
Municipal Prosecutor					
Salaries and Wages	1,363		1,363		1,363
Other Expenses	500		500		500
Public Defender					
Salaries and Wages	4,958		4,958		4,958
Other Expenses	500		500		500
Engineering Services and Costs					
Other Expenses	20,823		20,823	2,195	18,628
Public Buildings and Grounds					
Salaries and Wages	3,180		3,180	1,417	1,763
Other Expenses	26,919		26,919	16,247	10,672
Master Plan					
Other Expenses	6,268		6,268	5,000	1,268
Codification of Ordinances					
Other Expenses	4,805		4,805	4,000	805
Planning Board					
Salaries and Wages	239		239		239
Other Expenses	2,518		2,518	10	2,508
Board of Adjustment					
Salaries and Wages	4,291		4,291		4,291
Other Expenses	228		228	200	28
Shade Trees					
Salaries and Wages	229		229	125	104
Other Expenses	5,278		5,278		5,278

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance, January 1, <u>2020</u>	Encumbrances Payable <u>Canceled</u>	Balance After <u>Modification</u>	Total Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Recycling Program					
Salaries and Wages	\$ 217		\$ 217		\$ 217
Other Expenses	3,478		3,478	\$ 2,592	886
Insurance					
Other Insurance Premiums	6	\$ 572	578		578
Employee Group Insurance	114,330		114,330	72,225	42,105
Fire					
Salaries and Wages	5,986		5,986	5,500	486
Other Expenses	6,354		6,354	4,595	1,759
Uniform Fire Safety Act					
Salaries and Wages	2,373		2,373	200	2,173
Other Expenses	565		565	494	71
Police					
Salaries and Wages	11,301		11,301	11,261	40
Other Expenses	6,748		6,748	6,068	680
Emergency Management Services					
Other Expenses	1,490		1,490		1,490
Road Repairs and Maintenance					
Salaries and Wages	4,123		4,123	2,706	1,417
Other Expenses	418		418		418
Street Cleaning					
Salaries and Wages	2,947		2,947	2,813	134
Other Expenses	2,756		2,756	2,736	20
Garbage and Trash Removal					
Salaries and Wages	10,378		10,378	6,571	3,807
Other Expenses	388		388	45	343
Sewer Maintenance					
Salaries and Wages	421		421	400	21
Other Expenses	10,754		10,754	384	10,370
Sanitary Landfill					
Contractual-Bergen County	70,811		70,811	34,824	35,987
Board of Health					
Salaries and Wages	40		40		40
Other Expenses - Contractual	1,354		1,354		1,354
Other Expenses - Miscellaneous	86	35	121		121
Dog Regulation					
Other Expenses:					
County of Bergen - Contractual	5,000		5,000		5,000
Miscellaneous	500		500		500
Administration of Public Assistance					
Other Expenses	250		250		250
Parks and Playgrounds					
Salaries and Wages	2,601		2,601	1,815	786
Other Expenses	146		146		146
Board of Recreation Commissioners					
Salaries and Wages	2,812		2,812		2,812
Other Expenses	11,891		11,891	600	11,291

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance, January 1, <u>2020</u>	Encumbrances Payable <u>Canceled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Celebration of Public Events. Anniversary or Holiday					
Salaries and Wages	\$ 155		\$ 155		\$ 155
Other Expenses	5,754		5,754	\$ 225	5,529
Senior Citizen's Transportation					
Salaries and Wages	5,103		5,103	106	4,997
Other Expenses	764		764		764
Senior Citizen's Activities					
Salaries ad Wages	280		280		280
Other Expenses	81		81	55	26
Construction Code Officials					
Salaries and Wages	1,460		1,460		1,460
Other Expenses	92		92		92
Utilities:					
Gasoline	41,873		41,873	31,770	10,103
Electricity	211	\$ 30	241		241
Telephone	1,942		1,942	1,158	784
Natural Gas	16	1,308	1,324		1,324
Street Lighting	5,140		5,140	5,131	9
Fire Hydrant Service	4,113		4,113		4,113
Water	2,589		2,589		2,589
Statutory Expenditures					
Contribution to:					
Public Employees' Retirement System	174		174		174
Social Security System (O.A.S.L)	7		7		7
Police and Firemans Retirement System	22		22		22
Unemployment Insurance	25,800		25,800	25,000	800
Maintenance of Free Public Library (Chap. 82 & 541. P.L. 1985)					
Salaries and Wages	29,247		29,247	5,670	23,577
Other Expenses	4,405		4,405	4,142	263
B.C. Utilities - Sewer Charges	991		991		991
L.O.S.A P.	60,000		60,000	47,000	13,000
Reserve for Tax Appeals	1,500		1,500	1,500	
Police- Class III Police Officers					
Salaries and Wages	9,106		9,106		9,106
Other Expenses	10,500		10,500		10,500
Recycling Tax	2,461		2,461		2,461
Capital Improvement Fund	1,500	-	1,500	1,500	-
	<u>\$ 680,194</u>	<u>\$ 3,294</u>	<u>\$ 683,488</u>	<u>\$ 348,055</u>	<u>\$ 335,433</u>

	Cash Disbursements	\$ 273,055
	Transfer to Current Fund - Reserve for Terminal Pay	25,000
	Transfer to Current Fund - Reserve for Tax Appeals	25,000
	Transfer to Other Trust Fund - Reserve for Unemployment Insurance	25,000
		<u>\$ 348,055</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2020		\$ 156,945
Increased by:		
Charges to 2020 Budget Appropriations		135,103
		292,048
Decreased by:		
Cash Disbursements	\$ 153,651	
Cancellations Restored to 2019 Appropriation Reserves	3,294	
		156,945
Balance, December 31, 2020		\$ 135,103

STATEMENT OF PREPAID TAXES

Balance, January 1, 2020		\$ 143,796
Increased by:		
Cash Receipts		198,236
		342,032
Decreased by:		
Applied to 2020 Taxes Receivable		143,796
Balance, December 31, 2020		\$ 198,236

STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2020		\$ 25,031
Increased by:		
Cash Receipts		30,446
		55,477
Decreased by:		
Cash Disbursements		7,385
Balance, December 31, 2020		\$ 48,092

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2020		\$ 5,398
Increased by:		
2020 County Levy	\$ 4,418,203	
2020 County Open Space Levy	185,817	
2020 County Added Taxes	<u>6,379</u>	
		<u>4,610,399</u>
		4,615,797
Decreased by:		
Cash Disbursements		<u>4,609,418</u>
Balance, December 31, 2020		<u>\$ 6,379</u>

EXHIBIT A-20

STATEMENT OF SCHOOL TAXES PAYABLE

Increased by:		
2020 School Tax Levy		\$ 30,887,794
Decreased by:		
Cash Disbursements		<u>\$ 30,887,794</u>

EXHIBIT A-21

STATEMENT OF DUE TO STATE OF NEW JERSEY - SURCHARGE FEES

	<u>Building Surcharge Fees</u>	<u>Marriage License Fees</u>	<u>Burial Permit Fees</u>
Balance, January 1, 2020	\$ 2,392	\$ 1,783	\$ 1,790
Increased by:			
Cash Receipts	<u>13,847</u>	<u>1,250</u>	<u>-</u>
	16,239	3,033	1,790
Decreased by:			
Cash Disbursements	<u>13,536</u>	<u>1,125</u>	<u>-</u>
Balance, December 31, 2020	<u>\$ 2,703</u>	<u>\$ 1,908</u>	<u>\$ 1,790</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, January 1, 2020		\$ 360,789
Increased by:		
Transferred from 2019 Appropriation Reserves	\$ 25,000	
Transferred from 2020 Budget Appropriations	<u>60,000</u>	
		<u>85,000</u>
		445,789
Decreased by:		
Cash Disbursements		<u>236,591</u>
Balance, December 31, 2020		<u>\$ 209,198</u>

STATEMENT OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, January 1, 2020		\$ 30,000
Decreased by:		
Anticipated as 2020 Current Fund Revenue		<u>\$ 30,000</u>

STATEMENT OF RESERVE FOR TERMINAL PAY

Balance, January 1, 2020		\$ 150,000
Increased by:		
Transferred from 2019 Appropriation Reserves		<u>25,000</u>
Balance, December 31, 2020		<u>\$ 175,000</u>

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF MAINTENANCE OF FREE PUBLIC LIBRARY WITH STATE AID

Balance, January 1, 2020	\$ 1,047
Increased by:	
State Aid Received	<u>5,131</u>
	6,178
Decreased by:	
Cash Disbursements	<u>2,026</u>
Balance, December 31, 2020	<u>\$ 4,152</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
GRANT FUND**

<u>Grant</u>	2020 Budget Revenue <u>Realized</u>	Cash <u>Received</u>
Body Armor Fund	\$ 2,934	\$ 2,934
	<u>\$ 2,934</u>	<u>\$ 2,934</u>

EXHIBIT A-27

**STATEMENT OF APPROPRIATED GRANT RESERVES
GRANT FUND**

<u>Grant</u>	Balance, January 1, <u>2020</u>	2020 Budget <u>Realized</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, December 31, <u>2020</u>
Clean Communities Program	\$ 25,353	\$ 22,905	\$ 13,530		\$ 34,728
Body Armor Fund	4,348	2,934	7,282		-
Recycling Tonnage Grant	12,226	17,409	12,294		17,341
Drunk Driving Enforcement Fund	48,767		753		48,014
Alcohol Education and Rehabilitation	6,584	321			6,905
<u>Matching Funds for Grants</u>					
Cops More	<u>324</u>	<u>-</u>	<u>-</u>	<u>\$ 324</u>	<u>-</u>
	<u>\$ 97,602</u>	<u>\$ 43,569</u>	<u>\$ 33,859</u>	<u>\$ 324</u>	<u>\$ 106,988</u>

EXHIBIT A-28

**STATEMENT OF UNAPPROPRIATED GRANT RESERVES
GRANT FUND**

<u>Grant</u>	Balance, January 1, <u>2020</u>	Cash <u>Received</u>	Anticipated as Current <u>Fund Revenue</u>	Balance, December 31, <u>2020</u>
Alcohol Education and Rehabilitation	\$ 321		\$ 321	
Clean Communities Program	22,905	\$ 20,653	22,905	\$ 20,653
Recycling Tonnage Grant	<u>17,409</u>	<u>2,251</u>	<u>17,409</u>	<u>2,251</u>
	<u>\$ 40,635</u>	<u>\$ 22,904</u>	<u>\$ 40,635</u>	<u>\$ 22,904</u>

EXHIBIT A-29

**STATEMENT OF DUE TO CURRENT FUND
GRANT FUND**

Increased by:	
Cancelled Appropriated Grant Reserves	<u>\$ 324</u>
Decreased by:	
Payments to Current Fund	<u>\$ 324</u>

TRUST FUND

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF TRUST CASH**

	<u>Assessment Fund</u>	<u>Animal Control Fund</u>	<u>Other Trust</u>
Balance, January 1, 2020	\$ 1,839	\$ 28,252	\$ 1,017,166
Increased by Receipts:			
Dog License Fees		\$ 12,517	
State Registration Fees		1,601	
Miscellaneous Reserves			\$ 262,386
Police Outside-Duty Billings			833,745
Payroll Deductions Payable			5,759,610
Interest Earnings		146	4,605
Receipts from Current Fund	-	-	25,000
	<u>-</u>	<u>-</u>	<u>25,000</u>
	-	14,264	6,885,346
	1,839	42,516	7,902,512
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.1		19,363	
Due to State of New Jersey		1,601	
Miscellaneous Reserves			1,079,427
Payroll Deductions Payable			5,752,198
Payments to Current Fund		146	4,605
Due to State of New Jersey - Unemployment	-	-	4,158
	<u>-</u>	<u>-</u>	<u>4,158</u>
	-	21,110	6,840,388
Balance, December 31, 2020	<u>\$ 1,839</u>	<u>\$ 21,406</u>	<u>\$ 1,062,124</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DUE TO THE STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Increased by:		
State License Fees Collected	\$	<u>1,601</u>
Decreased by:		
Payments to State of New Jersey	\$	<u>1,601</u>

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

Balance, January 1, 2020	\$	28,252
Increased by:		
Dog License Fees Collected		<u>12,517</u>
		40,769
Decreased by:		
Cash Disbursements		<u>19,363</u>
Balance, December 31, 2020	\$	<u>21,406</u>

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

Increased by:		
Interest Earned	\$	<u>146</u>
Decreased by:		
Payments to Current Fund	\$	<u>146</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND**

	Balance, January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
Library Book Fund	\$ 37,207	\$ 7,628	\$ 5,790	\$ 39,045
Library - BCCLS Refund- Technology Upgrade	28,856	2,419	1,681	29,594
Library- Insurance Reimbursement	5,616			5,616
Board of Recreation Commission	4,232	25,445	28,457	1,220
Towing	2,677			2,677
Off-Duty Municipal Police Pay / Car Charges	141,549	838,103	805,785	173,867
Merchant Bonds	9,300			9,300
Planning Board / Developers Escrow	170,581	26,472	78,082	118,971
Developer's Deposit - Car Wash	14,139	3		14,142
Performance Bond - ADPP	24,335	6		24,341
Developer's Deposit - Three Buildings Escrow	40,549	166	1,653	39,062
Developer's Deposit - Heights Cliff Escrow	782	3		785
Developer's Deposit - Lasalle Group Escrow	33	196	229	-
Sidewalk Crossing	750			750
Street Opening	9,514	10,000	6,000	13,514
Miscellaneous	19,894	7,913	6,913	20,894
Redemption of Outside Tax Title -				
Lien Certificate	384	80,252	80,636	-
Tax Sale Premiums	253,900	97,400	95,800	255,500
Parking Offenses Adjudication Act	56,176	734	-	56,910
Uniform Fire Penalties	18,850	500	332	19,018
Street Fair	5,159			5,159
Firefighters Walk of Honor	1,099			1,099
Drug Alliance- Space Odyssey	5,297			5,297
Veterans Memorial Park / Maint.	14,538		50	14,488
Bench Program	1,603			1,603
Andrew Feintuch Memorial Fund	5,699	1		5,700
Hurricane Katrina Memorial Fund	227			227
Port Authority Donation	872			872
Recycling Proceeds	2,823	3,248	-	6,071
	<u>\$ 876,641</u>	<u>\$ 1,100,489</u>	<u>\$ 1,111,408</u>	<u>\$ 865,722</u>
		Cash Receipts \$ 262,386		
		Outside Duty Billings <u>838,103</u>		
		<u>\$ 1,100,489</u>		
Cancelled to Fund Balance			\$ 31,981	
Cash Disbursements			<u>1,079,427</u>	
			<u>\$ 1,111,408</u>	

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, January 1, 2020	\$ 164,028
Increased by:	
Cash Receipts	<u>5,759,610</u>
	5,923,638
Decreased by:	
Cash Disbursements	<u>5,752,198</u>
Balance, December 31, 2020	<u>\$ 171,440</u>

**STATEMENT OF POLICE OUTSIDE DUTY RECEIVABLE
OTHER TRUST FUND**

Balance, January 1, 2020	\$ 95,862
Increased by:	
Outside Duty Billings	<u>838,103</u>
	933,965
Decreased by:	
Cash Receipts	<u>833,745</u>
Balance, December 31, 2020	<u>\$ 100,220</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND**

Increased by:	
Interest Earnings	\$ <u>4,605</u>
Decreased by:	
Payments to Current Fund	\$ <u><u>4,605</u></u>

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

Balance, January 1, 2020	\$ 56,378
Increased by:	
Transfer from 2019 Appropriation Reserves	<u>25,000</u>
	81,378
Decreased by:	
Due to State of New Jersey - Unemployment Claims	<u>29,355</u>
Balance, December 31, 2020	\$ <u><u>52,023</u></u>

**STATEMENT OF RESERVE FOR FEMA REIMBURSEMENTS
OTHER TRUST FUND**

Balance, January 1, 2020	\$ <u>8,680</u>
Balance, December 31, 2020	\$ <u><u>8,680</u></u>

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DUE TO STATE OF NEW JERSEY - UNEMPLOYMENT INSURANCE
OTHER TRUST FUND

Increased by:		
Unemployment Claims Due to State	\$	29,355
Decreased by:		
Unemployment Claims Paid to State		<u>4,158</u>
Balance, December 31, 2020	\$	<u>25,197</u>

GENERAL CAPITAL FUND

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF GENERAL CAPITAL CASH**

Balance, January 1, 2020		\$ 1,171,158
Increased by:		
2020 Budget Appropriation:		
Capital Improvement Fund	\$ 100,000	
Interest Earnings	5,631	
Due from County of Bergen Community Development Block Grant/ Open Space Grant	162,838	
Due from State of New Jersey	151,500	
Bond Anticipation Note Proceeds	<u>1,728,000</u>	
		<u>2,147,969</u>
		3,319,127
Decreased by:		
Improvement Authorization Expenditures	878,621	
Contracts Payable	1,622,173	
Reserve for Payment of Bond Anticipation Notes	46,821	
Payments to Current Fund	<u>5,631</u>	
		<u>2,553,246</u>
Balance, December 31, 2020		<u>\$ 765,881</u>

**BOROUGH OF HASBROUCK HEIGHTS
ANALYSIS OF GENERAL CAPITAL CASH**

	Balance, December 31, <u>2020</u>
Fund Balance	\$ 14,655
Contracts Payable	1,153,329
Capital Improvement Fund	132,385
Grants Receivable - State of NJ	(1,096,100)
Grants Receivable - County Community Development Block Grant/Open Space Grant	(436,156)
Grants Receivable - FEMA	(45,000)

<u>Ord. #</u>	<u>Improvement Description</u>	
1628	Resurfacing of a Portion of Burton Ave. from Williams Ave. to Rt 46	155
1716	Acquisition of 34 Semi-Automatic Pistols for the Police Dept.	831
1719	Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave	16,923
1848	Resurfacing of Hamilton Ave. from the Boulevard to Terrace Ave.	430
1868	Barrier Free Curb Ramps	1,140
1899	Purchase of Communications Equipment for the Police and Fire Departments	7
1908	Resurfacing of Ottawa Ave. from Burton Ave. to Route I 7	17,363
1915/1940	Purchase of Comm Equip, Improve of Parks, Improve of Police Pistol Range and Acquisition of a 4 Wheel Drive Vehicle for Police Dept.	(5)
1936	Refurbishment of the Hook md Ladder	1,343
1942	Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove Ave and Paterson Ave. from Terrace Ave. to Burton Ave.	1,139
1944/1968/1985		
2038/2082	Construction of a New Municipal Building ad a New Public Safety Building	(899)
1948	Acquisition of a New Ambulance	566
1976	Acquisition of Real Property located at 302 Boulevard	815
2012	Improvement of Baldwin Ave. between the Boulevard and Route 46	4,952
2054	Resurfacing of Oak Grove Ave. from Jefferson to Williams Ave.	(3,681)
2085	Acquisition of Laptop Computers for the Free Public Library	676
2087	Acquisition of a Front End Loader for the DPW	1,688
2088	Acquisition of a Rolloff Truck for the DPW	663
2146	Improvement to Gary Depken Field	31,137
2147	Improvement of Ravine Ave., Construction of Parks and installation of playground Equipment adjacent to Depken Field	37,334
2159	Acquisition of Gear and Equipment for the Fire Dept.	34
2183/2270	Acquisition of a Garbage Truck and Dump Truck with Salt Spreader and Plow	1,195
2185/2209	Boulevard Streetscape Improvement	8,305
2188	Acquisition of a New Alcohol Breath Testing System	618
2189	Renovation of the Dept. of Public Works	1,195
2208	Acquisition of a New ambulance	1,720
2210	Resurfacing of Jefferson Ave.	105,793

**BOROUGH OF HASBROUCK HEIGHTS
ANALYSIS OF GENERAL CAPITAL CASH**

Balance,
December 31,
2020

<u>Ord. #</u>	<u>Improvement Description</u>	
2221	Pedestrian Safety Infrastructure Improvements	\$ 155,331
2222	Pedestrian Safety Encouragement Improvements	3,429
2234	Curb and Sidewalk Reconstruction along portions of Terrace Ave. and the Boulevard	1,268
2332/2246	Curb and Sidewalk Reconstruction along portions of Passaic Ave. and the Boulevard	17,346
2252	Boulevard Streetscape Improvement - Phase IV	9,187
2253	Resurfacing of Burton Avenue and Collins Avenue between Williams Ave and Rt. 46	71,334
2271	Refurbishment of the Hook and Ladder Truck	14,716
2285	Reconstruction of Coolidge Avenue	34,839
2286	Acquisition of in Car Video System for the Police Dept.	3,635
2289	Boulevard Streetscape Improvement Phase V	23,361
2304/2320	Construction of Barrier Free Curb Ramps	74,751
2307	Boulevard Streetscape Improvement Phase VI	17,290
2312	Acquisition of New Street Sweeper	1,681
2313	Aqu Of 4WD Vehicle for Police Department	6,115
2316	Bond Refunding	6,260
2321	New Synthetic Turf at Hitchcock Field	3,188
2324	Repairs md Improvements to Polify Park	8,658
2326	Acquisition of Equipment for the Public Library	68
2327	Acquisition of Two Trucks for the DPW	2,677
2328	Acquisition of Quint Combination Ladder for FD	13,047
2329	Additional Funding for Boulevard Streetscape	26,431
2337	Boulevard Streetscape Improvement Phase VII & VIII	182
2338/2410	Road Resurfacing Program	2,075
2339	Curb and Sidewalk Replacement Program	99,548
2350	Improvements to Stanley Ave Roadway, Curbs, & Sidewalks	91,860
2371	Boulevard Streetscape Improvement Phase IX	38,861
2372	Resurfacing Portions of Cleveland Ave., Webb Place md Lincoln Street	20,489
2374	Acquisition of Finger Printing md Mug Shot Equipment	6,620
2391	2017 Road Resurfacing Program	378
2392	Upgrade of Radio Equipment for Police, Fire and DPW	43,300
2393	Acquisition md Upgrade of Computers md Technology Systems	6,122
2394	Acquisitions of a Generator for the DPW	119,630
2397	Upgrade and Improvements to Municipal Buildings	74,896

**BOROUGH OF HASBROUCK HEIGHTS
ANALYSIS OF GENERAL CAPITAL CASH**

<u>Ord. #</u>	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>
2409	Acquisition of a Sewer Inspection Camera	\$ 852
2411	Acquisition of an Ambulance and a 4 Wheel Drive Vehicle for Fire Department	5,127
2413	Rehabilitation and Environmental Remediation at the DPW	89,520
2425	Resurfacing Portions of Charlton and Pasadena Avenue	41,095
2426	Resurfacing of Myers Avenue	53,765
2427	Improvements to Woodland Park Playground	262,993
2428	Acquisition of Trucks for DPW	6,690
2436	Replacement of Public Safety Communications Equipment	11,010
2448	2019 Road Resurfacing Program	18,083
2449	Resurfacing of Raymond Street	79,478
2450	Boulevard Streetscape Phase X	405,772
2457	Rehabilitation and Replacement of the Synthetic Turf Field at Depken Field	(870,292)
2458	Repair and/or Reconstruction of Sanitary Sewerage & Stormwater Drainage	(135,851)
2460	Installation of New Automatic Door Openers at Municipal Bld & Public Safety	109,300
2461	Acquisition of Gear and Equipment for Fire Department	(166,250)
2462	Acquisition of Four Wheel Vehicle for Fire Department	2,500
2463	Construction of Walking Path, Roadway and Perimeter Fence at Woodland Park	50,000
2465	Acquisition of Certain Trucks for DPW Department	(346,942)
2466	Improvement of Industrial Ave	166,014
2467	2020 Road Resurfacing Program	<u>29,894</u>
		<u>\$ 765,881</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF GRANTS RECEIVABLE - STATE OF N.J.**

Balance, January 1, 2020		\$ 1,065,168
Increased by:		
Grants Awarded in 2020		<u>189,000</u>
		1,254,168
Decreased by:		
Cash Receipts	\$ 151,500	
Cancelled to Improvement Authorizations	<u>6,568</u>	
		<u>158,068</u>
Balances December 31, 2020		<u>\$ 1,096,100</u>
 <u>Analysis of Balance December 31, 2020</u>		
Burton Avenue - Ordinance No. 1628		\$ 2,170
Burton Avenue - Ordinance No. 1803		2,408
Boulevard Streetscape - Ordinance No. 2185, 2209, 2238, 2252, 2307, 2337, 2371, 2450		547,549
Safe Routes to Schools - Ordinance No. 2221, 2222		150,000
Curb Replacement Program - Ordinance No. 2234 & 2246		154,473
Resurfacing of Raymond Street - Ordinance No. 2449		50,500
Improvement of Industrial Avenue - Ordinance No. 2466		<u>189,000</u>
		<u>\$ 1,096,100</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF GRANTS RECEIVABLE - COUNTY OF BERGEN
COMMUNITY DEVELOPMENT BLOCK GRANT/OPEN SPACE GRANT**

Balance, January 1, 2020	\$ 450,194
Increased by:	
Grants Awarded in 2020	<u>148,800</u>
	598,994
Decreased by:	
Cash Received	<u>162,838</u>
Balance, December 31, 2020	<u>\$ 436,156</u>

Analysis of Balance December 31, 2020

Community Development Grants:

Barrier Free Curb Ramps - Ordinance No. 1868	\$ 5,141
Barrier Free Curb Ramps - Ordinance No.2304/2320	102,925
Improvements to Charlton & Pasadena Ave - Ordinance No. 2425	20,863
Improvements to Myers Avenue - Ordinance No. 2426	21,949
Installation of Door Openers - Ordinance No. 2460	102,300

Open Space Grants:

Repairs and Improvements to Veterans Memorial Park - Ordinance No. 2303	1,110
Improvements to Polifly Park - Ordinance No. 2324	6,868
Improvements to Woodland Park Playground Surface - Ordinance No. 2427	128,500
Walking Path, Roadway and Perimeter Fence at Woodland Park - Ordinance No. 2463	<u>46,500</u>

\$ 436,156

EXHIBIT C-6

STATEMENT OF GRANTS RECEIVABLE FEMA

Balance, January 1, 2020	\$ <u>45,000</u>
Balance, December 31, 2020	<u>\$ 45,000</u>
<u>Analysis of Balance December 31, 2020</u>	
Acquisition of Generator for DPW - Ordinance No. 2394	<u>\$ 45,000</u>

EXHIBIT C-7

STATEMENT OF DEFERRED CHARGES FUNDED

Balance, January 1, 2020	\$ 1,370,000
Decreased by:	
2020 Budget Appropriation	
Serial Bonds	<u>350,000</u>
Balance, December 31, 2020	<u>\$ 1,020,000</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance January 1, 2020	2020 Authori- zations	Funded by Budget Appropriation	Balance December 31, 2020	Analysis of Balance, December 31, 2020		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
GENERAL IMPROVEMENTS								
1720	Reconstruction and Improvement of Storm Water Drainage Line West of the Boulevard between Franklin & LaSalle	\$ 153,918			\$ 153,918			\$ 153,918
1908	Resurfacing of Ottawa Ave. from Burton Ave. to Rt. 17	4,250		\$ 4,250				
1915/1940	Purchase of Comm. Equip. Improvement to Parks, Improvement of Pistol Range and Acq of a 4 Wheel Drive Vehicle for the Police Department	500			500		\$ 5	495
1941	Resurfacing of Kipp Ave. from the Boulevard to Terrace Ave.							
1942	Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove and Paterson Ave. from Terrace Ave. to Burton Ave.	3,000		3,000				
1944/1968/1985/2038	Construction of New Muni. Bldg. and New Public Safety Bldg.	900			900		899	1
1990	Acq. Of Fire Gear and Equipment	3,750		3,750				
2054	Resurfacing of Oak Grove Ave. from Jefferson Ave. to Williams Ave.	32,500			32,500		3,681	28,819
2183/2270	Acq. Of Garbage Truck and Dump Truck with Salt Spreader and Plow	66,000		33,200	32,800	\$ 32,800		
2185/2209	Boulevard Streetscape Improvement	18,000		9,000	9,000	9,000		
2189	Renovations to DPW Bldg.	6,000		6,000				
2208	Acq. Of a New Ambulance	10,000		10,000				
2210	Resurfacing of Jefferson Ave.	17,500		17,500				
2211	Improvement of Miers Park and Woodland Park	15,000		15,000				
2219	2009 Road Resurfacing Program	30,000		30,000				
2233	Rehabilitation and Environmental Remediation at DPW	20,000			10,000	10,000		
2238	Continuation of Boulevard Streetscape Improvement	22,525		3,150	19,375	19,375		
2252	Boulevard Streetscape Improvement-Phase IV	20,000			20,000	20,000		
2253	Resurfacing of Burton Ave. and Collins Ave. Between Williams Ave. and Route 46	25,500		13,500	12,000	12,000		
2254	2011 Road Resurfacing Program	65,875		32,000	33,875	33,875		
2255/2294	Construction of a New Pavilion in Woodland Park	72,000		6,700	65,300	65,300		
2262	Construction of Certain Damaged Portions of the Sanitary Sewer System	21,000		7,000	14,000	14,000		

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance January 1, 2020	2020 Authori- zations	Funded by Budget Appropriation	Balance December 31, 2020	Analysis of Balance, December 31, 2020		Unexpended Improvement Authorizations
						Financed by Bond Anticipation Notes	Expenditures	
GENERAL IMPROVEMENTS								
2271	Refurbishment of the Hook and Ladder Truck	\$ 20,500		\$ 8,500	\$ 12,000	\$ 12,000		
2282	2011/2012 Road Resurfacing Program	180,000		45,000	135,000	135,000		
2285	Reconstruction of Coolidge Avenue	161,500		40,500	121,000	121,000		
2286	Acquisition of In Car Radio System for the Police Dept.	30,000		7,500	22,500	22,500		
2288	Repair and/or Construction of Sanitary Sewer System	41,500		10,500	31,000	31,000		
2289	Boulevard Streetscape Improvement Phase V	25,000			25,000	25,000		
2290	Acquisition of Gear and Equipment for the Fire Dept.	30,000		8,000	22,000	22,000		
2292	Acquisition of Radio Equipment for PD, FD and PWD	22,975		5,600	17,375	17,375		
2303/2346	Repairs and Improvements to Veterans Memorial Park	18,600		3,100	15,500	15,500		
2304/2320	Construction of Barrier Free Curb Ramps	20,000			20,000	20,000		
2307	Boulevard Streetscape Improvement Phase VI	20,000			20,000	20,000		
2308	Repairs and Reconstruction of Sanitary Sewer System	57,000		9,500	47,500	47,500		
2312	Acquisition of New Street Sweeper	102,000		20,000	82,000	82,000		
2313	Acquisition of a 4 Wheel Drive Vehicle for the Police Dept.	21,450		4,250	17,200	17,200		
2314	2013 Road Resurfacing Program	161,400		31,700	129,700	129,700		
2316	Bond Refunding	126,680			126,680			\$ 126,680
2321	Installation of New Turf Field at Hitchcock Field	285,000		57,000	228,000	228,000		
2324	Repairs and Improvements to Polify Park	23,800		3,400	20,400	20,400		
2326	Acquisition of Equipment for Free Public Library	13,900		2,400	11,500	11,500		
2327	Acquisition of Two Trucks for DPW	120,125		21,500	98,625	98,625		
2328	Acquisition of Quint Ladder Truck for Fire Dept.	665,000		70,000	595,000	595,000		
2329	Additional Funding for Phase III and IV of Boulevard	57,000		9,500	47,500	47,500		
2337	Boulevard Streetscape Improvement Phase VII and VIII	66,500		9,500	57,000	57,000		
2338/2410	Road Resurfacing Program	463,000		67,000	396,000	396,000		
2339	Curb and Sidewalk Replacement Program	104,600		14,250	90,350	90,350		
2340/2366	Improvements to Woodland Park Playground	181,750		23,750	158,000	158,000		
2350	Improvements to Stanley Ave. Roadway, Curbs and Sidewalks	171,500		24,500	147,000	147,000		
2351	Improvement to Playground Surfaces	42,000		6,000	36,000	36,000		
2358	2016 Road Resurfacing Program	380,000		42,500	337,500	337,500		
2361	Repair and/or Reconstruction of Sanitary Sewer System	88,000		9,500	78,500	78,500		
2370	Improvements to Playground Surfaces at Depken Field	32,800		4,100	28,700	28,700		
2371	Boulevard Streetscape Improvement Phase IX	62,400		7,800	54,600	54,600		
2372	Resurfacing Portions of Cleveland Ave., Webb Place and Lincoln Street	35,000		5,000	30,000	30,000		
2373	Acquisition of Garbage Truck	168,000		24,000	144,000	144,000		
2374	Acquisition of Finger Printing and Mug Shot Equipment	20,800		2,600	18,200	18,200		
2391	2017 Road Resurfacing Program	285,000			285,000	285,000		
2392	Upgrade of Radio Equipment for Police, Fire and DPW	95,000			95,000	95,000		

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance January 1, 2020	2020 Authori- zations	Funded by Budget Appropriation	Balance December 31, 2020	Analysis of Balance, December 31, 2020		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
GENERAL IMPROVEMENTS								
2393	Acquisition and Upgrade of Computers and Technology Systems	\$ 45,000			\$ 45,000	\$ 45,000		
2394	Acquisition of a Generator for the DPW	70,000			70,000	70,000		
2397	Upgrade and Improvements to Municipal Buildings	117,500			117,500	117,500		
2398	Acquisition of Heavy Equipment for the DPW	210,000			210,000	210,000		
2408	Reconstruction of Portions of the Sanitary and Storm Water Drainage System	95,000			95,000	95,000		
2409	Acquisition of a Sewer Inspection Camera	70,000			70,000	70,000		
2411	Acquisition of an Ambulance and a 4 Wheel Drive Vehicle for Fire Department	285,000			285,000	285,000		
2412	Acquisition of Equipment for the Fire Department	142,500			142,500	142,500		
2413	Rehabilitation and Environmental Remediation at the DPW	95,000			95,000	95,000		
2425	Resurfacing Portions of Charlton and Pasadena Avenue	50,000			50,000	50,000		
2426	Resurfacing of Myers Avenue	85,000			85,000	85,000		
2427	Improvements to Woodland Park Playground	139,000			139,000	139,000		
2428	Acquisition of Trucks for DPW	142,500			142,500	142,500		
2436	Replacement of Public Safety Communications Equipment	356,250			356,250	356,250		
2445	Acquisition of Gear and Equipment for the Fire Department	166,250			166,250	166,250		
2447	Reconstruction of Sanitary and Storm Water Drainage Facilities	49,000			49,000	49,000		
2448	2019 Road Resurfacing Program	380,000			380,000	380,000		
2449	Resurfacing of Raymond Street	140,000			140,000	140,000		
2450	Boulevard Streetscape Phase X	220,000			220,000	220,000		
2457	Rehabilitation and Replacement of the Synthetic Turf Field at Depken Field		\$ 950,000		950,000		\$ 870,292	\$ 79,708
2458	Repair and/or Reconstruction of Sanitary Sewerage & Stormwater Drainage		190,000		190,000		135,851	54,149
2460	Installation of New Automatic Door Openers at Municipal Bld & Public Safety		30,700		30,700			30,700
2461	Acquisition of Gear and Equipment for Fire Department		166,250		166,250		166,250	-
2462	Acquisition of Four Wheel Vehicle for Fire Department		47,500		47,500			47,500
2463	Construction of Walking Path, Roadway and Perimeter Fence at Woodland Park		55,000		55,000			55,000
2465	Acquisition of Certain Trucks for DPW Department		380,000		380,000		346,942	33,058
2466	Improvement of Industrial Ave		48,500		48,500			48,500
2467	2020 Road Resurfacing Program	-	570,000	-	570,000	-	-	570,000
		<u>\$ 7,865,998</u>	<u>\$ 2,437,950</u>	<u>\$ 802,500</u>	<u>\$ 9,501,448</u>	<u>\$ 6,749,000</u>	<u>\$ 1,523,920</u>	<u>\$ 1,228,528</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Improvement Authorizations - Unfunded \$ 2,541,958

Less: Unexpended Proceeds of Bond Anticipation Notes:

Ord. 2183/2270	\$	1,195
Ord. 2185/2209		8,305
Ord. 2252		9,187
Ord. 2253		12,000
Ord. 2271		12,000
Ord. 2285		34,839
Ord. 2286		3,635
Ord. 2289		23,361
Ord. 2304/2320		20,000
Ord. 2307		17,290
Ord. 2312		1,681
Ord. 2313		6,115
Ord. 2321		3,188
Ord. 2324		8,658
Ord. 2326		68
Ord. 2327		2,677
Ord. 2328		13,047
Ord. 2329		26,431
Ord. 2337		182
Ord. 2338/2410		2,075
Ord. 2339		90,350
Ord. 2350		91,860
Ord. 2371		38,861
Ord. 2372		20,489
Ord. 2374		6,620
Ord. 2391		378
Ord. 2392		43,300
Ord. 2393		6,122
Ord. 2394		70,000
Ord. 2397		74,896
Ord. 2409		852
Ord. 2411		5,127
Ord. 2413		89,520
Ord. 2425		41,095
Ord. 2426		53,765
Ord. 2427		139,000
Ord. 2428		6,690
Ord. 2436		11,010
Ord. 2448		18,083
Ord. 2449		79,478
Ord. 2450		220,000
		<u>1,313,430</u>
		<u>\$ 1,228,528</u>

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance January 1, 2020		2020 Authorizations	Paid or Charged	Cancellations	Balance December 31, 2020	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
GENERAL IMPROVEMENTS										
1628	Resurfacing of a Portion of Burton Ave. from Williams Ave. to Rte. 46	12/29/1992	\$ 15,000	\$ 155					\$ 155	
1716	Acq. Of 34 Semi-Automatic Pistols for Police Dept.	7/11/1995	13,000	831					831	
1719	Reconstruction of Lawrence Ave. from the Boulevard to Terrace Ave.	9/12/1995	195,000	16,923					16,923	
1720	Reconstruction and Improvement of the Storm Water Drainage Line West of the Boulevard-Franklin to LaSalle	9/12/1995	165,000	\$ 153,918					\$ 153,918	
1848	Resurfacing of a Portion of Hamilton Ave. from the Boulevard to Terrace Ave.	4/13/1999	60,000	430					430	
1868	Barrier Free Curb Ramps	7/27/1999	37,000	1,140					1,140	
1899	Purchase of Comm. Equipment for Fire and Police Depts.	5/23/2000	60,000	7					7	
1908	Resurfacing of Ottawa Ave. from Burton Ave. to Rte. 17	8/8/2000	215,000	13,113	4,250				17,363	-
1915/1940	Purchase of Comm. Equipment, Improvement of Parks, Improvement of Police Pistol Range and Acq. Of a 4-Wheel Drive Vehicle for Police Dept.	11/30/2000	255,000		495					495
1936	Refurbishment of Hook and Ladder	6/12/2001	100,000	1,343					1,343	
1942	Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove	8/14/2001	45,500		1,139				1,139	
1944/1968	Construction of a New Municipal Bldg. and a New Public Safety Bldg.	08/14/2001, 07/09/2002								
1985/2038	1948 Acquisition of a New Ambulance	11/26/2002, 04/27/2004	11,311,646							1
1976	Acquisition of Real Property Located at 302 Boulevard	11/13/2001	150,000	566					566	
2012	Improvement of Baldwin Ave. Between the Boulevard and Rte. 46	9/10/2002	450,000	815					815	
2054	Resurfacing of Oak Grove Ave. from Jefferson Ave. to Williams Ave.	8/12/2003	55,000	4,952					4,952	
2085	Acquisition of a Laptop Computers for Free Public Library	7/27/2004	325,000		28,819					28,819
2087	Acquisition of a Front End Loader for the DPW	4/26/2005	16,000	676					676	
2088	Acquisition of a Rolloff Truck for the DPW	5/10/2005	125,000	1,688					1,688	
2146	Improvement to Gary Depken Field	5/10/2005	125,000	663					663	
2147	Improvement to Ravive Ave., Construction of Parks and Installation of Playground Equipment Adjacent to Depken Field	12/12/2006	1,625,000	31,137					31,137	
2159	Acquisition of Gear and Equipment for Fire Department	7/10/2007	335,000	37,334					37,334	
2183/2270	Acq. of a Garbage Truck and Dump Truck with Salt Spreader and Plow	7/10/2007	190,000	34					34	
2185/2209	Boulevard Streetscape Improvement	6/10/2008	225,000		1,195					1,195
2188	Acquisition of New Alcohol Breath Testing System	6/10/2008	200,000		8,305					8,305
2189	Renovations of the Department of Public Works	9/9/2008	15,000	618					618	
2208	Acquisition of a New Ambulance	9/9/2008	55,000		1,195				1,195	
2210	Resurfacing of Jefferson Avenue	5/12/2009	175,000		1,720				1,720	
2221	Pedestrian Safety Infrastructure Improvements	5/12/2009	237,500	88,293	17,500				105,793	-
2222	Pedestrian Safety Encouragement Improvements	12/15/2009	175,000	155,331					155,331	
2234	Curb and Sidewalk Reconstruction Along Portions of Terrace Ave. and the Boulevard - County Road Program	12/15/2009	25,000	9,997				\$ 6,568	3,429	
2238	Continuation of Boulevard Streetscape Improvement	4/13/2010	100,000	1,268					1,268	
2246	Curb and Sidewalk Reconstruction Along Portions of Passaic Ave. and the Boulevard	5/11/2010	175,000		2,480		\$ 2,480			-
2252	Boulevard Streetscape Improvement-Phase IV	09/28/2010 & 9/23/2013	55,000	17,346					17,346	
		3/8/2011	175,000		9,485		298			9,187

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance January 1, 2020		2020 Authorizations	Paid or Charged	Cancellations	Balance December 31, 2020	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
<u>GENERAL IMPROVEMENTS</u>										
2253	Resurfacing of Burton Avenue and Collins Avenue Between Williams Avenue and Route 46	3/8/2011	\$ 215,000	\$ 45,834	\$ 25,500				\$ 59,334	\$ 12,000
2271	Refurbishment of the Hook and Ladder Truck	10/25/2011	80,000		14,716				2,716	12,000
2285	Reconstruction of Coolidge Avenue	7/24/2012	425,000		34,839					34,839
2286	Acquisition of Car Video System for Police Department	7/24/2012	75,000		4,495		\$ 860			3,635
2289	Boulevard Streetscape Improvement Phase V	9/11/2012	175,000		23,361					23,361
2304/2320	Construction of Barrier Free Curb Ramps	05/28/2013, 12/10/2013	202,180	54,751	20,000				54,751	20,000
2307	Boulevard Streetscape Improvement Phase VI	6/11/2013	170,000		17,290					17,290
2312	Acquisition of New Street Sweeper	9/10/2013	190,000		1,681					1,681
2313	Acq. Of 4WD Vehicle for Police Department	9/10/2013	40,000		6,115					6,115
2316	Bond Refunding	12/10/2013	166,000	6,260	126,680				6,260	126,680
2321	Installation of New Synthetic Turf - Hitchcock Field	3/11/2014	600,000		82,534		79,346			3,188
2324	Repairs and Improvements to Polifly Park	5/27/2014	60,000		8,658					8,658
2326	Acquisition of Equipment for Free Public Library	8/12/2014	25,000		68					68
2327	Acquisition of Two Trucks for DPW	8/12/2014	200,000		2,677					2,677
2328	Acquisition of a "Quint" Combination Ladder Truck for FD	8/12/2014	1,000,000		13,047					13,047
2329	Provide for Additional Funding for Boulevard Streetscape	8/12/2014	100,000		33,680		7,249			26,431
2337	Boulevard Streetscape Improvement Phase VII and VIII	5/12/2015	400,000		182					182
2338/2410	Road Resurfacing Program	5/12/2015, 6/26/18	600,000		2,075					2,075
2339	Curb and Sidewalk Replacement Program	5/12/2015	150,000	19,798	104,600		24,850		9,198	90,350
2350	Improvements to Stanley Ave. Roadway, Curbs and Sidewalks	9/22/2015	385,000		96,860		5,000			91,860
2371	Boulevard Streetscape Improvement Phase IX	11/29/2016	200,000		40,814		1,953			38,861
2372	Resurfacing Portions of Cleveland, Webb and Lincoln	11/29/2016	125,000		20,489					20,489
2374	Acquisition of Finger Printing and Mug Shot Equipment	11/29/2016	30,000		6,620					6,620
2391	2017 Road Resurfacing Program	8/8/2017	300,000		46,910		46,532			378
2392	Upgrade of Radio Equipment for Police, Fire and DPW	8/8/2017	100,000		43,300					43,300
2393	Systems	8/8/2017	50,000		20,760		14,638			6,122
2394	Acquisition of a Generator for the DPW	8/8/2017	120,000	49,630	70,000				49,630	70,000
2397	Upgrade and Improvements to Municipal Buildings	11/28/2017	125,000		75,850		954			74,896

BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance January 1, 2020		2020 Authorizations	Paid or Charged	Cancellations	Balance December 31, 2020	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
<u>GENERAL IMPROVEMENTS</u>										
2408	Reconstruction of Portions of the Sanitary and Storm Water Drainage System	6/26/2018	\$ 100,000		\$ 34,427		\$ 34,427			
2409	Acquisition of a Sewer Inspection Camera	6/26/2018	75,000		852				\$	852
2411	Acquisition of an Ambulance and a 4 Wheel Drive Vehicle for Fire Department	8/14/2018	300,000		5,127					5,127
2413	Rehabilitation and Environmental Remediation at the DPW	8/14/2018	100,000		91,905		2,385			89,520
2425	Resurfacing Portions of Charlton and Pasadena Avenue	2/26/2019	135,000		41,095					41,095
2426	Resurfacing of Myers Avenue	2/26/2019	220,000		53,765					53,765
2427	Improvements to Woodland Park Playground	2/26/2019	275,000	\$ 123,993	139,000				\$ 123,993	139,000
2428	Acquisition of Trucks for DPW	2/26/2019	150,000		15,690		9,000			6,690
2436	Replacement of Public Safety Communications Equipment	4/23/2019	375,000		13,861		2,851			11,010
2445	Acquisition of Gear and Equipment for the Fire Department	6/25/2019	175,000		40,735		40,735			
2447	Reconstruction of Sanitary and Storm Water Drainage Facilities	8/13/2019	100,000		38,718					38,718
2448	2019 Road Resurfacing Program	8/13/2019	400,000		50,080		31,997			18,083
2449	Resurfacing of Raymond Street	8/13/2019	350,000		79,478					79,478
2450	Boulevard Streetscape Phase X	8/13/2019	450,000	229,772	220,000		44,000		185,772	220,000
2457	Rehabilitation and Replacement of the Synthetic Turf Field at Depken Fie	3/10/2020	1,000,000			\$ 1,000,000	920,292			79,708
2458	Repair and/or Reconstruction of Sanitary Sewerage & Stormwater Drains	4/14/2020	200,000			200,000	145,851			54,149
2460	Installation of New Automatic Door Openers at Municipal Bld & Public S	9/8/2020	140,000			140,000			109,300	30,700
2461	Acquisition of Gear and Equipment for Fire Department	9/8/2020	175,000			175,000	175,000			-
2462	Acquisition of Four Wheel Vehicle for Fire Department	9/8/2020	50,000			50,000			2,500	47,500
2463	Construction of Walking Path, Roadway and Perimeter Fence at Woodlan	9/8/2020	105,000			105,000			50,000	55,000
2465	Acquisition of Certain Trucks for DPW Department	10/13/2020	400,000			400,000	366,942			33,058
2466	Improvement of Industrial Ave	10/13/2020	250,000			250,000	35,486		166,014	48,500
2467	2020 Road Resurfacing Program	10/13/2020	600,000			600,000	106		29,894	570,000
				\$ 914,698	\$ 1,999,036	\$ 2,920,000	\$ 2,031,950	\$ 6,568	\$ 1,253,258	\$ 2,541,958
						Capital Improvement Fund	\$ 144,250		\$ 6,568	Grants Receivable
						Bergen County Community Development Grant	102,300			
						New Jersey Department of Transportation	189,000			
						Bergen County Open Space Trust Fund	46,500			
						Deferred Charges - Unfunded	2,437,950			
							\$ 2,920,000			
							\$ 1,153,329	Contracts Payable		
							878,621	Cash Disbursements		
							\$ 2,031,950			

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Original Amount Issued	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2020	Increased	Decreased	Balance, December 31, 2020
1908	Resurfacing of Ottawa Ave. from Burton Ave. to Rte. 17	\$ 237,500	4/3/2010	3/22/2019	3/20/2020	2.750 %	\$ 4,250		\$ 4,250	
1942	Resurfacing of LaSalle Ave. from the Boulevard to Oak Grove Ave. and Paterson Ave. from Terrace Ave. to Burton Ave.	43,000	4/3/2010	3/22/2019	3/20/2020	2.750	3,000		3,000	
1990	Acquisition of Gear and Equipment for Fire Dept.	23,750	4/3/2010	3/22/2019	3/20/2020	2.750	3,750		3,750	
2189	Renovations to DPW Building	50,000	4/3/2010	3/22/2019	3/20/2020	2.750	6,000		6,000	
2208	Acquisition of an Ambulance	80,000	4/3/2010	3/22/2019	3/20/2020	2.750	10,000		10,000	
2210	Resurfacing of Jefferson Ave. from Burton Ave. to Woodside Ave.	137,500	4/3/2010	3/22/2019	3/20/2020	2.750	17,500		17,500	
2211	Improvement to Miers Park	110,000	4/3/2010	3/22/2019	3/20/2020	2.750	15,000		15,000	
2219	2009 Road Resurfacing Program	237,500	4/3/2010	3/22/2019	3/20/2020	2.750	30,000		30,000	
2183	Acquisition of a Garbage Truck and Dump Truck w/Salter	298,750	4/1/2011	3/22/2019	3/20/2020	2.750	66,000		66,000	
				3/20/2020	3/19/2021	0.800		\$ 32,800		\$ 32,800
2185/2209	Boulevard Streetscape Phase I and II	80,000	4/1/2011	3/22/2019	3/20/2020	2.750	18,000		18,000	
				3/20/2020	3/19/2021	0.800		9,000		9,000
2233	Environmental Remediation at Department of Public Works	85,000	4/1/2011	3/22/2019	3/20/2020	2.750	20,000		20,000	
				3/20/2020	3/19/2021	0.800		10,000		10,000
2253	Resurfacing of Burton Avenue and Collins Avenue	119,000	3/30/2012	3/22/2019	3/20/2020	2.750	25,500		25,500	
				3/20/2020	3/19/2021	0.800		12,000		12,000
2254	2010 Road Resurfacing Program	285,000	3/30/2012	3/22/2019	3/20/2020	2.750	65,875		65,875	
				3/20/2020	3/19/2021	0.800		33,875		33,875
2262	Reconstruction of Damaged Sanitary Sewer System	70,000	3/30/2012	3/22/2019	3/20/2020	2.750	21,000		21,000	
				3/20/2020	3/19/2021	0.800		14,000		14,000

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Original Amount Issued	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2020	Increased	Decreased	Balance, December 31, 2020
2271	Refurbishment of Hook and Ladder Truck for Fire Dept.	\$ 75,000	3/30/2012	3/22/2019	3/20/2020	2.750 %	\$ 20,500		\$ 20,500	
2255/2294	Construction of a New Pavilion in Woodland Park	108,000	3/28/2013	3/22/2019	3/19/2021	0.800	27,000	\$ 12,000		\$ 12,000
				3/20/2020	3/19/2021	0.800		20,300	27,000	20,300
2282	2011/2012 Road Resurfacing Program	402,500	3/28/2013	3/22/2019	3/20/2020	2.750	180,000		180,000	
				3/20/2020	3/19/2021	0.800		135,000		135,000
2285	Reconstruction of Coolidge Avenue	400,000	3/28/2013	3/22/2019	3/20/2020	2.750	161,500		161,500	
				3/20/2020	3/19/2021	0.800		121,000		121,000
2286	Acquisition of In Car Video System for the Police Dept.	70,000	3/28/2013	3/22/2019	3/20/2020	2.750	30,000		30,000	
				3/20/2020	3/19/2021	0.800		22,500		22,500
2288	Repair and/or Construction of Sanitary Sewer System	95,000	3/28/2013	3/22/2019	3/20/2020	2.750	41,500		41,500	
				3/20/2020	3/19/2021	0.800		31,000		31,000
2290	Acquisition of Gear and Equipment for Fire Dept.	71,000	3/28/2013	3/22/2019	3/20/2020	2.750	30,000		30,000	
				3/20/2020	3/19/2021	0.800		22,000		22,000
2292	Acquisition of Radio Equipment for PD, FD & PWD	52,000	3/28/2013	3/22/2019	3/20/2020	2.750	22,975		22,975	
				3/20/2020	3/19/2021	0.800		17,375		17,375
2303	Repairs to Veteran's Memorial Park	31,000	6/19/2014	3/22/2019	3/20/2020	2.750	18,600		18,600	
				3/20/2020	3/19/2021	0.800		15,500		15,500
2308	Repair and/or Reconstruction of Sanitary Sewer System	95,000	6/19/2014	3/22/2019	3/20/2020	2.750	57,000		57,000	
				3/20/2020	3/19/2021	0.800		47,500		47,500
2312	Acquisition of New Street Sweeper	180,000	6/19/2014	3/22/2019	3/20/2020	2.750	102,000		102,000	
				3/20/2020	3/19/2021	0.800		82,000		82,000
2313	Acquisition of 4WD Vehicle for Police Department	38,000	6/19/2014	3/22/2019	3/20/2020	2.750	21,450		21,450	
				3/20/2020	3/19/2021	0.800		17,200		17,200
2314	2013 Road Resurfacing Program	285,000	6/19/2014	3/22/2019	3/20/2020	2.750	161,400		161,400	
				3/20/2020	3/19/2021	0.800		129,700		129,700
2321	New Synthetic Turf Field at Hitchcock Field	570,000	6/19/2014	3/22/2019	3/20/2020	2.750	285,000		285,000	
				3/20/2020	3/19/2021	0.800		228,000		228,000
2326	Acquisition of Equipment for Free Public Library	23,000	3/27/2015	3/22/2019	3/20/2020	2.750	13,900		13,900	
				3/20/2020	3/19/2021	0.800		11,500		11,500
2327	Acquisition of Two Trucks for Fire Department	190,000	3/27/2015	3/22/2019	3/20/2020	2.750	120,125		120,125	
				3/20/2020	3/19/2021	0.800		98,625		98,625
2328	Acquisition of Quint Ladder Truck for Fire Dept.	950,000	3/27/2015	3/22/2019	3/20/2020	2.750	665,000		665,000	
				3/20/2020	3/19/2021	0.800		595,000		595,000
2329	Additional Funds for Phases II & III, Boulevard Streetscape	95,000	3/27/2015	3/22/2019	3/20/2020	2.750	57,000		57,000	
				3/20/2020	3/19/2021	0.800		47,500		47,500
2324	Repairs and Improvements to Polify Park	34,000	3/24/2016	3/22/2019	3/20/2020	2.750	23,800		23,800	
				3/20/2020	3/19/2021	0.800		20,400		20,400
2337	Boulevard Streetscape Phase VII and VIII	95,000	3/24/2016	3/22/2019	3/20/2020	2.750	66,500		66,500	
				3/20/2020	3/19/2021	0.800		57,000		57,000
2338/2410	Road Resurfacing Program	570,000	3/24/2016	3/22/2019	3/20/2020	2.750	463,000		463,000	
				3/20/2020	3/19/2021	0.800		396,000		396,000

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Original Amount Issued	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2020	Increased	Decreased	Balance, December 31, 2020
2339	Curb and Sidewalk Replacement Program	\$ 142,500	3/24/2016	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 % 0.800	\$ 104,600	\$ 90,350	\$ 104,600	\$ 90,350
2340	Improvements to Woodland Park Playground	142,500	3/24/2016	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	105,750	91,500	105,750	91,500
2350	Improvements to Stanley Avenue	220,000	3/24/2016	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	171,500	147,000	171,500	147,000
2351	Improvements to Playgrounds Surfaces-Mier Park and Central Avenue Park	60,000	3/24/2016	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	42,000	36,000	42,000	36,000
2366	Improvements to Woodland Park Playground	95,000	3/24/2017	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	76,000	66,500	76,000	66,500
2358	2016 Road Resurfacing Program	380,000	3/24/2017	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	380,000	337,500	380,000	337,500
2361	Repair and/or Reconstruction of Sanitary Sewer System	95,000	3/24/2017	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	88,000	78,500	88,000	78,500
2370	Improvements to Playground Surfaces at Depken Field	41,000	3/24/2017	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	32,800	28,700	32,800	28,700
2371	Boulevard Streetscape Improvement Phase IX	78,000	3/24/2017	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	62,400	54,600	62,400	54,600
2372	Resurfacing Portions of Cleveland Ave., Webb Place and Lincoln Street	44,000	3/24/2017	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	35,000	30,000	35,000	30,000
2373	Acquisition of Garbage Truck	213,000	3/24/2017	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	168,000	144,000	168,000	144,000
2374	Acquisition of Finger Printing and Mug Shot Equipment	26,000	3/24/2017	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	20,800	18,200	20,800	18,200
2238	Continuation of Boulevard Streetscape Improvement	25,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	22,525	19,375	22,525	19,375
2252	Boulevard Streetscape Improvement Phase IV	20,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	20,000	20,000	20,000	20,000
2294	Construction of a New Pavilion in Woodland Park	45,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	45,000	45,000	45,000	45,000
2289	Boulevard Streetscape Improvement Phase V	25,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	25,000	25,000	25,000	25,000
2304/2320	Construction of Barrier Free Curb Ramps	20,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	20,000	20,000	20,000	20,000
2307	Boulevard Streetscape Improvement Phase VI	20,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	20,000	20,000	20,000	20,000
2391	2017 Road Resurfacing Program	285,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	285,000	285,000	285,000	285,000
2392	Upgrade of Radio Equipment for Police, Fire and DPW	95,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	95,000	95,000	95,000	95,000

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Original Amount Issued	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2020	Increased	Decreased	Balance, December 31, 2020
2393	Acquisition and Upgrade of Computers and Technology Systems	\$ 45,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 % 0.800	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
2394	Acquisition of a Generator for the DPW	70,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	70,000	70,000	70,000	70,000
2397	Upgrade and Improvements to Municipal Buildings	117,500	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	117,500	117,500	117,500	117,500
2398	Acquisition of Heavy Equipment for the DPW	210,000	3/23/2018	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	210,000	210,000	210,000	210,000
2408	Reconstruction of Portions of the Sanitary and StormWater Drainage System	95,000	3/22/2019	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	95,000	95,000	95,000	95,000
2409	Acquisition of a Sewer Inspection Camera	70,000	3/22/2019	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	70,000	70,000	70,000	70,000
2411	Acq of an Ambulance and a 4 Wheel Drive Vehicle for Fire Dept	285,000	3/22/2019	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	285,000	285,000	285,000	285,000
2412	Acquisition of Equipment for the Fire Department	142,500	3/22/2019	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	142,500	142,500	142,500	142,500
2413	Rehabilitation and Environmental Remediation at the DPW	95,000	3/22/2019	3/22/2019 3/20/2020	3/20/2020 3/19/2021	2.750 0.800	95,000	95,000	95,000	95,000
2425	Resurfacing Portions of Charlton and Pasadena Avenue	50,000	3/20/2020	3/20/2020	3/19/2021	0.800		50,000		50,000
2426	Resurfacing of Myers Avenue	85,000	3/20/2020	3/20/2020	3/19/2021	0.800		85,000		85,000
2427	Improvements to Woodland Park Playground	139,000	3/20/2020	3/20/2020	3/19/2021	0.800		139,000		139,000
2428	Acquisition of Trucks for DPW	142,500	3/20/2020	3/20/2020	3/19/2021	0.800		142,500		142,500
2436	Replacement of Public Safety Communications Equipment	356,250	3/20/2020	3/20/2020	3/19/2021	0.800		356,250		356,250
2445	Acquisition of Gear and Equipment for the Fire Department	166,250	3/20/2020	3/20/2020	3/19/2021	0.800		166,250		166,250
2447	Reconstruction of Sanitary and Storm Water Drainage Facilities	49,000	3/20/2020	3/20/2020	3/19/2021	0.800		49,000		49,000
2448	2019 Road Resurfacing Program	380,000	3/20/2020	3/20/2020	3/19/2021	0.800		380,000		380,000
2449	Resurfacing of Raymond Street	140,000	3/20/2020	3/20/2020	3/19/2021	0.800		140,000		140,000
2450	Boulevard Streetscape Phase X	220,000	3/20/2020	3/20/2020	3/19/2021	0.800	-	220,000	-	220,000
							<u>\$ 5,823,500</u>	<u>\$ 6,749,000</u>	<u>\$ 5,823,500</u>	<u>\$ 6,749,000</u>
								Renewals	\$ 5,021,000	\$ 5,021,000
								Issued for Cash	1,728,000	
								Paid by Budget Appropriation	-	802,500
								<u>\$ 6,749,000</u>	<u>\$ 5,823,500</u>	

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2020	\$ 176,635
Increased by:	
2020 Budget Appropriation	<u>100,000</u>
	276,635
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>144,250</u>
Balance, December 31, 2020	<u>\$ 132,385</u>

EXHIBIT C-13

STATEMENT OF RESERVE FOR GARRISON AVENUE REPAIR - FEMA FUNDS

Balance, January 1, 2020	\$ 7,801
Decreased by:	
Cancelled to Fund Balance	<u>\$ 7,801</u>

EXHIBIT C-14

STATEMENT OF RESERVE FOR PAYMENT OF BOND ANTICIPATION NOTES

Balance, January 1, 2020	\$ 46,821
Decreased by:	
Anticipated as Current Fund Revenue	<u>\$ 46,821</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF DUE TO CURRENT FUND**

Increased by:		
Interest Earnings	\$	5,631
Decreased by:		
Payments to Current Fund	\$	<u>5,631</u>

STATEMENT OF CONTRACTS PAYABLE

Balance, January 1, 2020	\$	1,622,173
Increased by:		
Charged to Improvement Authorizations		<u>1,153,329</u>
		2,775,502
Decreased by:		
Cash Disbursements		<u>1,622,173</u>
Balance, December 31, 2020	\$	<u>1,153,329</u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	<u>Improvement Description</u>	Balance, January 1, <u>2020</u>	2020 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance, December 31, <u>2020</u>
	<u>General Improvements:</u>				
1720	Reconstruction and Improvement of the Storm Water Drainage Line West of the Boulevard between Franklin and LaSalle	\$ 153,918			\$ 153,918
1915/1940	Purchase of Communication Equip., Improvement of Parks, Improvement of Pistol Range and Acquisition of a 4-Wheel Drive Vehicle for the Police Dept.	500			500
1944/1968/1985	Public Safety Building	900			900
2054	Resurfacing of Oak Grove Ave. from Jefferson Ave. to Williams Ave.	32,500			32,500
2316	Bond Refunding	126,680			126,680
2425	Resurfacing Portions of Charlton and Pasadena Avenue	50,000		\$ 50,000	
2426	Resurfacing of Myers Avenue	85,000		85,000	
2427	Improvements to Woodland Park Playground	139,000		139,000	
2428	Acquisition of Trucks for DPW	142,500		142,500	
2436	Replacement of Public Safety Communications Equipment	356,250		356,250	
2445	Acquisition of Gear and Equipment for the Fire Department	166,250		166,250	
2447	Reconstruction of Sanitary and Storm Water Drainage Facilities	49,000		49,000	
2448	2019 Road Resurfacing Program	380,000		380,000	
2449	Resurfacing of Raymond Street	140,000		140,000	
2450	Boulevard Streetscape Phase X	220,000		220,000	
2457	Rehabilitation and Replacement of the Synthetic Turf Field at Depken Field		\$ 950,000		950,000
2458	Repair and/or Reconstruction of Sanitary Sewerage & Stormwater Drainage		190,000		190,000
2460	Installation of New Automatic Door Openers at Municipal Bld & Public Safety		30,700		30,700
2461	Acquisition of Gear and Equipment for Fire Department		166,250		166,250
2462	Acquisition of Four Wheel Vehicle for Fire Department		47,500		47,500
2463	Construction of Walking Path, Roadway and Perimeter Fence at Woodland Park		55,000		55,000
2465	Acquisition of Certain Trucks for DPW Department		380,000		380,000
2466	Improvement of Industrial Ave		48,500		48,500
2467	2020 Road Resurfacing Program	-	570,000	-	570,000
		<u>\$ 2,042,498</u>	<u>\$ 2,437,950</u>	<u>\$ 1,728,000</u>	<u>\$ 2,752,448</u>

PUBLIC ASSISTANCE FUND

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

Balance, January 1, 2020		\$	28,454
Increased by:			
Interest Earned		\$	116
Food Pantry Donations			<u>5,169</u>
			<u>5,285</u>
			33,739
Decreased by:			
Payments to Current Fund			116
Food Pantry Expenditures			<u>1,675</u>
			<u>1,791</u>
Balance, December 31, 2020		\$	<u><u>31,948</u></u>

EXHIBIT D-2

STATEMENT OF PUBLIC ASSISTANCE REVENUES

			<u>P.A.T.F.</u>
Food Pantry Donations		\$	<u><u>5,169</u></u>

EXHIBIT D-3

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

			<u>P.A.T.F.</u>
Food Pantry - Expenditures		\$	<u><u>1,675</u></u>

EXHIBIT D-4

STATEMENT OF DUE TO CURRENT FUND

Increased by:			
Interest Earned		\$	116
Decreased by:			
Payments to Current Fund		\$	<u><u>116</u></u>

**BOROUGH OF HASBROUCK HEIGHTS
STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE**

	<u>P.A.T.F.</u>
Balance, January 1, 2020	\$ 28,454
Increased by: Revenues	<u>5,169</u>
	33,623
Decreased by: Expenditures	<u>1,675</u>
Balance, December 31, 2020	<u>\$ 31,948</u>

BOROUGH OF HASBROUCK HEIGHTS
BERGEN COUNTY, NEW JERSEY

PART II
GOVERNMENT AUDITING STANDARDS
YEAR ENDED DECEMBER 31, 2020



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRISTOPHER M. VINCI, CPA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Hasbrouck Heights
Hasbrouck Heights, 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 Hasbrouck Heights as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2021. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Hasbrouck Heights 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 Hasbrouck Heights' 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 Hasbrouck Heights' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Andrew D. Parente
Registered Municipal Accountant
RMA Number CR00529

Fair Lawn, New Jersey
July 28, 2021

**BOROUGH OF HASBROUCK HEIGHTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Grant Program</u>	<u>Federal CFDA Number</u>	<u>Grant Year</u>	<u>Grant Receipts</u>	<u>Grant Award Amount</u>	<u>Balance, January 1, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancellations</u>	<u>Balance, December 31, 2020</u>	<u>(Memo) Cumulative Expenditures</u>
Department of Homeland Security FEMA Garrison Avenue Repair	Not Available	Prior Years		\$ 7,801	\$ 7,801				\$ 7,801	
Department of Housing and Urban Development Community Development Block Grant (Passed through the County of Bergen)										
Improvements to Charlton & Pasadena - Ordinance No 2425	14.218	2019	\$ 57,587	78,450						78,450
Improvements to Myers Avenue - Ordinance No 2426	14.218	2019	105,251	127,200						127,200
Improvements to Woodland Park Surface - Ordinance No 2427	14.218	2019		128,500	128,500				\$ 128,500	
Installation of Door Openers - Ordinance No 2460	14.218	2020		102,300		\$ 102,300			102,300	
Walking Path, Roadway and Perimeter Fence at Woodland Park - Ordinance No. 2463	14.218	2020		46,500		46,500			46,500	
New Jersey State Police Public Assistance - DPW Generator	Not Available	2017		45,000	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	
					<u>\$ 181,301</u>	<u>\$ 148,800</u>	<u>\$ -</u>	<u>\$ 7,801</u>	<u>\$ 322,300</u>	

Note: The Federal Award Programs were not subject to a single audit in accordance with U.S. Uniform Guidance

**BOROUGH OF HASBROUCK HEIGHTS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>State Grant Program</u>	<u>State Account Numbers</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance, December 31, 2020</u>	<u>(Memo) Cumulative Expenditures</u>
Environmental Solid Waste Administration:										
Clean Communities Grant	042-4900-765-004	2019	\$ 20,653	\$ 20,653						
Clean Communities Grant	042-4900-765-004	2019	22,905			\$ 22,905			\$ 22,905	
Clean Communities Grant	042-4900-765-004	2018	20,524		\$ 20,524		\$ 8,701		11,823	\$ 8,701
Clean Communities Grant	042-4900-765-004	2017	21,447		4,829		4,829			21,447
Recycling Tonnage Grant	042-4910-100-224	2020	2,251	2,251						
Recycling Tonnage Grant	042-4910-100-224	2019	17,409			17,409	68		17,341	68
Recycling Tonnage Grant	042-4910-100-224	2018	17,409		12,226		12,226			17,409
Law and Public Division of Criminal Justice:										
Body Armor Replacement Fund	066-1020-718-001	2020	2,934	2,934		2,934	2,934			2,934
Body Armor Replacement Fund	066-1020-718-001	2019	3,139		3,139		3,139			3,139
Body Armor Replacement Fund	066-1020-018-001	2017	2,910		1,209		1,209			2,910
Division of Motor Vehicles:										
Drunk Driving Enforcement Fund	6400-100-078-6400	2019	4,180		4,180				4,180	
Drunk Driving Enforcement Fund	6400-100-078-6400	2018	5,093		5,093				5,093	
Drunk Driving Enforcement Fund	6400-100-078-6400	Prior Years	39,494		39,494		753		38,741	753
Municipal Court:										
Alcohol Education and Rehabilitation	098-9735-760-001	2019	321			321			321	
Alcohol Education and Rehabilitation	098-9735-760-001	2018	439		439				439	
Alcohol Education and Rehabilitation	098-9735-760-001	2017	1,609		1,609				1,609	
Alcohol Education and Rehabilitation	098-9735-760-001	Prior Years	4,536		4,536				4,536	
Department of Transportation										
Boulevard Streetscape - Ordinance No. 2450	Not Available	2019	218,000		218,000				218,000	
Resurfacing of Raymond Street - Ordinance No. 2449	078-6320-480-ANP	2019	202,000	151,500						202,000
Improvement of Industrial Ave - Ordinance No. 2466	Not Available	2020	189,000			189,000			189,000	
Safe Routes to Schools - Ordinance No. 2221, 2222	Not Available	2009	173,000		138,328			\$ 6,568	131,760	34,672
					<u>\$ 453,606</u>	<u>\$ 232,569</u>	<u>\$ 33,859</u>	<u>\$ 6,568</u>	<u>\$ 645,748</u>	

Note: The State Financial Assistance Programs were not subject to a single audit in accordance with New Jersey OMB 15-08

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

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund		\$ 43,569	\$ 43,569
General Capital Fund	<u>\$ 148,800</u>	<u>189,000</u>	<u>337,800</u>
Total Financial Awards	<u>\$ 148,800</u>	<u>\$ 232,569</u>	<u>\$ 381,369</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

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

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements	<u>Modified - Unaudited LOSAP Fund</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified	_____ yes	<u> X </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	_____ yes	<u> X </u> none reported
Noncompliance material to the financial statements noted?	_____ yes	<u> X </u> none reported

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

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

Part 2 – Schedule of Financial Statement Findings

This section identified the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of Government Auditing Standards

There are none.

**BOROUGH OF HASBROUCK HEIGHTS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF HASBROUCK HEIGHTS

BERGEN COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

**BOROUGH OF HASBROUCK HEIGHTS
SUPPLEMENTARY DATA**

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - CURRENT FUND

	<u>Year 2020</u>		<u>Year 2019</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,315,000	2.35%	\$ 1,275,000	2.31% %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,682,864	4.79%	3,464,955	6.27%
Collection of Delinquent Taxes and Tax Title Liens	327,792	0.58%	385,258	0.70%
Collection of Current Tax Levy	51,382,575	91.67%	49,972,641	90.45%
Other Credits	<u>342,170</u>	<u>0.61%</u>	<u>149,196</u>	<u>0.27%</u>
Total Income	<u>56,050,401</u>	<u>100.00%</u>	<u>55,247,050</u>	<u>100.00%</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	19,771,509	35.76%	19,547,391	36.15% %
County Taxes	4,610,399	8.34%	4,388,706	8.12%
Local School Taxes	30,887,794	55.86%	30,127,255	55.72%
Other Expenditures	<u>20,705</u>	<u>0.04%</u>	<u>2,800</u>	<u>0.01%</u>
Total Expenditures	55,290,407	<u>100.00%</u> %	54,066,152	<u>100.00%</u> %
Excess in Revenue	759,994		1,180,898	
Fund Balance, January 1	<u>1,837,509</u>		<u>1,931,611</u>	
	2,597,503		3,112,509	
Less Utilization as Anticipated Revenue	<u>1,315,000</u>		<u>1,275,000</u>	
Fund Balance, December 31	<u>\$ 1,282,503</u>		<u>\$ 1,837,509</u>	

**BOROUGH OF HASBROUCK HEIGHTS
SUPPLEMENTARY DATA**

Comparative Schedule Of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate</u>	<u>\$2.876</u>	<u>\$2.845</u>	<u>\$2.852</u>
<u>Apportionment of Tax Rate</u>			
Municipal (Includes Library Tax)	.901	.890	.892
County (Includes Open Space)	.256	.249	.255
Local School	1.719	1.706	1.705

Assessed Valuation

2020	<u>\$1,797,767,287</u>		
2019		<u>\$1,766,657,570</u>	
2018			<u>\$1,718,394,708</u>

Comparison of Tax Levies And Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2020	\$ 51,795,894	\$ 51,382,575	99.20%
2019	50,323,075	49,972,641	99.30%
2018	49,080,539	48,641,295	99.11%

**BOROUGH OF HASBROUCK HEIGHTS
SUPPLEMENTARY DATA**

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.

December 31 <u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	<u>Total</u>	Percentage of <u>Tax Levy</u>
2020	\$ 218,567	\$ 389,447	\$ 608,014	1.17%
2019	326,124	315,918	642,042	1.28%
2018	286,484	407,012	693,496	1.41%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2020 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2020	-
2019	\$304,730
2018	304,730

Comparative Schedule Of Fund Balance

	<u>Year</u>	Fund Balance, <u>December 31,</u>	Utilized in Budget of <u>Succeeding Year</u>
Current Fund	2020	\$1,282,503	\$1,280,000
	2019	1,837,509	1,315,000
	2018	1,931,611	1,275,000

**BOROUGH OF HASBROUCK HEIGHTS
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
John DeLorenzo III	Mayor	
Ronald Kistner	Council President	
Josephine Ciocia	Councilwoman	
Justin A. DiPisa	Councilman	
Christopher Hillmann	Councilman	
Russell A. Lipari	Councilman	
Steven Reyngoudt	Councilman	
Michael Kronyak	Borough Administrator CFO/Treasurer/Purchasing Agent (1/1/20-12/13/20)	(1)
David Sireci	CFO/Treasurer (12/14/2020-12/31/2020)	
Conchita C. Parker	Tax Collector/Tax Search Officer	(1)
Louise Balsamo	Assistant to Collector	(1)
Pam Grisafe	Secretary to Administrator/Payroll Clerk	
Laurie Varga	Borough Clerk	
Rick Del Guercio	Assessor	
Evan M. Jacobs, Neglia Engineering	Engineer	
Joseph R. Jones	Judge	
Curt Geisler	Public Defender	
Rosario Presti/ Thomas Flinn (Alt)	Prosecutors	
Susan Paul	Clerk of the Court/Violations Clerk	(1)
Michael Colaneri, Jr.	Chief of Police	
Gino Tessaro	Construction Official	
Laura French	Secretary Board of Health Registrar	
Joseph J. Cariddi	Fire Official – Uniform Fire Code	
Mimi Hui	Library Director	
Ralph W. Chandless, Jr.	Borough Attorney-Emeritus	
Richard Malagiere	Borough Attorney	
William Spindler	Superintendent of Public Works	

(1) New Jersey Intergovernmental Insurance Fund Blanket Bond. Limit is \$1,000,000 per occurrence.

**BOROUGH OF HASBROUCK HEIGHTS
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Our comments with respect to the examination and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the examination are herewith set forth.

Prior Year Unresolved

Our audit revealed several prior year outstanding grants receivable balances exist in the General Capital Fund. It is recommended that grants receivable balances in the General Capital Fund be subsequently collected and or cleared of record.

Our audit revealed three (3) capital ordinances over five (5) years old with cash deficit balances in the aggregate amount of \$4,585 at year end. It is recommended that capital ordinances greater than five (5) years old with cash deficits be funded.

Current Year

Our audit revealed that resolutions for the cancellation of tax title liens and foreclosed property balances were not prepared and formally approved. It is recommended that formal resolutions be prepared and adopted for the cancellation of financial statement account balances.

Our audit revealed that a public works contract for the installation of a turf field was awarded through a National Purchasing Cooperative. The use of National Cooperative contracts are not eligible for public works or construction projects as directed by state purchasing guidelines. It is recommended that the use of National Cooperative contracts be for eligible purchases only, in accordance with state procurement guidelines.

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

N.J.S. 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 where of 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 \$17,500, except by contract or agreement".

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500. The Borough has adopted a resolution increasing the threshold to \$40,000 or \$44,000 effective July 1, 2020 and has appointed a qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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 question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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.

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 HASBROUCK HEIGHTS
LETTER OF COMMENTS AND RECOMMENDATIONS**

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 2, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500 and allows an additional penalty of 6% be collected against a delinquency prior to the end of the calendar year;

NOW THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of Hasbrouck Heights, County of Bergen, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$ 1,500 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$ 10,000 and remains in areas beyond December 3 1, and additional penalty of 6% shall be charged against the delinquency.
2. Effective January 2, 2020 there will be a ten-day grace period of quarterly tax payments made by cash, check, or money order.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of 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 Borough held tax sales on October 15, 2020.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2020	18
2019	18
2018	20

**BOROUGH OF HASBROUCK HEIGHTS
LETTER OF COMMENTS AND RECOMMENDATIONS**

APPRECIATION

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

Suggestion to Management

- Although the Borough currently maintains sufficient manual general ledgers, consideration be made for the implementation of an integrated computerized general ledger system for each of the various funds maintained by the Borough.
- The current detailed fixed asset appraisal report be updated to include current and prior year fixed asset additions.

**BOROUGH OF HASBROUCK HEIGHTS
LETTER OF COMMENTS AND RECOMMENDATIONS**

RECOMMENDATIONS

It is recommended that:

- * 1. Grants receivable balances in the General Capital Fund be subsequently collected and or cleared of record.
- * 2. Capital Ordinances greater than five (5) years old with cash deficits be funded.
- 3. Formal resolutions be prepared and adopted for the cancellation of financial statement account balances.
- 4. The use of National Cooperative contracts be for eligible purchases only, in accordance with state procurement guidelines.

* * * * *

A review was performed on all prior year's recommendations. Corrective action was taken on all prior year's recommendations, except those denoted with an asterisk above.

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, please do not hesitate to contact us.


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


Andrew D. Parente
Registered Municipal Accountant
RMA Number CR00529