

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A COMPONENT UNIT OF THE COUNTY OF BERGEN)**  
**COUNTY OF BERGEN, NEW JERSEY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**WITH INDEPENDENT AUDITOR'S REPORT**

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

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(A Component Unit of the County of Bergen)**

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## **Introductory Section**

**BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)**

**ROSTER OF OFFICIALS  
DECEMBER 31, 2023**

<u>COMMISSIONERS</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Cesar Gamio	Chairperson	2/1/2028
John H. Bang	Vice Chairperson	2/1/2024
Matthew Capilli	Commissioner	2/1/2026
Elizabeth Randall	Commissioner	2/1/2027
Jason Some	Commissioner	2/1/2025

**Financial Section**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
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**INDEPENDENT AUDITOR'S REPORT**

Honorable Chairman and Commissioners  
Bergen County Improvement Authority  
Paramus, New Jersey

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the Bergen County Improvement Authority, which comprise the statement of net position as of December 31, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Bergen County Improvement Authority as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Unmodified Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bergen County Improvement Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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



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

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

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis schedule of the Authority's proportionate share of the net pension liability, schedule of funding progress for the OPEB plan, schedule of employer contributions to the OPEB plan, and schedule of Authority contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprises the Bergen County Improvement Authority's financial statements. The Supplemental Schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

Honorable Chairperson and Commissioners  
Bergen County Improvement Authority  
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The supplemental schedules 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 supplemental schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2024 on our consideration of the Bergen County Improvement Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Bergen County Improvement Authority's internal control over financial reporting and compliance.

Very truly yours,



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 3, 2024



**Management Discussion and Analysis**

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

*As management of the Bergen County Improvement Authority, we offer the Authority's financial statements this narrative overview and analysis of the Authority's financial performance during the fiscal year ended December 31, 2023 and 2022. Please read this analysis in conjunction with the Authority's financial statements, which follow this section.*

**Financial Highlights**

- The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$30,032,702 (net position) for the fiscal year reported. This compares to the previous year when liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$24,880,428.
  
- Total net position is comprised of the following:
  - (1) Capital assets, net of related debt of \$(49,168,931) includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$35,641,447 are restricted by constraints imposed from outside the Authority such as debt covenants, grantors, laws or regulations.
  - (3) Unrestricted net position of \$43,560,186 represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.
  
- Total liabilities of the Authority increased by \$13,151,582 to \$96,177,768 during the fiscal year largely due to increases in amounts due to Bergen County and loans payable.

**Overview of the Financial Statements**

This annual report includes this management discussion, the independent auditor's report and the basic financial statements of the Authority. The financial statements also include notes that explain in more detail some of the information in the financial statements.

*Required Financial Statements*

The financial statements of the Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The *Statement of Net Position* includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures the results of the Authority's operations over the past year and can be used to determine whether the Authority has recovered all its costs through user fees and other charges, operational stability and credit worthiness.

The final required financial statement is the *Statement of Cash Flows*. This statement reports cash receipts and cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as what operational sources provided cash, what was the cash used for, and what was the change in cash balance during the reporting period.

*Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements. The notes to the financial statements begin immediately following the basic financial statements.

*Other Information*

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. This supplementary information follows the notes to the financial statements.

**Financial Analysis of the Authority**

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better able to fulfill its mission as a result of this years activities?" The *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* report information about the Authority's activities in a way that will help answer this question. These two statements report net position of the Authority and the changes in those assets. The reader can think of the Authority's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider the non-financial factors such as changes in economic conditions, population growth, development, and new or changed government regulation.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

**Net Position**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Authority as a whole.

The Authority's net position at fiscal year-end is \$30,032,702. This is \$5,152,274 increase over last year's net position of \$24,880,428. A summary of the Authority's statement of net position is presented in the following table:

**Condensed Statement of Net Position**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Asset:				
Current and Other Assets	\$98,269,249	\$81,143,223	\$17,126,026	21.10%
Capital Assets	<u>36,344,272</u>	<u>35,593,222</u>	<u>751,050</u>	2.11%
Total Assets	<u>134,613,521</u>	<u>116,736,445</u>	<u>17,877,076</u>	15.31%
Deferred Outflows of Resources	<u>337,860</u>	<u>263,898</u>	<u>73,962</u>	28.03%
Liabilities:				
Long-term Debt Outstanding	74,228,713	73,209,213	1,019,500	1.39%
Other Liabilities	<u>21,949,055</u>	<u>9,816,973</u>	<u>12,132,082</u>	123.58%
Total Liabilities	<u>96,177,768</u>	<u>83,026,186</u>	<u>13,151,582</u>	15.84%
Deferred Inflows of Resources	<u>8,740,911</u>	<u>9,093,729</u>	<u>(352,818)</u>	(3.88)%
Net Position:				
Invested in Capital Assets, Net of Related Debt	(49,168,931)	(50,876,465)	1,707,534	(3.36)%
Restricted	35,641,447	40,716,215	(5,074,768)	(12.46)%
Unrestricted	<u>43,560,186</u>	<u>35,040,678</u>	<u>8,519,508</u>	24.31%
Total Net Position	<u>\$30,032,702</u>	<u>\$24,880,428</u>	<u>\$5,152,274</u>	20.71%

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

**Net Position (Continued)**

A summary of the Authority's prior year statement of net position is presented with comparative restated FY 2021 balances in the following table:

**Condensed Statement of Net Position**

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Asset:				
Current and Other Assets	\$81,143,223	\$81,896,289	\$(753,066)	(.92)%
Capital Assets	<u>35,593,222</u>	<u>37,272,971</u>	<u>(1,679,949)</u>	(4.51)%
Total Assets	<u>116,736,445</u>	<u>119,169,260</u>	<u>(2,432,815)</u>	2.04%
Deferred Outflows of Resources	<u>263,898</u>	<u>262,412</u>	<u>1,486</u>	.57%
Liabilities:				
Long-term Debt Outstanding	73,209,213	1,420,937	71,788,276	5052.18%
Other Liabilities	<u>9,816,973</u>	<u>89,868,876</u>	<u>(80,051,903)</u>	(89.08)%
Total Liabilities	<u>83,026,186</u>	<u>91,289,813</u>	<u>(8,263,627)</u>	(9.05)%
Deferred Inflows of Resources	<u>9,093,729</u>	<u>619,240</u>	<u>8,474,489</u>	1368.53%
Net Position:				
Invested in Capital Assets, Net of Related Debt	(50,876,465)	(45,684,006)	(5,192,459)	11.75%
Restricted	40,716,215	32,654,420	8,061,795	24.69%
Unrestricted	<u>35,040,678</u>	<u>40,552,205</u>	<u>(5,511,527)</u>	
Total Net Position	<u>\$24,880,428</u>	<u>\$27,522,619</u>	<u>\$(2,642,191)</u>	9.60%

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

**Net Position (Continued)**

While the *Statement of Net Position* shows the change in financial position of net position, the *Statement of Revenues, Expenses and Changes in Net Position* provides answers as to the nature and source of these changes. As can be seen in the following table, net position increased by \$5,152,274.

**Condensed Statement of Revenues, Expenses  
And Changes in Net Position**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Revenues	\$298,076,176	\$245,674,897	\$52,398,279	21.33%
Non-operating Revenues	<u>3,146,953</u>	<u>847,230</u>	<u>2,299,723</u>	271.44%
Total Revenues	<u>301,220,129</u>	<u>246,522,127</u>	<u>54,698,002</u>	22.19%
Depreciation and Amortization	5,899,496	5,483,172	416,324	7.59%
Other Operating Expense	284,082,806	238,093,352	45,989,454	19.32%
Other Non-Operating Expense	<u>6,085,553</u>	<u>5,587,794</u>	<u>497,759</u>	8.90%
Total Expenses	<u>296,067,855</u>	<u>249,164,318</u>	<u>46,903,537</u>	18.82%
Change in Net Position	5,152,274	(2,642,191)	7,794,465	
Beginning Net Position (Restated)	<u>24,880,428</u>	<u>27,522,619</u>	<u>(2,642,191)</u>	(9.60)%
Ending Net Position	<u>\$30,032,702</u>	<u>\$24,880,428</u>	<u>\$5,152,274</u>	20.71%

The Authority's operating revenues increased by \$52,398,279 to \$298,073,176 in fiscal year 2023 from \$245,674,897 in 2022. This increase is primarily due to increases in rent and service charges billed to Bergen New Bridge Medical Center. Non-operating revenues increased by \$2,299,733 to \$3,146,953 from \$847,230 largely due to increases in interest income, contributions from Bergen County, and settlement funds received in 2023. Operating expenses increased by \$45,989,454 largely due to increases in expenses relating to management of the Authority's hospital operation. Non-operating expenses increased by \$497,759 largely due to an increase in interest expense.



**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

**Net Position (Continued)**

A summary of the Authority's prior year statement of revenues, expenses and change in net position is presented with comparative restated FY 2021 figures in the following table:

**Condensed Statement of Revenues, Expenses  
And Changes in Net Position**

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Operating Revenues	\$245,674,897	\$300,561,463	\$(54,883,566)	(18.26)%
Non-operating Revenues	<u>847,230</u>	<u>7,760,808</u>	<u>(6,913,578)</u>	(89.08)%
Total Revenues	<u>246,522,127</u>	<u>308,322,271</u>	<u>(61,800,144)</u>	(20.04)%
Depreciation and Amortization	5,483,172	5,293,001	190,171	3.59%
Other Operating Expense	238,093,352	270,622,687	(32,529,335)	(12.02)%
Other Non-Operating Expense	<u>5,587,794</u>	<u>2,254,598</u>	<u>3,333,196</u>	147.84%
Total Expenses	<u>249,164,318</u>	<u>278,170,286</u>	<u>(29,005,968)</u>	(10.43)%
Contributions	<u>                    </u>	<u>611,700</u>	<u>(611,700)</u>	(100.00)%
Change in Net Position	(2,642,191)	30,763,685	(33,405,876)	(108.59)%
Beginning Net Position (Restated)	<u>27,522,619</u>	<u>(3,241,066)</u>	<u>30,763,685</u>	(949.18)%
Ending Net Position	<u>\$24,880,428</u>	<u>\$27,522,619</u>	<u>\$(2,642,191)</u>	(9.60)%

**Budgetary Highlights**

The State of New Jersey requires local authorities to prepare and adopt annual budgets in accordance with the Local Authorities Fiscal Control Law and regulations adopted by the Local Finance Board pursuant to this statute and codified as N.J.A.C. 5:31-1 et seq. The statutory budget was designed to demonstrate to the Bureau of Authority Regulation of the Division of Local Government Services that the cash flows of the Authority for the coming year will be sufficient to cover operating expenses, interest accruing on bonded indebtedness and cash payments of maturing bond and loan principal.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

**Budgetary Highlights (Continued)**

The following tables provides a FY 2023 and FY 2022 budget comparison:

<b>Budget vs. Actual</b>			
<b>FY 2023</b>			
<b><u>Hospital Fund:</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
Revenues:			
Operating	\$251,033,000	\$300,087,013	\$49,054,013
Non-Operating	<u>1,000,000</u>	<u>2,289,787</u>	<u>1,829,787</u>
Total Revenues	<u>252,033,000</u>	<u>302,376,800</u>	<u>50,343,800</u>
Expenses:			
Operating	247,938,927	283,629,184	(35,690,257)
Non-Operating	<u>4,094,073</u>	<u>7,307,799</u>	<u>(3,213,726)</u>
Total Appropriations	<u>252,033,000</u>	<u>290,936,983</u>	<u>(38,903,983)</u>
Budgetary Income/(Loss)	<u>\$ -0-</u>	<u>\$11,439,817</u>	<u>\$11,439,817</u>
<b><u>General Fund:</u></b>			
Revenues:			
Operating	328,000	386,163	58,163
Non-Operating	<u>500,000</u>	<u>513,891</u>	<u>13,891</u>
Total Revenues	<u>828,000</u>	<u>900,054</u>	<u>72,054</u>
Expenses:			
Operating	<u>555,500</u>	<u>526,062</u>	<u>29,438</u>
Total Appropriations	<u>555,500</u>	<u>526,062</u>	<u>29,438</u>
Budgetary Income/(Loss)	<u>\$272,500</u>	<u>\$373,992</u>	<u>\$101,492</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

**Budgetary Highlights (Continued)**

**Budget vs. Actual**  
**FY 2022**

**Hospital Fund:**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Operating	\$237,012,000	\$247,678,995	\$10,666,995
Non-Operating	<u>750,000</u>	<u>731,058</u>	<u>(18,942)</u>
Total Revenues	<u>237,762,000</u>	<u>248,410,053</u>	<u>10,648,053</u>
Expenses:			
Operating	229,162,000	237,665,560	(8,503,560)
Non-Operating	<u>4,436,550</u>	<u>4,466,550</u>	<u>(30,000)</u>
Total Appropriations	<u>233,598,550</u>	<u>242,132,110</u>	<u>(8,533,560)</u>
Budgetary Income/(Loss)	<u>\$4,163,450</u>	<u>\$6,277,943</u>	<u>\$2,114,493</u>

**General Fund:**

Revenues:			
Operating	313,000	395,902	82,902
Non-Operating	<u>500,000</u>	<u>1,747</u>	<u>(498,253)</u>
Total Revenues	<u>813,000</u>	<u>397,649</u>	<u>(415,351)</u>
Expenses:			
Operating	<u>549,000</u>	<u>501,740</u>	<u>(47,760)</u>
Total Appropriations	<u>549,000</u>	<u>501,740</u>	<u>(47,760)</u>
Budgetary Income/(Loss)	<u>\$263,500</u>	<u>\$(104,091)</u>	<u>\$(367,591)</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

**Capital Assets and Debt Administration**

**Capital Assets**

The following schedule summarized the Capital Assets as of December 31, 2023 and 2022:

**Bergen New Bridge Medical Center**

	<u>2023</u>	<u>2022</u>
Improvements	\$123,147,355	\$116,496,808
Accumulated Depreciation	<u>(95,100,400)</u>	<u>(89,217,127)</u>
Subtotal	<u>28,046,955</u>	<u>27,279,680</u>

**Emerson Golf Course**

Land	8,037,723	8,037,723
Improvements	324,493	324,493
Accumulated Depreciation	<u>(64,899)</u>	<u>(48,674)</u>
Subtotal	<u>8,297,317</u>	<u>8,313,542</u>
Capital Assets, Net	<u>\$36,344,272</u>	<u>\$35,593,222</u>

The Authority's capital assets increased \$6,650,547 from the previous year. Amortization expense for 2023 was \$5,899,496.

Additional information on the BCIA's capital assets can be found in the Notes to the Basic Financial Statements.

**Debt Administration**

While the Authority has been aggressive in attracting conduit debt issues, it has three loans under the PSE&G Hospital Efficiency Program for projects at the New Bridge Medical Center that are its obligation. The first loan is for a Chiller plant upgrade in the amount of \$606,569, of which \$196,725 is outstanding at December 31, 2023. The second loan is for lighting and steam trap replacement projects in the amount of \$1,516,640, of which \$682,488 is outstanding as of December 31, 2023. The third loan is for an Air Handler Unit project in the amount of \$1,019,500, of which \$1,019,500 is outstanding at December 31, 2023. In addition, the Authority has \$10,005,000 in Project Notes for the Medical Center Project outstanding as of December 31, 2023 and \$62,325,000 in Revenue Bonds.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**(UNAUDITED)**

**Debt Administration (Continued)**

The following schedule summarized the Capital Debt, net of unamortized discounts and premiums, as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<u>Medical Center</u>		
Project Notes	10,005,000	10,005,000
Loans Payable	1,898,713	1,379,266
Revenue Bonds	<u>62,325,000</u>	<u>63,745,000</u>
Capital Debt, Net	<u>\$74,228,713</u>	<u>\$75,129,266</u>

**Economic Factors, Future Years' Budgets and Rates**

The Commissioners and management of the Authority consider many factors when preparing each year's budget. Two of the main factors are the hospital operations and new regulations issued by the State and Federal Governments. In addition, other costs such as IT are expected to increase sharply. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Authority's financial position at this time.

**Contacting the Authority**

This financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the fees it receives. If you have any questions about this report or need additional information, contact the Bergen County Improvement Authority, 327 E. Ridgewood Avenue, 3<sup>rd</sup> Floor, Paramus, New Jersey 07652.

**Basic Financial Statements**

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**AS OF DECEMBER 31, 2023 AND 2022**

Exhibit A  
Page 1 of 2

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Unrestricted Current Assets		
Operating Accounts		
Cash and Cash Equivalents	\$ 4,789,466	\$ 3,308,270
Accounts Receivable	219,457	52,916
Due From Restricted Accounts	1,327,059	1,327,059
Due From Medical Center	53,667,238	33,310,342
Due From County of Bergen	1,159,395	1,157,865
Total Unrestricted Current Assets	61,162,615	39,156,452
Restricted Current Assets		
Debt Service Fund		
Cash and Cash Equivalents	1,455,750	1,259,531
Construction Fund		
Cash and Cash Equivalents	2,027	1,938
Project Fund		
Cash and Cash Equivalents	19,362,838	24,984,765
Cost of Issuance Fund		
Cash and Cash Equivalents	9,437	11,024
Working Capital Fund		
Cash and Cash Equivalents	4,444,961	4,346,446
Accrued Interest Receivable	1,825,845	1,377,858
Working Capital Loan Receivable	10,000,000	10,000,000
Medical Center Escrow		
Cash and Cash Equivalents		1
Unemployment Trust Fund		
Cash and Cash Equivalents	5,776	5,208
Total Restricted Current Assets	37,106,634	41,986,771
Total Current Assets	98,269,249	81,143,223
Non-Current Assets		
Capital Assets		
Land	8,037,723	8,037,723
Improvements	123,471,848	116,821,301
Accumulated Amortization	(95,165,299)	(89,265,802)
Total Non-Current Assets	36,344,272	35,593,222
Total Assets	134,613,521	116,736,445
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Pension Related	28,371	59,551
Deferred Outflows - OPEB Related	309,489	204,347
Total Deferred Outflows of Resources	337,860	263,898
Total Assets and Deferred Outflows of Resources	\$ 134,951,381	\$ 117,000,343

See accompanying Notes to Financial Statements

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**AS OF DECEMBER 31, 2023 AND 2022**

Exhibit A  
Page 2 of 2

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES</b>		
Current Liabilities (Payable from Unrestricted Assets)		
Accounts Payable	\$ 170,019	\$ 230,510
Accounts Payable - PERS	37,182	36,925
Due to Medical Center	2,278,413	2,015,836
Due to County of Bergen	13,852,435	495,683
Total Current Liabilities Payable from Unrestricted Assets	16,338,049	2,778,954
Current Liabilities (Payable from Restricted Assets)		
Contracts Payable	1,253,123	1,254,939
Accounts Payable	465,701	176,540
Escrow Deposit Payable		1
Project Notes Payable	10,005,000	
Revenue Bonds Payable	1,400,000	1,420,000
Loans Payable	500,053	500,053
Due to Unrestricted Accounts	1,327,059	1,327,059
Accrued Interest on Bonds and Notes	1,465,187	1,270,555
Total Current Liabilities Payable from Restricted Assets	16,416,123	5,949,147
Total Current Liabilities	32,754,172	8,728,101
Non-Current Liabilities		
Compensated Absences Payable	38,946	38,946
Net Pension Liability	402,953	441,894
Net OPEB Liability	658,037	608,032
Project Notes Payable		10,005,000
Revenue Bonds Payable	60,925,000	62,325,000
Loans Payable	1,398,660	879,213
Total Non-Current Liabilities	63,423,596	74,298,085
Total Liabilities	96,177,768	83,026,186
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unamortized Premiums	8,238,607	8,581,883
Deferred Inflows - Pension Related	45,630	68,982
Deferred Inflows - OPEB Related	456,674	442,864
Total Deferred Inflows of Resources	8,740,911	9,093,729
Total Liabilities and Deferred Inflows of Resources	104,918,679	92,119,915
<b>NET POSITION</b>		
Net Investment in Capital Assets	(49,168,931)	(50,876,465)
Restricted For:		
Construction Fund	19,364,865	24,986,703
Unemployment Trust	5,776	5,208
Working Capital Fund	16,270,806	15,724,304
Unrestricted:		
Designated - Medical Center	44,716,699	36,641,519
Undesignated	(1,156,513)	(1,600,841)
Total Net Position	\$ 30,032,702	\$ 24,880,428

See accompanying Notes to Financial Statements



**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Exhibit B

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES</b>		
Service Charges - Bergen Regional Medical Center	\$ 282,230,051	\$ 236,716,057
Rent	15,413,005	8,490,425
Bergen County Contributions	43,957	72,513
Miscellaneous	386,163	395,902
	298,073,176	245,674,897
<b>OPERATING EXPENSES</b>		
Administration		
Salaries and Wages	439,557	418,659
Fringe Benefits	254,272	221,529
Other Expenses	788,469	338,228
Cost of Providing Services		
Other Expenses	282,600,508	237,114,936
Depreciation/Amortization of Improvements	5,899,496	5,483,172
	289,982,302	243,576,524
<b>OPERATING INCOME (LOSS)</b>	<u>8,090,874</u>	<u>2,098,373</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income	1,077,853	327,246
Interest on Working Capital Loan	447,987	405,559
Bergen County Contributions	600,000	
BRMCLP Settlement	677,838	
Cancellation of Prior Year Items	(1,536)	(145,361)
Payment to County of Bergen	(2,400,000)	(2,400,000)
Note Issuance Costs	(1,586)	(480,284)
Interest Expense	(3,682,431)	(2,562,149)
Amortization of Discounts, Premiums, Deferred Losses	343,275	114,425
	(2,938,600)	(4,740,564)
<b>CHANGE IN NET POSITION</b>	<u>5,152,274</u>	<u>(2,642,191)</u>
<b>NET POSITION, JANUARY 1,</b>	<u>24,880,428</u>	<u>27,522,619</u>
<b>NET POSITION - DECEMBER 31,</b>	<u>\$ 30,032,702</u>	<u>\$ 24,880,428</u>

See accompanying Notes to Financial Statements

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**AS OF DECEMBER 31, 2023 AND 2022**

Exhibit C  
Page 1 of 2

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 282,230,051	\$ 236,716,057
Cash Received from Bergen County	14,032,698	93,456
Cash Received from Medical Center	15,413,005	13,567,605
Cash Received from Miscellaneous Fees	357,825	375,454
Settlement Received	677,838	
Cash Paid to Bergen County	(2,400,000)	(2,400,000)
Cash Paid to New Bridge Medical Center	(20,094,319)	
Cash Paid to Suppliers and Others	(283,696,726)	(249,001,625)
Cash Paid to Employees	(439,557)	(418,659)
Cash Paid for Employee Benefits	(254,272)	(221,529)
	<u>5,826,543</u>	<u>(1,289,241)</u>
<b>Net Cash Provided by Operating Activities</b>		
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Received from Working Capital Loan		10,823,681
Revenue Bonds Issued		63,745,000
Project Notes Issued		10,005,000
Loans Issued	1,019,500	
Issuance Costs Paid	(1,586)	(480,284)
Premium Received		8,696,308
Loan Principal Payments	(500,053)	(541,724)
Note Principal Payments		(78,350,000)
Bond Principal Payments	(1,420,000)	
Interest Paid on Bonds	(3,487,799)	(2,066,550)
	<u>(4,389,938)</u>	<u>11,831,431</u>
<b>Net Cash Used for Capital and Related Financing Activities</b>		
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Capital Assets	(6,361,386)	(3,729,478)
Interest Received	1,077,853	327,246
	<u>(5,283,533)</u>	<u>(3,402,232)</u>
<b>Net Cash Provided by Investing Activities</b>		
 Net Increase (Decrease) in Cash and Cash Equivalents	 (3,846,928)	 7,139,958
Cash and Cash Equivalents, January 1,	33,917,183	26,777,225
Cash and Cash Equivalents, December 31,	\$ 30,070,255	\$ 33,917,183
 <b>ANALYSIS OF BALANCE AT DECEMBER 31</b>		
Unrestricted - Cash and Cash Equivalents	4,789,466	3,308,270
Restricted - Cash and Cash Equivalents	25,280,789	30,608,913
	\$ 30,070,255	\$ 33,917,183

See accompanying Notes to Financial Statements

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**COMPARATIVE STATEMENTS OF CASH FLOW**  
**AS OF DECEMBER 31, 2023 AND 2022**

**Exhibit C**  
Page 2 of 2

	<u>2023</u>	<u>2022</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>		
Operating Income (Loss)	\$ <u>8,090,874</u>	\$ <u>2,098,373</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>		
Depreciation/Amortization of Improvements	5,899,496	5,483,172
Adjustment to Pension Expense	(31,113)	(48,542)
Adjustment to OPBB Expense	(41,327)	(25,406)
Other Non-Operating Expense-Payment to County	(2,400,000)	(2,400,000)
Other Non-Operating Income	1,277,838	
Cancellation of Prior Year Receivables	(1,536)	(145,361)
(Increase)/Decrease in Accounts Receivable	(166,541)	124,913
(Increase)/Decrease in Prepaid Expenses		5,882
(Increase)/Decrease in Due From Bergen County	(1,530)	20,943
(Increase)/Decrease in Due From Medical Center	(20,356,896)	(2,676,836)
Increase/(Decrease) in Accounts Payable	(93,754)	(15,858)
Increase/(Decrease) in Contracts Payable	(1,816)	(1,394)
Increase/(Decrease) in Compensated Absences Payable		(5,068)
Increase/(Decrease) in Due to Bergen County	13,390,271	
Increase/(Decrease) in Due to Medical Center	<u>262,577</u>	<u>(3,704,059)</u>
Total Adjustments	<u>(2,264,331)</u>	<u>(3,387,614)</u>
Net Cash Provided by Operating Activities	\$ <u><u>5,826,543</u></u>	\$ <u><u>(1,289,241)</u></u>

See accompanying Notes to Financial Statements

**Notes to Financial Statements**

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Bergen County Improvement Authority (the "Authority") is a public body politic, corporate, organized and existing under the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 160, as Amended and Supplemented (the "Act"), N.J.S.A. 40:37A-1, et. seq., and was created by virtue of an ordinance of the County of Bergen, New Jersey (the "County"), adopted June 10, 1986. Prior to 1993, the Authority was inactive, and did not adopt a budget or have any transactions.

The Authority has broad powers under the Act including, among others, the following: to retain, operate and administer its property; to provide for bonds and to secure their payment and rights of holders thereof; to charge and collect service charges for the use of its facilities and to revise such service charges to ensure that the revenues of the Authority will at all times be adequate to pay all operating and maintenance and expenses, including reserves, insurance, extensions and replacements, and to pay the principal of and the interest on any bonds or loans, and to maintain such reserves or sinking funds therefore as may be required by the terms of any contract of the Authority; and to make and enforce rules and regulations for the management of its business and affairs.

The Authority is governed by a Board of Commissioners (the "Board") consisting of five members appointed by the County of Bergen Board of Chosen Freeholders. An Executive Director is appointed by the Board and functions as Chief Executive Officer responsible for the daily operations of the Authority. A Chief Financial Officer is appointed by the Board and oversees the fiscal affairs of the Authority.

**Component Unit**

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

**Component Unit, (continued)**

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units and is a component unit of the County of Bergen.

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounts of the Authority are organized on the basis of funds, in accordance with the various Bond Resolutions (see Note 3), each of which is considered a separate accounting activity. The operations of each system are accounted for with a separate set of self-balancing accounting records that comprise its assets, deferred inflows and outflows, liabilities, net position, revenues and expenses. Government resources are allocated and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various activities are grouped into one generic fund type and one broad fund category, as follows:

**Proprietary Fund Type**

*Enterprise Fund* - The Enterprise Fund is used to account for governmental operations which are financed and operated in a manner similar to private enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to its users on a continuing basis be financed or recovered primarily through user charges.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation, (continued)**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, all deferred inflows and outflows and all liabilities associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority's financial transactions are recorded in accounts that are created by various resolutions adopted by the Authority to meet bond or note covenant requirements (more fully defined in Note 3).

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Authority 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 revenues and expenses during the reporting period. Estimates are used to determine useful lives of leasehold improvements and certain claims and judgment liabilities, among other accounts. Accordingly, actual results could differ from those estimates.

**Reclassifications**

Certain reclassifications have been made to the December 31, 2022 balances to conform to the December 31, 2023 presentation.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. Assets, Deferred Inflows and Outflows, Liabilities and Net Position**

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents are considered to be cash on hand, cash in banks, certificates of deposit, deposits with the New Jersey Cash Management Fund and all short-term investments with original maturities of three months or less from the date of purchase. Investments are reported at market value and except for the operating accounts are limited by the 2022 Bond Resolution as amended and supplemented thereto. Operating account investments are limited by NJSA 40A:5-15.1 et seq.

**Inventory**

The costs of inventories are deemed immaterial and are recognized as expenses when purchased rather than when consumed. The Authority does not record inventory on its statement of net position.

**Accounts Receivable**

All receivables are reported at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Changes in the allowance for uncollectibles is recorded as an adjustment to revenue or as bad debt expenses depending on its effect on current year or prior year allowance amounts and the results of those changes.

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**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

C. **Assets, Deferred Inflows and Outflows, Liabilities and Net Position, (continued)**

**Restricted Assets**

Certain assets are classified as restricted on the statement of net position because they are maintained in separate bank accounts and their use is limited by the various Bond Resolutions as amended and supplemented thereto or are held in trust for state unemployment compensation insurance benefits.

**Capital Assets**

All capital assets acquired or constructed by the Authority are reported as expenses in the account that finances the acquisition of the assets and are capitalized in the Operating Accounts. Capital assets are defined by the Authority as assets with an individual cost of \$2,000 and an estimated useful life, of at least two years. Such capital assets are valued at historical costs.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Construction costs are charged to construction in progress until such time as they are completed and certified by the Authority's consulting engineers, at which time they are transferred to their respective asset category and are then depreciated over their useful lives.

All capital assets are depreciated on the straight-line method based on their asset class and estimated useful lives as follows:

IT Upgrades	7 Years
Infrastructure	30 Years
Plant Upgrades	20 Years

Depreciation is charged as an expense against operations.

**Deferred Outflows and Deferred Inflows of Resources**

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

C. **Assets, Deferred Inflows and Outflows, Liabilities and Net Position, (continued)**

**Deferred Outflows and Deferred Inflows of Resources, (continued)**

Transactions are classified as deferred outflows of resources and deferred inflow of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The Authority is required to report the following as deferred outflows of resources and deferred inflows of resources:

**Defined Benefit Pension Plans/Other Postemployment Benefits** - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contribution and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

**Compensated Absences**

Sick leave, personnel time, compensatory time and salary related payments and in certain instances vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the Authority will compensate the employee for the benefits.

**Long-Term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

**Net Position**

Restricted net position is limited to outside third-party restrictions either by law or by other organizations or persons external to the Authority. Unrestricted net position represents the net position neither restricted nor invested in capital assets, net of related debt.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

C. **Assets, Deferred Inflows and Outflows, Liabilities and Net Position, (continued)**

**Net Position Flow Assumption**

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted — net position and unrestricted — net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted — net position to have been depleted before unrestricted— net position is applied.

D. **Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services. Operating expenses include the cost of operations and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. State and federal grants for the operation of the Authority are considered operating revenues. Transactions or other events that are both unusual in nature and infrequent in occurrence are reported as extraordinary items.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The Authority annually prepares operating budgets for the General Fund and Bergen Regional Medical Center. The budgets are prepared in accordance with the Budget Manual for Local Public Authorities as promulgated by the Division of Local Government Services, Bureau of Authority Regulation, which differs in certain respects from accounting principles generally accepted in the United States of America. The budgets serve as a plan for expenses and the proposed means for financing them. Budgetary control is exercised within the respective system. Unexpended appropriations lapse at year end.

The annual budgets are approved at least sixty days prior to the beginning of the fiscal year. The budgets must be approved by the Board and submitted to the Division of Local Government Services, Bureau of Authority Regulation for approval prior to adoption. Budget adoptions and amendments are recorded in the Authority's minutes.

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2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, (continued)**

Six Year Capital budgets are also prepared for each system. Included within the budgets are individual projects along with their estimated cost, completion date and source of funding.

**Designated Unrestricted Net Position**

The Authority is permitted under budgetary accounting practices promulgated by the Division of Local Government Services to designate unrestricted net position. The Authority Board of Commissioners may formally dedicate net position to establish designations of unrestricted net position to meet policy adopted by the Board. As of December 31, 2023 and 2022, the Authority has \$44,716,699 and \$36,641,519 of net position designated for various purposes more fully described in Note 24.

3. **CREATION OF FUNDS**

In accordance with the bond resolution, the Authority has established the following accounts for the following restricted purposes:

<u>Account</u>	<u>Use for Which Restricted</u>
<u>Hospital Fund:</u>	
Debt Service Fund	Principal and interest on the Authority's bonds and notes.
Project/Construction funds	Various capital projects of the Authority.
Working Capital Fund	Working capital loans to Medical Center facilities.
Cost of Issuance Fund	Payment of costs of issuance on the bonds.

In addition, the Authority has established trust accounts to be held in reserve for payroll and related liabilities, such as State Unemployment Insurance.

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**4. DEPOSITS AND INVESTMENTS**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Authority's deposits were \$30,070,255 and \$33,917,183 respectively, and bank balances of the Authority's cash and deposits amounted to \$30,399,922 and \$36,343,793, respectively.

The Authority's deposits which are displayed on the balance sheet as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>2023</u>	<u>2022</u>
Insured:		
Restricted	\$25,280,789	\$30,608,913
Unrestricted	<u>4,789,466</u>	<u>3,308,270</u>
	<u>\$30,070,255</u>	<u>\$33,917,183</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 Authority does not have a formal policy for custodial credit risk. As of December 31, 2023 and 2022, none of the Authority's bank balances were exposed to custodial credit risk.

**Investments**

The Authority's investment practices are governed by New Jersey State Statute 40A:5-15, Statutes authorize the Authority to invest in certificates of deposit, repurchase agreements, passbooks, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds and a maturity date not greater than 12

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**4. DEPOSITS AND INVESTMENTS, (continued)**

**Investments, (continued)**

months from the date of purchase. In addition, the Authority can invest in direct debt securities of the United States or obligations guaranteed by the United States, bonds and other obligations of the local municipality or bonds or obligations of school districts of which the Authority is a part or within which the Authority is located unless such investments are expressly prohibited by law.

Monies in the funds established under the Bond Resolutions may be invested at the Authority's direction in Investment Securities, which are defined by the Bond Resolutions as:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- (2) Government money market mutual funds.
- (3) 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 obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- (5) Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the State Department of the Treasury for investment by local units.
- (6) Local government investment pools.
- (7) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (N.J.S.A. 52:18A-90.4).
- (8) Certain agreements for the repurchase of fully collateralized securities, as defined in the Bond Resolutions.

As of December 31, 2023 and 2022, the Authority had no investments.

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**4. DEPOSITS AND INVESTMENTS, (continued)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment maturities are limited by its bond indenture as a means of managing its exposure to interest rate risk. Additionally, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Monies in the funds established under the Resolutions may be invested at the Authority's discretion in Investment Obligations, which are defined by the Resolutions.

**Credit Risk** - The Bond Resolution and State law (N.J.S.A. 40A:5-15.1) limits investments as noted above. The Authority does not have an investment policy that would further limit its investment choices.

**Concentration of Credit Risk** - The Authority places no limit in the amount the Authority may invest in any one issuer.

**5. RESTRICTED ASSETS**

Bond covenants of the Authority require portions of the debt proceeds as well as other resources to be set aside for various purposes under the control of the Bond Trustee. These amounts are reported as restricted assets, Cash and investments restricted for debt service payment on bonds are segregated in the "Debt Service Fund" accounts. Cash and investments restricted for use in construction are segregated in the "Construction Fund" accounts.

In addition, the Authority has established trust accounts to be held in reserve for payroll and related liabilities, such as State Unemployment Insurance.

The Authority's Project Bonds and Notes establish the following restricted accounts:

<u>Construction Fund</u> –	Restricted for the portion of the costs of the Project pertaining to various capital improvements to the facilities.
<u>Working Capital Fund</u> –	Restricted for the portion of the costs of the Project pertaining to working capital loans to the Medical Center facilities.
<u>Debt Service Fund</u> –	Restricted for interest and principal payments on the Notes.
<u>Cost of Issuance Fund</u> –	Restricted for payment of the costs of issuance on the Notes.

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**6. USER CHARGES AND OTHER FEES RECEIVABLE**

User charges and other fees receivable at December 31, 2023 and 2022 consisted of the following:

	December 31, <u>2023</u>	December 31, <u>2022</u>
Accounts Receivable - Financing Fees	\$45,795	\$52,512
Other Fees Receivable	<u>173,662</u>	<u>404</u>
Gross Accounts Receivable	<u>\$219,457</u>	<u>\$52,916</u>
	December 31, <u>2022</u>	December 31, <u>2021</u>
Accounts Receivable - Financing Fees	\$52,512	\$177,425
Other Fees Receivable	<u>404</u>	<u>404</u>
Gross Accounts Receivable	<u>\$52,916</u>	<u>\$177,829</u>

**7. CAPITAL ASSETS**

The Authority has made various improvements to the Bergen New Bridge Medical Center under its operating agreement. These improvements are being depreciated on a straight-line basis over the following periods:

IT Upgrades	7 Years
Infrastructure	30 Years
Plant Upgrades	20 Years

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
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7. **CAPITAL ASSETS, (continued)**

Activity in the capital asset accounts for the years ended December 31, 2023 and 2022 was as follows:

<u>2023</u>	Balance January 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2023</u>
Capital assets, not being depreciated:				
Land	\$8,037,723	\$	\$	\$8,037,723
Construction in Progress	<u>0</u>	<u>        </u>	<u>        </u>	<u>0</u>
Total Capital Assets, not being depreciated	<u>8,037,723</u>	<u>0</u>	<u>0</u>	<u>8,037,723</u>
Capital assets, being depreciated:				
Leasehold Improvements	66,347,453			66,347,453
IT Upgrades	16,755,183			16,755,183
Infrastructure	3,951,099			3,951,099
Elevator Project	1,696,102			1,696,102
Wave 2 Improvements	134,549			134,549
Wave III Modernization	1,524,361			1,524,361
Phase III Upgrades	15,255,062			15,255,062
Golf Course Improvements	324,493			324,493
Chiller Plant Upgrade	2,371,040			2,371,040
Lighting Controls	2,861,134			2,861,134
Hospital Equipment	3,626,285	902,411		<u>4,528,696</u>
Phase II Improvements	<u>1,974,540</u>	<u>5,748,136</u>		<u>7,722,676</u>
Total capital assets being depreciated	<u>116,821,301</u>	<u>6,650,547</u>	<u>0</u>	<u>123,471,848</u>
Less accumulated depreciation for:				
Leasehold improvements	(66,347,453)			(66,347,453)
IT Upgrades	(11,917,322)	(2,384,788)		(14,302,110)
Infrastructure	(668,795)	(133,759)		(802,554)
Elevator Project	(282,684)	(56,537)		(339,221)
Wave 2 Improvements	(96,106)	(19,221)		(115,327)
Wave III Modernization	(871,064)	(217,766)		(1,088,830)
Phase III Upgrades	(6,230,369)	(1,791,348)		(8,021,717)
Golf Course Improvements	(48,674)	(16,225)		(64,899)
Chiller Plant Upgrade	(355,656)	(118,552)		(474,208)
Lighting Controls	(429,169)	(143,056)		(572,225)
Hospital Equipment	(1,919,783)	(632,111)		<u>(2,551,894)</u>
Phase II Improvements	<u>(98,727)</u>	<u>(386,134)</u>		<u>(484,861)</u>
Total accumulated depreciation	<u>(89,265,802)</u>	<u>(5,899,497)</u>		<u>(95,165,299)</u>
Total capital assets, being depreciated, net	<u>27,555,499</u>	<u>751,050</u>	<u>0</u>	<u>28,306,549</u>
Total capital assets, net	<u>\$35,593,222</u>	<u>\$751,050</u>	<u>\$0</u>	<u>\$36,344,272</u>

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**(CONTINUED)**

**7. CAPITAL ASSETS**

<u>2022</u>	Balance January 1, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2022</u>
Capital assets, not being depreciated:				
Land	\$8,037,723	\$	\$	\$8,037,723
Construction in Progress	<u>-0-</u>	<u>          </u>	<u>          </u>	<u>0</u>
Total Capital Assets, not being depreciated	<u>8,037,723</u>	<u>0</u>	<u>0</u>	<u>8,037,723</u>
Capital assets, being depreciated:				
Leasehold Improvements	66,347,453			66,347,453
IT Upgrades	16,755,183			16,755,183
Infrastructure	3,951,099			3,951,099
Elevator Project	1,696,102			1,696,102
Wave 2 Improvements	134,549			134,549
Wave III Modernization	1,524,361			1,524,361
Phase III Upgrades	13,426,179	1,828,883		15,255,062
Golf Course Improvements	324,493			324,493
Chiller Plant Upgrade	2,371,040			2,371,040
Lighting Controls	2,861,134			2,861,134
Hospital Equipment	<u>3,626,285</u>	<u>          </u>	<u>          </u>	<u>3,626,285</u>
Phase II Improvements	<u>          </u>	<u>1,974,540</u>	<u>          </u>	<u>1,974,540</u>
Total capital assets being depreciated	<u>113,017,878</u>	<u>3,803,423</u>	<u>0</u>	<u>116,821,301</u>
Less accumulated depreciation for:				
Leasehold improvements	(66,347,553)			(66,347,553)
IT Upgrades	(9,532,434)	(2,384,788)		(11,917,222)
Infrastructure	(535,036)	(133,759)		(668,795)
Elevator Project	(226,147)	(56,537)		(282,684)
Wave 2 Improvements	(76,885)	(19,221)		(96,106)
Wave III Modernization	(653,298)	(217,766)		(871,064)
Phase III Upgrades	(4,439,024)	(1,791,345)		(6,230,369)
Golf Course Improvements	(32,448)	(16,226)		(48,674)
Chiller Plant Upgrade	(237,104)	(118,552)		(355,656)
Lighting Controls	(286,113)	(143,056)		(429,169)
Hospital Equipment	<u>(1,416,588)</u>	<u>(503,195)</u>	<u>          </u>	<u>(1,919,783)</u>
Phase II Improvements	<u>          </u>	<u>(98,727)</u>	<u>          </u>	<u>(98,727)</u>
Total accumulated depreciation	<u>(83,782,630)</u>	<u>(5,483,172)</u>	<u>          </u>	<u>(89,265,802)</u>
Total capital assets, being depreciated, net	<u>29,235,248</u>	<u>(1,679,749)</u>	<u>0</u>	<u>27,555,499</u>
Total capital assets, net	<u>\$37,272,971</u>	<u>(\$1,679,749)</u>	<u>\$0</u>	<u>\$35,593,222</u>

**8. CONDUIT DEBT OBLIGATIONS**

To further economic development in the County, the Bergen County Improvement Authority has issued bonds that provide capital financing to governmental and non-governmental entities in the County of Bergen for various capital projects. The assets financed are pledged as collateral, and the bonds are payable solely from payments received from these entities on the underlying debt. In

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

addition, no commitments beyond the collateral, the payments from the entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the Bergen County Improvement Authority for any of these bonds. At December 31, 2023, the bonds have an aggregate outstanding principal amount payable of \$536,098,229.

The Authority's conduit debt activity for the year ending December 31, 2023 is as follows:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Refunded/ Adjustments</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Series 2001 Bonds (Note 8A)	\$21,000,000	\$	\$	(\$21,000,000)	\$0
Series 2005 Bonds (Note 8B)	121,175,000		4,370,000	(102,985,000)	13,820,000
Series 2006 Bonds (Note 8C)	1,390,000		130,000		1,260,000
Series 2008 Bonds (Note 8D)	22,440,000		1,065,000		21,375,000
Series 2009 Bonds (Note 8E)	7,650,845		680,000	(6,255,845)	715,000
Series 2010 Bonds (Note 8F)	26,985,000		1,065,000		25,920,000
Series 2011 Bonds (Note 8G)	2,075,000				2,075,000
Series 2012 Bonds (Note 8H)	13,955,000		3,010,000		10,945,000
Series 2014 Pooled Bonds - Series A&B (Note 8I)	49,060,000		3,315,000		45,745,000
Series 2014 School District Revenue Bonds (Note 8J)	17,970,000		1,890,000		16,080,000
Series 2014 Saddle Brook Refunding (Note 8K)	10,210,000		1,085,000		9,125,000
Series 2015 (Felician College) (Note 8L)	24,855,000			(24,855,000)	0
Series 2016C Bonds (Note 8N)	37,755,000		10,835,000		26,920,000
Series 2016 Bonds (Note 8M)	28,730,000		2,875,000		25,855,000
Series 2016 (CAP Project) Bonds (Note 8O)	10,850,000		505,000		10,345,000
Series 2017 Gov't Loan Revenue Bonds (Note 8P)	1,185,000		475,000		710,000
Series 2018C Gov't Loan Revenue Bonds (Note 8Q)	12,650,000		1,035,000		11,615,000
Series 2019 Lease Revenue Bonds (Note 8R)	51,770,000		2,235,000		49,535,000
Series 2019 Gov't Revenue Bonds (Note 8S)	11,790,000		1,070,000		10,720,000
Series 2020 Lease Revenue Bonds - Ridgefield (Note 8T)	18,460,000		585,000		17,875,000
Series 2020 Lease Revenue Bonds - Saddle Brook (Note 8T)	24,285,000		365,000		23,920,000
Series 2021 Fair Lawn Comm. Ctr. (Note 8U)	7,520,000		580,000		6,940,000
Series 2021 Lease Bonds Mahwah (Note 8V)	22,600,000		610,000		21,990,000
Series 2021 Pooled Bonds (Note 8W)	45,385,000		1,215,000		44,170,000
Series 2022A Bergen PAC Project (Note 8X)	5,520,000		165,000		5,355,000
Series 2022B Bergen PAC Project (Note 8X)	110,000		110,000		0
Series 2023 Pooled Project Notes (Note 8Y)					
Bergen County		88,909,000			88,909,000
Borough of Closter		10,093,725			10,093,725
Borough of Edgewater		8,970,717			8,970,717
City of Garfield		9,569,000			9,569,000
Borough of Glen Rock		12,258,000			12,258,000
Borough of Little Ferry		3,287,787			3,287,787
	<u>\$597,375,845</u>	<u>\$133,088,229</u>	<u>\$39,270,000</u>	<u>(\$155,095,845)</u>	<u>\$536,098,229</u>

**A. Series 2001 Bonds**

In September, 2001 the BCIA issued bonds in the amount of \$21,000,000 with a final maturity of March 15, 2034.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**A. Series 2001 Bonds, (continued)**

The Bonds were issued to provide funding for a loan, the proceeds of which are to be used to pay: (I) costs of a redevelopment project, specifically the development of a 160-unit multifamily residential project (the Kentshire Apartment Project) which will be located in Midland Park, New Jersey, (ii) certain costs of issuance of the Bonds, and (iii) capitalized interest on the Bonds through April 1, 2003.

The Series 2001 Bonds have been refunded as of December 31, 2023.

**B. Series 2005 Bonds**

In January 2005, the Authority issued \$8,380,000 principal amount of Village of Ridgewood, New Jersey guaranteed Revenue Bonds. The \$8,380,000 principal amount of Revenue Bonds, Series 2005 consists of \$8,205,000 Village of Ridgewood Guaranteed Revenue Bonds, Series 2005 A and \$175,000 Taxable Village of Ridgewood Guaranteed Revenue Bonds, Series 2005 B (Ridgewood Senior Citizens Housing Corporation, Inc. Project). The Series A Bonds consist of \$8,205,000 serial bonds having a final maturity of February 1, 2025 and interest rates ranging from 2.50% to 4.60%. The Series B Bonds consist of \$175,000 3.36% Term Bonds due February 1, 2006.

The bonds were issued to make a loan to the Ridgewood Senior Citizens Housing Corporation for the purpose of (1) refinancing an outstanding mortgage between the Ridgewood Senior Citizens Housing Corporation and the United States Department of Housing and Urban Development relating to a project consisting of the acquisition of land and the construction of a 130 unit residential apartment complex for low-income handicapped persons and senior citizens in the Village of Ridgewood, New Jersey; (2) financing certain capital improvements to the Ridgewood Senior Citizens Housing Corporation's facility, and (3) paying certain costs of issuance with respect to the Bonds. To evidence its obligation to repay such loan, the Ridgewood Senior Citizens Housing Corporation and the Authority will enter into a loan agreement dated January 1, 2005. Payment of the principal and interest on the Bonds are further secured by a full, unconditional and irrevocable guaranty of the Village of Ridgewood, New Jersey.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**B. Series 2005 Bonds, (continued)**

In August 2005, the Authority issued \$30,075,000 principal amount of County of Guaranteed Revenue Bonds, Series 2005 (County Administration Complex). These bonds are serial bonds having a final maturity date of November 15, 2026 and interest rates ranging from 4.00% to 5.00%. These bonds were issued for the purpose of (1) advance refunding all of the New Jersey Economic Development Authority's Lease Revenue Bonds (Bergen County Administration Complex), Series 1998, and (2) paying costs and expenses associated with the issuance of the Bonds. Payment of principal and interest on the Bonds are further secured by a full, unconditional and irrevocable guaranty of the County of Bergen to pay, when due, the principal (including sinking fund installments, if any) and interest on the Bonds.

In November 2005, the Authority issued \$37,985,000 Senior Special Purpose Limited Obligation Revenue Bonds, Series 2005 B (EnCap Golf Holdings, LLC Project). The 2005 B bonds are special limited obligations of the Authority, the principal, purchase and/or redemption price of and interest on which are payable by the Authority solely from the 2005 A & B Trust Estate, which includes the payments to be made by EnCap Golf Holdings, LLC. under a loan agreement dated the date of delivery of the 2005 B Bonds. EnCap Golf Holdings, LLC's payment obligations under the 2005 B Loan Agreement are (1) as they relate to the payment of the principal, purchase and/or redemption price, if any, on the 2005 B Bonds, obligations of the borrower payable from the Series 2005 B Bonds pledged rights and revenues, (2) as they relate to the payment of interest on the 2005 B Bonds, obligations of the borrower defined Company Revenues, and (3) as they relate to the payment of administrative expenses. The Payment of principal, purchase price and/or redemption price of or interest on the 2005 B Bonds are supported by an irrevocable direct pay letter of credit issued in favor of the BCIA Bond Trustee by Wachovia Bank National Association.

The Authority also issued \$26,770,000 Subordinate Purpose Limited Obligation Revenue Bonds, Series C and \$38,230,000 Subordinate Special Purpose Limited Obligation Revenue Bonds, Series 2005 D (EnCap Golf Holdings, LLC Project). The 2005 C & D Bonds are special, limited obligations of the Authority, the principal, purchase and/or redemption price of and interest on which are payable by the Authority solely from the 2005 C & D Trust Estate, which includes the payments to be made by EnCap Golf Holdings, LLC, a limited liability company established pursuant to the laws of the State of Delaware (the "Borrower"), under a Loan Agreement dated the date of delivery of the 2005 C & D Bonds (the "2005 C & D Loan Agreement"), by and between the Authority and the Borrower. The Borrower's payment obligations under the 2005

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**(CONTINUED)**

**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**B. Series 2005 Bonds, (continued)**

C & D Loan Agreement are, (1) as they relate to the payment of principal, purchase an/or redemption price, if any, on the 2005 C & D Bonds, obligations of the Borrower payable from the Series 2005 C & D Bonds pledged rights and revenues, (2) as they relate to the payment of interest on the 2005 C & D Bonds, obligations of the Borrower payable from the hereinafter defined Company Revenues, and (3) as they relate to the payment of administrative expenses, a general obligation of the Borrower. The payment of the principal, purchase and/or redemption price of or interest on each series of the 2005 C & D Bonds are supported by a corresponding irrevocable, direct pay letter of credit (each, a "Letter of Credit" and together, the "Letters of Credit") issued in favor of the BCIA Bond Trustee by Wachovia Bank, National Association.

Additionally, the Authority issued \$49,136,016 principal amount of County of Bergen Guaranteed Governmental Loan Revenue Bonds consisting of \$24,100,000 Current Interest Bonds (Series 2005A); \$15,316,016 Capital Appreciation Bonds (Series 2005B); and \$9,720,000 Current Interest Bonds (Series 2005C). Proceeds of the Series 2005A, B and C Bonds were used to provide funds to make loans to certain municipalities which include the Borough of North Arlington, the City of Englewood, and the Borough of Paramus (Borrowers). The Authority has entered into Borrower Purchase Agreements to secure the Borrowers Loans. Pursuant to the Borrower Purchase Agreements, the Authority purchased a Borrower Bond in the principal amount equal to the loan that the Authority makes to each borrower. Each borrower is required to make the loan repayments to the Authority pursuant to its Borrower Bond. The aggregate of the Loan Repayments made by the Borrowers will be sufficient to enable the Authority to pay the principal or Redemption Price, if any, of and interest on each series of the Bonds. The payment of the principal of (including sinking fund installments, if any) and interest on the Bonds are further secured by the County Guaranty, an unconditional and irrevocable obligation of the County. The County has the power and obligation, if necessary, to cause the levy of ad valorem taxes upon all the taxable property within the County without limitation as to rate or amount for the payment of its obligations under the County Guaranty.

**C. Series 2006 Bonds**

In June of 2006, the Authority issued \$2,900,000 principal amount of County Guaranteed Governmental Loan Bonds, Series 2006. The bonds bear interest at a rate of 5.00% and have a final maturity of December, 2031.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**C. Series 2006 Bonds, (continued)**

These bonds were issued to provide funds to permanently finance the bonds of the Township of Lyndhurst, County of Bergen, New Jersey, which were issued simultaneously with the Governmental Loan bonds. The bonds will be issued to finance the construction of a shared services building between the Township of Lyndhurst and the Lyndhurst Board of Education, as well as other capital improvement projects. The Township issued bonds and sold the bonds directly to the Authority. The Authority funded the purchase through the sale of Governmental Loan Bonds.

The Governmental Loan Bonds are secured by the general obligation payments of the Township of Lyndhurst pursuant to the Township of Lyndhurst's Bond. Payments of principal and interest on the Governmental Loan Bonds are fully, unconditionally and irrevocably guaranteed by the County of Bergen, New Jersey.

**D. Series 2008 Bonds**

In April 2008, the Authority issued \$29,600,000 principal amount of County of Bergen Guaranteed Revenue Bonds, Series 2008. The bonds were issued to make a loan to Bergen County Utilities Authority for the purpose of financing (i) the cost of various improvements to the Utilities Authority water pollution control system; (ii) capitalized interest on the bonds; and (iii) the payment of certain costs of issuing the bonds.

To evidence its obligation to repay such loan, the Utilities Authority has issued and delivered to the Bergen County Improvement Authority \$29,600,000 principal amount of its 2008 Water Pollution Control System Revenue Bonds. Simultaneously with the issuance of the Utilities Authority Bonds, the Utilities Authority and the Authority entered into a Loan Agreement setting forth the rights and obligations of the parties thereto. Payment of the principal and interest on the Bonds are further secured by a full, unconditional and irrevocable guaranty of the County of Bergen, New Jersey.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**E. Series 2009 Bonds**

In February 2009, the Authority issued \$7,095,000 principal amount of County of Bergen Guaranteed Governmental Loan Revenue Bonds. The bonds are serial bonds that bear interest at various rates between 2.00% and 4.11% and have a final maturity of August 15, 2024. These bonds were issued to provide funds to make a loan to the Northwest Bergen County Utilities Authority to (1) finance various improvements to the Northwest Bergen County Utilities Authority's sewer system; (2) fund capitalized interest on the Series 2009 Bonds; and (3) pay certain costs of issuance of the Series 2009 Bonds. The Series 2009 Bonds will be payable from and are secured by payments made on Revenue Bonds of the Northwest Bergen County Utilities Authority. The Northwest Bergen County Utilities Authority Bonds will be sold to the Authority pursuant to a Bond Purchase Agreement entered into between the Bergen County Improvement Authority and the Northwest Bergen County Utilities Authority. As additional security for the Series 2009 Bonds, payment of the principal and interest on the Series 2009 Bonds is fully, unconditionally and irrevocably guaranteed by the County of Bergen, New Jersey.

In June 2009, the Authority issued \$26,944,000 principal amount of County of Bergen Guaranteed Loan Revenue Bonds, Series 2009A. The bonds are serial bonds that bear interest at various rates between 1.50% and 5.00% and have a final maturity of August 15, 2024.

The Bonds were issued to provide funds to make loans to the Borough of Fairview in the County of Bergen, New Jersey ("Fairview"), the Borough of Little Ferry in the County of Bergen, New Jersey ("Little Ferry"), the Borough of Upper Saddle River in the County of Bergen, New Jersey ("Upper Saddle River"), the Village of Ridgefield Park in the County of Bergen, New Jersey ("Ridgefield Park"), the Borough of Edgewater in the County of Bergen, New Jersey ("Edgewater"), the Haworth Board of Education in the Borough of Haworth, County of Bergen, New Jersey ("Haworth BOE"), and the Borough of Rutherford in the County of Bergen, New Jersey ("Rutherford" and together with Fairview, Little Ferry, Upper Saddle River, Ridgefield Park, Edgewater and Haworth BOE, the "Borrowers") to (i) refund certain outstanding bonds of Fairview, Little Ferry, Upper Saddle River, Ridgefield Park, Edgewater and Haworth BOE; (ii) finance certain projects in Edgewater and Rutherford; and (iii) pay certain costs of issuance of the Bonds and Borrower Bonds.



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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**E. Series 2009 Bonds, (continued)**

The Bonds constitute direct and special obligations of the Authority and are secured only by those revenues of the Authority which are derived by the Authority from the loan repayments (the "Loan Repayments") made by the Borrowers pursuant to the general obligation bond of each Borrower purchased by the Authority pursuant to each Bond Purchase Agreement between the Authority and each Borrower, to evidence each respective loan from the Authority to such Borrower. The Loan Repayments made pursuant to the Borrower Bonds are pledged by the Authority for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

The Bonds are further secured by a full, irrevocable and unconditional guaranty from the County of Bergen, New Jersey to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation to cause the levy of ad valorem taxes upon all taxable property within the County without limitation as to rate or amount for the payment of its obligations under the County Guaranty.

**F. Series 2010 Bonds**

In March of 2010, the Authority issued \$20,555,000 County Secured Lease Revenue Bonds, Series 2010 (Bergen County Community College Building Project). The Bonds consist of \$5,335,000 County Secured Lease Revenue Bonds, Series 2010A and \$15,220,000 County Secured Lease Revenue Bonds, Series 2010B. The Bonds have a final maturity of June 1, 2040 and pay interest semiannually on June 1 and December 1 of each year commencing June 1, 2010.

The Bonds were issued to provide funds for various improvements to the facilities of The Bergen Community College including (1) the acquisition, reconstruction, alteration and renovation of a building in the Township of Lyndhurst, New Jersey to be used as a satellite campus for the College and for financing other capital projects of the College; and (2) the payment of certain costs of issuance of the Bonds.

The Bonds constitute special obligations of the Authority and are secured primarily by revenues derived by the Authority from rentals to be paid by the Bergen Community College pursuant to a lease agreement by and between the Authority and the College dated as of March 1, 2010.

As additional security for the Bonds, payment of principal and interest on the Bonds is fully, unconditionally and irrevocably guaranteed by the County of Bergen, New Jersey pursuant to a guaranty resolution adopted on August 12, 2009 by the County. The County guarantee shall remain in effect until the Bonds have been paid in full.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**F. Series 2010 Bonds, (continued)**

In April of 2010, the Authority issued \$17,000,000 County of Bergen Guaranteed Revenue Bonds, Series 2010 (East Rutherford Project). The Bonds bear interest at various rates between 2.00% and 5.00% and have a final maturity of June 1, 2039.

The Bonds were issued to make a loan to the Borough of East Rutherford in the County of Bergen, New Jersey for the purpose of financing the cost associated with the construction of a new police headquarters and municipal court building for use by the Borough and the acquisition of all materials and equipment and completion of all work related thereto, and to fund certain costs associated with the issuance of the Bonds.

To evidence its obligation to pay such loan, the Borough issued and delivered to the Authority \$17,000,000 principal amount of its General Obligation Bonds which the Borough shall be obligated to levy ad valorem taxes upon all taxable property within the Borough for the payment of principal and interest on the Borough Bonds.

Payment of the principal of and interest on the Authority Bonds are further secured by a full, unconditional and irrevocable guaranty of the County of Bergen, New Jersey.

In April of 2010, the Authority issued \$30,165,000 Governmental Loan Revenue Bonds, Series 2010. The Bonds bear interest at various rates between 2.00% and 5.00% payable February 15 and August 15 of each year commencing February 15, 2011 and have a final maturity of 2025.

**G. Series 2011 Bonds**

In July 2011, the Authority issued \$2,800,000 County of Bergen Guaranteed Revenue Bonds, Series 2011 (Bergen County Community Action Partnership, Inc. Project). The Bonds bear interest at various rates between 2.00% and 4.625% and have a final maturity of December 1, 2034.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**G. Series 2011 Bonds, (continued)**

The Bonds were issued to make a loan to the Bergen County Community Action Partnership, Inc., a New Jersey non-profit corporation, for the purpose of (1) permanently financing the costs of construction and expansion of a Head Start facility located at the Borrower's Garfield, New Jersey site, including all necessary materials, improvements, appurtenances, and site work related thereto; (2) paying the costs of the construction and upgrading of certain classroom facilities located in Garfield, New Jersey site, for occupational and educational training, including all necessary materials, improvements, appurtenances, and site work related thereto; and (3) paying the costs of issuance with respect to the issuance and sale of the 2011 Bonds.

To purchase its obligations to repay such 2011 loan, the Borrower and the Authority entered into a Trust Amendment to Loan Agreement dated as of August 1, 2011.

**H. Series 2012 Bonds**

In May 2012, the Authority issued \$19,410,000 County Guaranteed Loan Refunding Revenue Bonds, Taxable Series 2012 (Pooled ERI Unfunded Liability Project — Federally Taxable). The Bonds bear interest at various rates between .430% and 3.259% and have a final maturity of September 15, 2023.

The Refunding Bonds were issued to provide funds to make a loan to the County of Bergen, New Jersey (the "County") and certain municipalities and school districts in the County (together with the County, the "Series 2012 Local Units") (i) to fund an escrow the proceeds of which are to be used for the purpose of advance refunding a portion of the Authority's County Guaranteed Governmental Loan Revenue Bonds, Taxable Series 2003A (Pooled ERI Unfunded Liability Project) originally issued in the aggregate principal amount of \$31,210,000 (the "Refunded Bonds"), which Refunded Bonds were issued to provide funds to make loans to the Series 2012 Local Units to raise funds sufficient to retire the present value of the Series 2012 Local Units' respective unfunded accrued liability for early retirement incentive benefits previously granted by the State to each Series 2012 Local Unit, and (ii) to pay certain of the costs of issuance of the Refunding Bonds and the Series 2012 Local Unit Refunding Bonds (as hereinafter defined).

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**H. Series 2012 Bonds, (continued)**

The Refunding Bonds are payable from and are secured by payments made on general obligation refunding bonds of each of the Series 2012 Local Units (each a "Series 2012 Local Unit Refunding Bond" and, collectively, the "Series 2012 Local Unit Refunding Bonds"). The Series 2012 Local Unit Refunding bonds were sold to the Authority pursuant to separate Bond Purchase Agreements entered into between the Authority and each of the Series 2012 Local Units. The Series 2012 Local Unit Refunding Bonds shall be direct and general obligations of each of the Series 2012 Local Units.

In August 2012, the Authority issued \$18,450,000 County Guaranteed School District Revenue Bonds (Fort Lee Board of Education Project) Series 2012. The Bonds bear interest at various rates between 1.25% and 4.00% and have a final maturity of December 1, 2031.

The proceeds thereof were used to make a loan to the Board of Education of the Borough of Fort Lee, in the County of Bergen, a school district of the State of New Jersey, for the purpose of (i) financing the School Project; and (ii) paying the costs of issuance with respect to the issuance and sale of the 2012 Bonds.

To evidence its obligation to repay such 2012 Loan, the Borrower and the Authority entered into a Loan Agreement, dated as of August 16, 2012, setting forth the rights and obligations of the parties thereto. In order to secure and evidence its payment obligations under the Loan Agreement, the Borrower has delivered or will deliver, to secure the repayment obligation under the Loan Agreement, its general obligation bond under which it irrevocably pledges its full faith and credit for the payment of the principal of and interest on the Board Bond, which Board Bond is additionally secured by the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

In August 2012, the Authority issued \$14,970,000 County Guaranteed Refunding Bonds (Englewood Board of Education Refunding Project) Series 2012. The Bonds bear interest at various rates between 1.50% and 5.00% and have a final maturity of April 1, 2024.

The Refunding Bonds were issued to: (i) advance refund and redeem \$15,360,000 of the Authority's County of Bergen Guaranteed School District Revenue Bonds, Series 2004 (Englewood City Board of Education Project) maturing on April 1 in the years 2015 through 2024, inclusive, which 2004 Refunded Bonds are callable on April 1, 2014; and (ii) pay certain costs and expenses incidental to the issuance, sale and delivery of the Refunding Bonds. The principal of and interest on the Refunding Bonds shall be secured by the pledge of the Trust

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**H. Series 2012 Bonds, (continued)**

Estate (as defined in the Bond Resolution) by the Authority to the Trustee, which Trust Estate shall include, among other things: a portion of the loan payments made by the Board of Education of the City of Englewood, in the County of Bergen, New Jersey, pursuant to an Amended and Restated Loan Agreement, dated as of September 6, 2012 by and between the Authority and the Board of Education, which Loan Payments are secured by a General Obligation Bond issued by the Board of Education to the Authority dated July 14, 2004, as amended on the date of delivery of the Refunding Bonds. Payment of the School District Bond shall be made from the levy of ad valorem taxes upon all the taxable property within the jurisdiction of the School District, without limitation as to rate or amount, and which Loan Payments shall be assigned by the Authority to the Trustee for the payment of the principal (including sinking fund payments, if any) of and interest on the Refunding Bonds in accordance with the terms of the Bond Resolution and the Amended and Restated Loan Agreement.

**I. Series 2014 Bonds Pooled Loan Revenue Bonds Series A & B**

On April 30, 2014, the Authority issued \$10,125,000 County Guaranteed Pooled Loan Revenue Bonds, Series 2014A and \$59,995,000 County Guaranteed Pooled Loan Revenue Bonds, Series 2014B. The Bonds bear interest at various rates between 2.00% and 5.00% and have final maturity of February 15, 2039.

The Series 2014 Bonds were issued to provide funds to make loans to the County of Bergen (the "County"), the Bergen County Utilities Authority (the "Utilities Authority Borrower"), and the Borough of East Rutherford, New Jersey (the "Municipal Borrower") and together with the County and the Utilities Authority Borrower, (the "Borrowers") to (i) advance refund certain outstanding bonds of the Utilities Authority Borrower; (ii) permanently finance certain general improvements of the Borrowers; and (iii) pay certain of the costs of issuance of the Series 2014 Bonds, and the Borrower Bonds.

**J. Series 2014 School District Revenue Bonds**

In July 2014, the Authority issued \$30,565,000 County Guaranteed School District Revenue Bonds (Elmwood Park Board of Education Project), Series 2014. The Bonds bear interest at various rates between 1.00% and 5.00% and have final maturity of August 1, 2034.

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**NOTES TO FINANCIAL STATEMENTS**  
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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**J. Series 2014 School District Revenue Bonds, (continued)**

The Series 2014 Bonds were issued to provide funds to make a loan to the Elmwood Park Board of Education (the "Borrower"). The Borrower is using the proceeds of the bonds (i) to make improvements to the Board's Schools in Elmwood Park, NJ; (ii) to currently refund the Board's 2004 School Bonds outstanding in the amount of \$23,382,000 maturing on or after August 1, 2015; and (iii) pay certain costs of issuance of the Series 2014 Bonds.

**K. Series 2014 Saddle Brook Refunding**

In December 2014, the Authority issued \$16,030,000 County Guaranteed Governmental Loan Refunding Bonds, Series 2014. The bonds bear interest of rates ranging from 2.00% to 5.00% and have a final maturity of September 1, 2030.

The Refunding Bonds are being issued to provide funds to the Authority to make a loan to the Township of Saddle Brook (the "Borrower") in the County of Bergen, New Jersey (the "County") to (i) fund an escrow, the proceeds of which are to be used to advance refund a portion of the Authority's outstanding County Guaranteed Governmental Loan Bonds, Series 2006 (Saddle Brook Township Project) issued March 14, 2006 (the "Series 2006 Bonds"), specifically all of the Series 2006 Bonds maturing on September 1 in the years 2017 through 2030, inclusive, and (ii) pay certain of the costs of issuance of the Refunding Bonds.

**L. Series 2015 County Guaranteed Revenue Bonds (Felician Services, Inc.)**

On September 17, 2015, the Authority issued \$30,000,000 Revenue Bonds, Series 2015 (Felician Services, Inc.). The proceeds of the sale of the Series 2015 Bonds will be loaned by the Authority to Felician Services, Inc. The Bonds are being issued to (i) pay all or a portion of the costs of the project consisting of financing various capital improvements at the Lodi, New Jersey campus and at the Rutherford, New Jersey campus of the College, (ii) to pay all or a portion of the costs of refinancing/restructuring the Borrower's outstanding New Jersey Educational Facilities Authority Revenue Refunding Bonds, Felician College Issue, Series I, (iii) to pay the termination fee on swap entered into at the time of issuance of the 2006 Bonds, (iv) to pay off a line of credit to the College that was used to finance various capital projects of the College, and (v) to pay certain costs associated within the issuance of the bonds.

To evidence its obligation to repay the loan, the Borrower issued to the Authority its Promissory Note, Series 2015-1, dated September 17, 2015, in the principal amount of \$30,000,000 pursuant to the loan agreement.

The Series 2015 County Guaranteed Revenue Bonds have been refunded as of December 31, 2023.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**M. Series 2016 County of Bergen Guaranteed Governmental Loan Revenue Bonds**

In March of 2016, the Authority issued \$49,580,000 principal amount of County Guaranteed Governmental Loan Revenue Bonds, Series 2016. The Bonds are serial bonds that bear interest in varying rates from 2.00% to 5.00% and have a final maturity of August 15, 2037.

The Bonds are being issued to provide funds to make loans to the Borough of North Arlington, in the County of Bergen, New Jersey (“North Arlington”), the Borough of Ridgefield, in the County of Bergen, New Jersey (“Ridgefield”), and the Borough of Rutherford, in the County of Bergen, New Jersey (“Rutherford” and together with North Arlington and Ridgefield, the “Municipal Borrowers”), and the Bergen County Utilities Authority, County of Bergen, New Jersey (the “BCUA”; and together with the Municipal Borrowers, the “Borrowers”) to (i) refund certain outstanding bonds of the Borrowers; and (ii) pay certain costs of issuance of the Bonds and the Borrower Bonds.

**N. Series 2016C County of Bergen Guaranteed Governmental Loan Revenue Bonds**

In October of 2016, the Authority issued \$65,150,000 principal amount of County Guaranteed Governmental Loan Revenue Bonds, Series 2016C. The Bonds are serial bonds that bear interest in varying rates from 2.00% to 5.00% and have a final maturity of August 15, 2026.

The Bonds are being issued to provide funds to make loans to the County of Bergen, New Jersey, the Borough of Edgewater, New Jersey, the Borough of Fort Lee, New Jersey, and the Northwest Bergen County Utilities Authority, County of Bergen, New Jersey to (i) refund certain outstanding bonds of the Borrowers; and (ii) pay certain costs of issuance of the Bonds and the Borrower Bonds.

Pursuant to the Bond Purchase Agreements, and in accordance with applicable law, each of the Borrowers will issue and sell its Borrower Bond to the Authority in the principal amounts shown below. The Borrower Bonds will be purchased by the Authority and the Loan Repayments will be pledged by the Authority to secure the Bonds.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**O. Series 2016 County Guaranteed Revenue Bonds (CAP Project)**

In December of 2016, the Authority issued \$13,380,000 principal amount of County Guaranteed Revenue Bonds (CAP Project), Series 2016. The Bonds are serial bonds that bear interest in varying rates from 2.00% to 5.00% and have a final maturity of December 1, 2046.

The 2016 Bonds are being issued by the Authority and the proceeds from the sale thereof are being used by the Authority to provide a loan to the Greater Bergen Community Action, Inc. for the purpose of: (a) paying the costs of the construction of new classroom facilities and parking lot improvements; (b) financing improvements for the development of an early childhood education school for low-income children at the Borrower's facility at 529 Midland Avenue in Garfield, New Jersey and the acquisition of real property and facility improvements thereon to be used for non-profit direct-client service activities and administrative purposes, located at 392 Main Street, in Hackensack, New Jersey ((a) and (b) being referred to as the "Project"); (c) refinancing and defeasing all of the Authority's outstanding County Guaranteed Revenue Bonds (Bergen County Community Action Program, Inc. Project), Series 2004A and all of the Authority's outstanding County Guaranteed Revenue Bonds (Bergen County Community Action Partnership, Inc. Project), Series 2011; (d) funding capitalized interest on the 2016A Bonds related to the Project; (e) funding of working capital to provide transition funds until the Project is placed in service; (f) funding of a bond reserve fund for the 2016A Bonds; and (g) payment of certain costs incidental to the issuance and sale of the 2016 Bonds.

**P. Series 2017C County Guaranteed Governmental Loan Revenue Bonds**

During 2017, the Authority issued \$32,680,000 principal amount of County Guaranteed Governmental Loan Revenue Bonds, Series 2017. The Bonds bear interest in varying rates from 2.00% to 4.00% and have a final maturity of February 15, 2030.

The Bonds are being issued to provide funds to make loans to the Township of Lyndhurst, New Jersey ("Lyndhurst"), the Borough of Oradell, New Jersey ("Oradell", and together with Lyndhurst, the "Municipal Borrowers"), and the Bergen County Utilities Authority, County of Bergen, New Jersey (the "BCUA", and together with the Municipal Borrowers, the "Borrowers") to (i) refund certain outstanding bonds of the Borrowers; and (ii) pay certain costs of issuance of the Bonds.



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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**P. Series 2017C County Guaranteed Governmental Loan Revenue Bonds, (continued)**

The Bonds constitute special obligations of the Authority and are secured only by those revenues of the Authority which are derived by the Authority from the loan repayments (the "Loan Repayments") made by the Borrowers pursuant to the general obligation bond of each Municipal Borrower purchased by the Authority (collectively, the "Municipal Bonds") and a revenue bond of the BCUA purchased by the Authority (the "BCUA Bonds", and together with the Municipal Bonds, the "Borrower Bonds") pursuant to each Bond Purchase Agreement between the Authority and each Borrower (collectively, the "Bond Purchase Agreements"), to evidence each respective loan from the Authority to such Borrower. The Loan Repayments made pursuant to the Borrower Bonds are pledged by the Authority for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

The Bonds are further secured by a full, irrevocable and unconditional guaranty (the "County Guaranty") from the County of Bergen, New Jersey (the "County"), to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Bonds.

**Q. Series 2018 County Guaranteed Government Loan Revenue Bonds**

On September 20, 2018, the Authority issued \$14,825,000 principal amount of County Guaranteed Governmental Loan Revenue Bonds, Series 2018. The bonds bear interest at 5.00% and have a final maturity of August 15, 2034.

The Bonds are being issued to provide funds to make loans to the Borough of East Rutherford and The Bergen County Utilities Authority, County of Bergen, New Jersey to (i) finance certain capital improvements for the Borrowers; and (ii) pay certain costs of issuance of the Bonds and the Borrower Bonds.

The Bonds constitute special obligations of the Authority and are secured only by those revenues of the Authority which are derived by the Authority from the loan repayments made by the Borrowers pursuant to the general obligation bond of the Municipal Borrower purchased by the Authority and a revenue bond of the BCUA purchased by the Authority pursuant to each Bond Purchase Agreement between the Authority and each Borrower, to evidence each respective loan from the Authority to the Borrowers. The Loan Repayments made pursuant to the Borrower Bonds are pledged by the Authority for the payment of the principal of, redemption premiums, if any, and interest on the Bonds.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**Q. Series 2018 County Guaranteed Government Loan Revenue Bonds, (continued)**

The Bonds are further secured by a full, irrevocable and unconditional guaranty from the County of Bergen, New Jersey, to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the county without limitation as to rate or amount for the payment of the principal of and interest on the Bonds.

**R. Series 2019 County Guaranteed Lease Revenue Bonds**

**Valley Program Project**

On September 11, 2019, the Authority issued \$4,365,000 principal amount of County Guaranteed Lease Revenue Bonds, Series 2019. The Bonds bear interest at 5.00% and have a final maturity of March 1, 2032. The Bonds are being issued to provide funds, along with other sources of funds, to finance a capital project undertaken by The Board of Education of the Northern Valley Regional High School District consisting of: (i) the acquisition of the Immaculate Conception School located in Norwood, New Jersey to facilitate the Board's administration of a county-wide, special education program focusing on educating children on the autism spectrum; and (ii) paying certain costs incurred in connection with the issuance, sale and delivery of the Bonds. The Bonds will be direct, special and limited obligations of the Authority and will be payable solely from Revenues and secured by a lien on the Pledged Property under the General Bond Resolution. The Pledged Property includes, but is not limited to (i) the Revenues, including the Authority's right to receive Basic Rent from the Board under a Ground Lease and Lease Agreement between the Authority and the Board to be dated September 26, 2019, (ii) the Authority's right and interest in the Land and the Facilities pursuant to the Lease Agreement, (iii) the funds and Accounts (other than the Rebate Fund and the Operating Fund) held and established under the General Bond Resolution, including Investment Securities (as defined in the General Bond Resolution) held in such funds or Accounts, and (iv) all other moneys, securities or funds pledged under the General Bond Resolution to the payment of the principal or Redemption Price, if any, of and interest on the Bonds.

The Bonds are further secured by a full and unconditional guaranty of the County of Bergen, State of New Jersey to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all the taxable property in the County, without limitation as to rate or amount, for the payment of its obligations under the County Guaranty.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**R. Series 2019 County Guaranteed Lease Revenue Bonds, (continued)**

**County of Bergen Project**

On October 31, 2019, the Authority issued \$50,140,000 principal amount of County Guaranteed Governmental Lease Revenue Bonds, Series 2019.

The County Bonds are being issued for the benefit of the County of Bergen to provide funds to (i) finance capital improvements to certain County buildings, including the reconstruction and rehabilitation of the County courthouse (the "County Project"), and (ii) pay certain costs of issuance of the County Bonds. The County Bonds constitute direct and special obligations of the Authority payable from and secured by the herein defined Revenues of the Authority, which are derived primarily from the lease of the County Project pursuant to the provisions of a lease agreement by and between the Authority and the County, dated as of October 1, 2019, pursuant to which the County is obligated to make lease payments sufficient, among other things, to pay debt service on the County Bonds. The timely payment of principal of, redemption premium, if any, and interest on the County Bonds is secured by the provisions of the Lease Agreement. The County's Obligation to make lease payments under the lease payments under the Lease Agreement is a valid and binding obligation of the County for which the County is obligated to make the lease payments under the Lease Agreement, and if such payments are not made from other sources, such payments shall be payable from the levy of *ad valorem* upon all the taxable property in the County without limitation as to rate or amount.

The Bonds are further secured by a full, irrevocable and unconditional guaranty from the County to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Bonds.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**S. Series 2019 County Guaranteed Governmental Loan Revenue Bonds**

On October 31, 2019, the Authority issued \$14,735,000 principal amount of County Guaranteed Governmental Loan Revenue Bonds, Series 2019. The Bonds bear interest rates between 4.00% to 5.00% and have a final maturity of October 15, 2031. The Bonds are being issued for the benefit of the Borough of Fort Lee (the "Borough") and together with the County, the "Borrowers", to (i) provide funds to permanently finance outstanding bond anticipation notes of the Borough which were issued to finance certain capital improvements for the Borough; and (ii) pay certain costs of issuance of the Fort Lee Bonds. The Fort Lee Bonds constitute special obligations of the Authority and are secured only by those revenues of the Authority which are derived by the Authority from the loan repayments made by the Borough pursuant to the general obligation bonds of the Borough purchased by the Authority pursuant to a Bond Purchase Agreement between the Authority and the Borough, to evidence the respective loan from the Authority to the Borough. The Loan Repayments made pursuant to the Borough Bond are pledged by the Authority for the payment of the principal of, redemption premium, if any, and interest on the Fort Lee Bonds.

The Bonds are further secured by a full, irrevocable and unconditional guaranty from the County to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Bonds.

**T. Series 2020 County Guaranteed Lease Revenue Bonds**

In April of 2020, the Authority issued \$24,635,000 principal amount of County Guaranteed Lease Revenue Bonds (Township of Saddle Brook Project). The Bonds bear interest at rates between 4.00% and 5.00% and have a final maturity of August 1, 2048.

The Bonds are being issued for the benefit of a redevelopment project in the Township of Saddle Brook, in the County of Bergen, State of New Jersey (the "Township") to provide funds to (i) acquire certain real property located in the Township having a street address of 55 Mayhill Street and designated as Block 801, Lots 5.02 and 5.03 on the Tax Assessment Map of the Township, comprising approximately 5.3 acres and an existing building thereon, for the construction of a new municipal complex for the Township (the municipal complex construction together with the acquisition of the Facility are referred to herein as the "Project"), (ii) pay certain costs of

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**T. Series 2020 County Guaranteed Lease Revenue Bonds, (continued)**

issuance of the Bonds, and (iii) pay capitalized interest on the Bonds. The Bonds constitute special obligations of the Authority payable from and secured by the herein defined Revenues of the Authority, which are derived primarily from the lease of the Project pursuant to the provisions of a Lease Purchase Agreement by and between the Authority and the Township, dated as of May 1, 2020, pursuant to which the Township is obligated to make lease payments sufficient; among other things, to pay debt service on the Bonds. The timely payment of principal of, redemption premium, if any, and interest on the Bonds is secured by the provisions of the Lease Agreement. The Township's obligation to make lease payments under the Lease Agreement is a valid and binding obligation of the Township for which the Township is obligated to make the lease payments under the Lease Agreement, and if such payments are not made, such payments shall be payable from the levy of *ad valorem* taxes upon all the taxable property in the Township without limitation as to rate or amount.

The Bonds are further secured by a full, irrevocable and unconditional guaranty from the County of Bergen, State of New Jersey to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Bonds.

In September of 2020, the Authority issued \$18,460,000 principal amount of County Guaranteed Lease Revenue Bonds (Borough of Ridgefield Project). The Bonds bear interest at rates between 4.00% and 5.00% and have a final maturity of October 15, 2042.

The Bonds are being issued for the benefit of a redevelopment project in the Borough of Ridgefield, in the County of Bergen, State of New Jersey (the "Borough") to provide funds to: (i) pay for the construction of a new municipal complex for the Borough, (ii) pay capitalized interest on the Bonds, and (iii) pay certain costs of issuance of the Bonds. The Bonds constitute direct and special obligations of the Authority payable solely from the Pledged Property, as defined herein, including without limitation, rental payments which are derived primarily from the lease of the Project pursuant to the provisions of a Lease and Agreement by and between the Authority and the Borough, dated as of September 1, 2020, pursuant to which the Borough is obligated to make Rental payments sufficient, among other things, to pay debt service on the Bonds. The timely payment of principal of, redemption premium, if any, and interest on the

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**T. Series 2020 County Guaranteed Lease Revenue Bonds, (continued)**

Bonds is secured by the provisions of the Lease Agreement. The Borough's obligation to make rental payments under the Lease Agreement is a valid and binding obligation of the Borough for which the Borough is obligated to make the rental payments under the Lease Agreement, and if such payments are not made, such payments shall be payable from the levy of *ad valorem* taxes upon all the taxable property in the Borough without limitation as to rate or amount.

The Bonds are further secured by a full, irrevocable and unconditional guaranty from the County of Bergen, State of New Jersey to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Bonds.

**U. Series 2021 County Guaranteed Refunding Revenue Bonds**

In fiscal year 2021, the Authority issued \$7,640,000 County Guaranteed Refunding Revenue Bonds, Series 2021. The bonds have interest rates ranging from .576% to 2.430% and have a final maturity of September 15, 2034.

The Refunding Bonds are being issued to refund \$7,050,000 outstanding principal amount of County of Bergen Guaranteed Revenue Bonds, Series 2012 (Fair Lawn Community Center, Inc., Project) maturing on September 15, in the years 2023 through 2027, inclusive, and 2034 and pay certain costs of issuing Refunding Bonds. The proceeds of the Refunded Bonds were used to make a loan to the Fair Lawn Community Center, Inc. and used to refund the \$10,115,000 outstanding principal amount of the Authority's County of Bergen Guaranteed Revenue Bonds, Series 2004 (Fair Lawn Community Center, Inc. Project), the proceeds of which 2004 Bonds were used to make a loan to the Borrower for the purpose of financing the construction and equipping of an approximately 42,000 square foot recreational and community center, located in the Borough of Fair Lawn, New Jersey and to pay certain costs of issuing the Refunded Bonds. To evidence its obligation to repay the Loan and secure the Refunding Bonds, the Borrower and the Authority will enter into a Second Amendment to Loan Agreement, dated as of November 1, 2021, setting forth the rights and obligations of the parties thereto. The Borough will make payments under the Second Amendment to Lease Agreement dated as of November 1, 2021, between the Borough and the Borrower in amounts sufficient to enable the Borrower to meet its payment obligations under the Second Amendment to Loan Agreement. Payment of the principal of (including sinking fund payments, if any) and interest on the Refunding Bonds are further secured by a full, unconditional and irrevocable guaranty of the County of Bergen, New Jersey.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**V. Series 2021 County Guaranteed Lease Revenue Bonds**

In fiscal year 2021, the Authority issued \$22,600,000 principal amount of County Guaranteed Lease Revenue Bonds, Series 2021. The bonds have interest rates ranging from 4.00% to 5.00% and have a final maturity of February 15, 2044.

The Bonds are being issued for the benefit of a project in the Township of Mahwah, in the County of Bergen, State of New Jersey to provide funds to pay for the planning, design, construction and equipping of a new public works facility located at 101 Micik Lane, Township of Mahwah, New Jersey, and to pay certain costs of issuance of the Bonds. The Bonds constitute direct and special obligations of the Authority payable solely from the Pledged Property, as defined herein, including without limitation, rental payments which are derived primarily from the lease of the Project pursuant to the provisions of a Lease and Agreement by and between the Authority and the Township, dated as of August 1, 2021, pursuant to which the Township is obligated to make Rental payments sufficient, among other things, to pay debt service on the Bonds. The timely payment of principal of, redemption premium, if any, and interest on the Bonds is secured by the provisions of the Lease Agreement. The Township's obligation to make Rental payments under the Lease Agreement is a valid and binding obligation of the Township for which the Township is obligated to make the Rental payments under the Lease Agreement, and if such payments are not made, such payments shall be payable from the levy of *ad valorem* taxes upon all the taxable property in the Township without limitation as to rate or amount.

The Bonds are further secured by a full, irrevocable and unconditional guaranty from the County of Bergen, State of New Jersey to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Bonds.

**W. Series 2021 County Guaranteed Governmental Loan Revenue Bonds**

In fiscal year 2021, the Authority issued \$46,840,000 principal amount of County Guaranteed Governmental Loan Revenue Bonds, Series 2021. The bonds bear interest at rates ranging from .433% to 5.00% and have a final maturity of February 15, 2039.

The Bonds are being issued to: provide funds to make loans to the Borough of East Rutherford, the Borough of Little Ferry and the County of Bergen to refund certain existing debt of the Borrowers; and pay certain costs of issuance of the Bonds.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**W. Series 2021 County Guaranteed Governmental Loan Revenue Bonds, (continued)**

The Bonds constitute special obligations of the Authority and are secured only by those revenues of the Authority which are derived by the Authority from the loan repayments made by the Borrowers pursuant to the general obligation bonds of the Borrowers purchased by the Authority pursuant to each Bond Purchase Agreement between the Authority and each Borrower to evidence each respective loan from the Authority to the Borrowers. The Loan Repayments made pursuant to the Borrower Bonds are pledged by the Authority for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

The Bonds are further secured by a full, irrevocable and unconditional guaranty (the "County Guaranty") from the County to pay, when due, the principal of and interest on the Bonds. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Bonds.

**X. Series 2022 County Guaranteed Revenue Bonds**

In fiscal year 2022, the Authority issued \$5,520,000 principal amount of County Guaranteed Revenue Bonds, Series 2022 A and \$110,000 principal amount of County Guaranteed Revenue Bonds, Series 2022B. The bonds have an interest rate of 5.00% and have a final maturity of May 1, 2042.

The 2022 Bonds are being issued by the Authority and the proceeds from the sale thereof are being used by the Authority to provide a loan to the Borrower for the purpose of: (a) financing improvements for the Bergen Performing Arts Center located at 30 North Van Brunt Street, Englewood, New Jersey (the "Capital Project"); (b) funding capitalized interest on the 2022A Bonds related to the Capital Project; (c) funding of a bond reserve fund for the 2022A Bonds; and (d) payment of certain costs incidental to the issuance and sale of the 2022 Bonds.

The 2022 Bonds are issued under and secured by an Indenture of Trust, dated as of May 1, 2022, between the Authority and the Trustee, and the proceeds thereof will be used to make a loan to the Borrower, for the purpose of paying the costs of the 2022 Project.

To evidence its obligation to repay such 2022 loan, the Borrower and the Authority will enter into a Loan Agreement, dated as of May 1, 2022, setting forth the rights and obligations of the parties thereto. In order to secure and evidence its payment obligations under the Loan Agreement, the Borrower will execute and will deliver to the Authority its Promissory Notes, dated the delivery of the 2022 Bonds.



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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**X. Series 2022 County Guaranteed Revenue Bonds, (continued)**

The payment of the principal of (including sinking fund payments, if any) and interest on the 2022 Bonds is further secured by the full, irrevocable and unconditional guaranty of the County of Bergen, New Jersey, pursuant to a Guaranty Ordinance No. 22-06 finally adopted by the Board of County Commissioners of the County on March 15, 2022 and in accordance with a Guaranty Agreement by and among the County, the Authority and the Trustee. The 2022 County Guaranty shall remain in effect until the 2022 Bonds have been paid in full. Under the terms of the 2022 Guaranty Ordinance, the County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable real property within the County without limitation as to rate or amount for the payment of the principal of and interest on the Series 2022 Bonds.

**Y. Series 2023 County Guaranteed Pooled Project Notes**

In fiscal year 2023, the Authority issued \$133,088,229 principal amount of County Guaranteed Governmental Pooled Project Notes, Series 2023. The notes have an interest rate of 4.50% and mature on May 31, 2024.

The Notes are being issued to provide funds to make loans to the County of Bergen (\$88,909,000), the Borough of Closter (\$10,093,725), the Borough of Edgewater (\$8,970,717), the City of Garfield (\$9,569,000), the Borough of Glen Rock (\$12,258,000), and the Borough of Little Ferry (\$3,287,787) in the County of Bergen, New Jersey. The borrowers will apply the proceeds of the loans to (i) refinance certain of the outstanding bond anticipation notes of the borrowers issued to temporarily finance capital improvements; (ii) temporarily finance capital improvements and (iii) pay certain of the costs of issuance of the notes.

The Series 2023 Notes are solely secured by a pledge of the Pledged Property, as defined in the Resolution, which includes the Authority's right to receive Revenues (which includes the Authority's right to receive payments of principal of and interest on the Borrower Notes, and payments received from the County Guaranty, as hereinafter defined, if necessary). The debt service on the Borrower Notes will be sufficient, in the aggregate, to pay the principal of and interest on the Series 2023 Notes when due.

The Borrower Notes will be sold to the Authority pursuant to separate Note Purchase Agreements entered into between the Authority and each of the Borrowers. The Borrower Notes shall be direct and general obligations of each of the respective Borrowers.

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**8. CONDUIT DEBT OBLIGATIONS, (continued)**

**Y. Series 2023 County Guaranteed Pooled Project Notes, (continued)**

As additional security for the Series 2023 Notes, payment of the principal of and interest on the Series 2023 Notes is fully, unconditionally and irrevocably guaranteed by the County pursuant to Guaranty Ordinance No. 23-06 of the County finally adopted on April 19, 2023 by the County of Bergen, New Jersey (the "County Guaranty") in the event that any Borrower does not make payment under its Borrower Note. The County has the power and the obligation to cause the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the County without limitation as to rate or amount for the payment of its obligation under the County Guaranty. The County Guaranty shall remain in effect until the Series 2023 Notes shall have been paid in full.

**9. LONG-TERM DEBT**

**Loans Payable**

The Authority has outstanding loans under the PSE&G Hospital Efficiency Program. This program requires the repayment to PSE&G of the Hospital's share of the costs of certain project costs advanced by PSE&G. The outstanding loans at December 31, 2023 are as follows:

\$983,625 for the Hospital's share of the Chiller Plant Upgrade Project payable at \$16,393.75 per month for sixty (60) months.

\$1,516,640 for the Hospital's share of the Interior, Exterior Lighting and Controls, and the Steam Trap Replacement Projects payable at \$25,277.34 per month for sixty (60) months.

A summary of the activity for these loans is presented below:

	Balance December 31 <u>2022</u>	<u>Issued</u>	<u>Payments</u>	Balance December 31, <u>2023</u>
Chiller Plant Upgrade	\$393,450	\$	\$196,725	\$196,725
Lighting/Steam Trap Replacement	985,816		303,328	682,488
Air Handler Unit	<u>          </u>	<u>1,019,500</u>	<u>          </u>	<u>1,019,500</u>
	<u>\$1,379,266</u>	<u>\$1,019,500</u>	<u>\$500,053</u>	<u>\$1,898,713</u>
Current Portion	\$500,053			\$500,053
Non-Current Portion	<u>879,213</u>			<u>1,398,660</u>
	<u>\$1,379,266</u>			<u>\$1,898,713</u>

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**9. LONG-TERM DEBT, (continued)**

**Bonds Payable**

On August 11, 2022, the Authority issued \$63,745,000 County Guaranteed Revenue Bonds, Series 2022. The Series 2022 Bonds have an interest rate of 5.00% and mature in annual installments on August 1 of each year with a final maturity of August 1, 2047.

The Bonds are being issued for the purpose of (i) refunding, on a current basis, the Authority's outstanding \$49,955,000 County Guaranteed Project Note (Bergen New Bridge Medical Center Project), Series 2020A, dated August 31, 2020 and maturing on August 15, 2022; (ii) providing new money funds in the amount of \$22,000,000 to finance additional capital improvements to the Medical Center; and (iii) paying the costs of issuance of the Bonds. The 2020A Note refunded the Authority's County Guaranteed Project Note (Bergen New Bridge Medical Center Project) Series 2019A. The Series 2019A Note refunded the Authority's County Guaranteed Project Note (Bergen New Bridge Medical Center Project) Series 2017A (Federally Taxable). The Series 2017A Note was originally issued to provide funding for the cost, acquisition and construction of various capital improvements to Bergen New Bridge Medical Center (the "Medical Center") and the costs of issuance of the Series 2017A Note.

The Bonds are secured by a full, irrevocable and unconditional guaranty of the County of Bergen, State of New Jersey to pay, when due, the principal of and interest on the Obligations if funds of the Authority are not otherwise available for such purpose under the Resolutions. The County has the power and the obligation, if necessary, to cause the levy of *ad valorem* taxes upon all taxable property within the County without limitation as to rate or amount for the payment of and interest on the Obligations.

**Changes in Long-Term Liabilities**

The Authority's long-term liability activity for the years ended December 31, 2023 and 2022 are as follows:

<u>2023</u>	Balance January 1, <u>2023</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2023</u>	Due Within <u>One Year</u>
Compensated Absences Payable	\$38,946	\$	\$	\$38,946	\$
Net Pension Liability	441,894		38,941	402,953	
Net OPEB Liability	608,032	50,005		658,037	
Project Notes Payable	10,005,000			10,005,000	10,005,000
Loans Payable	1,379,266	1,019,500	500,053	1,898,713	500,053
Revenue Bonds Payable	<u>63,745,000</u>		<u>1,420,000</u>	<u>62,325,000</u>	<u>1,400,000</u>
<b>Total</b>	<b><u>\$76,218,138</u></b>	<b><u>\$1,069,505</u></b>	<b><u>\$1,958,994</u></b>	<b><u>\$75,328,649</u></b>	<b><u>\$11,905,053</u></b>

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**9. LONG-TERM DEBT, (continued)**

**Changes in Long-Term Liabilities, (continued)**

<u>2022</u>	Balance January 1, <u>2022</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2022</u>	Due Within <u>One Year</u>
Compensated Absences Payable	\$44,014	\$	\$5,068	\$38,946	\$
Net Pension Liability	332,802	109,092		441,894	
Net OPEB Liability	682,192		74,160	608,032	
Project Notes Payable	78,350,000	10,005,000	78,350,000	10,005,000	
Loans Payable	1,920,990		541,724		500,053
Revenue Bonds Payable	<u>                    </u>	<u>63,745,000</u>	<u>                    </u>	<u>2,303,540</u>	<u>1,420,000</u>
Total	<u>\$81,329,998</u>	<u>\$73,859,092</u>	<u>\$78,970,952</u>	<u>\$76,218,138</u>	<u>\$1,920,053</u>

**10. PROJECT NOTES PAYABLE**

**NEW BRIDGE MEDICAL CENTER PROJECT**

On August 11, 2022, the Authority issued \$10,005,000 principal amount County Guaranteed Project Note (Bergen New Bridge Medical Center Project), Series 2022.

The Note is being issued, together with other available funds in the amount of \$18,395,000, for the purpose of (i) refunding, on a current basis, a \$10,000,000 portion of the Authority's outstanding \$28,395,000 County Guaranteed Project Note (Bergen New Bridge Medical Center Project), Series 2020B, dated August 31, 2020 and maturing on August 15, 2022; and (ii) paying the costs of issuance of the Note. The Series 2020B Note refunded the Authority's County Guaranteed Project Note (Bergen New Bridge Medical Center Project) Series 2019B. The Series 2019B Note refunded the Authority's County Guaranteed Project Note (Medical Center Project) Series 2017B and the Authority's County Guaranteed Project Note (New Bridge Medical Center Project), Series 2018. The Series 2018 Note and Series 2017B Note were originally issued to provide funding for working capital for the Authority with respect to the Medical Center; and the costs of issuance of the Series 2018 Note and Series 2017B Note.

The Series 2022 Note has an interest rate of 4.00% and matures on August 1, 2024.

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**10. PROJECT NOTES PAYABLE**

**NEW BRIDGE MEDICAL CENTER PROJECT, (continued)**

A summary of the Authority's Project Notes for the years ended December 31, 2023 and 2022 is as follows:

	<u>Balance Jan. 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2023</u>	<u>Due Within One Year</u>
<u>Medical Center</u> Project Notes	\$10,005,000	\$ _____	\$ _____	\$ 10,005,000	\$10,005,000
Total Notes Payable	<u>\$10,005,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,005,000</u>	<u>\$10,005,000</u>

	<u>Balance Jan. 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2022</u>	<u>Due Within One Year</u>
<u>Medical Center</u> Project Notes	\$78,350,000	\$10,005,000	\$78,350,000	\$10,005,000	\$ -0
Total Notes Payable	<u>\$78,350,000</u>	<u>\$10,005,000</u>	<u>\$78,350,000</u>	<u>\$10,005,000</u>	<u>\$0</u>

**11. UNAMORTIZED PREMIUM - DEFERRED INFLOW OF RESOURCES**

The Authority received a premium of \$8,696,308 in connection with the issuance of its Series 2022 Bonds and Notes. These premiums are being amortized on a straight-line basis over the remaining life of the bonds and notes. The following is a summary of the Authority's unamortized premiums for the years ended December 31, 2022:

	<u>Balance Dec. 31, 2022</u>	<u>Received</u>	<u>Amortized</u>	<u>Balance Dec. 31, 2023</u>
Series 2022	\$8,581,883	\$ _____	\$343,276	\$8,238,607

The unamortized balance as of December 31, 2023 is shown on the Statement of Net Position as a deferred inflow of resources.

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**12. MEDICAL CENTER**

**Bergen New Bridge Medical Center**

The County executed a Lease and Agreement, dated December 17, 1997 (the "County/Authority Agreement"), with the Authority, pursuant to which the County transferred the license for the operation of the Medical Center to the Authority, conveyed to the Authority a 19-year leasehold interest in the Medical Center, and delegated to the Authority the responsibility for managing, administering, operating and maintaining the Medical Center. The Authority thereupon executed a Lease and Operating Agreement, dated December 17, 1997, as amended and supplemented (collectively the "1997 Authority Lease and Operating Agreement") with Solomen Health Group, L.L.C. ("Solomen"), pursuant to which the Authority conveyed to Solomen a 19-year sub-leasehold interest in the Medical Center and delegated to Solomen the day to day responsibility for managing, administering, operating and maintaining, at its sole expense (except for capital improvements) and for and on behalf of the Authority and as its agent, the Medical Center. The County/Authority Agreement and the 1997 Authority Lease and Operating Agreement each became effective on March 15, 1998. Solomon thereupon assigned its interest in the 1997 Authority Lease and Operating Agreement to a related entity, Bergen Regional Medical Center, L.P. (the "Manager"), which assumed all of Solomen's rights and obligations under the Authority Lease and Operating Agreement. Under such Assignment, Solomon remained a guarantor of such entity's performance thereunder.

The original expiration date of the 1997 Authority Lease and Operating Agreement of March 14, 2017 was extended by way of an amendment to the 1997 Authority Lease and Operating Agreement to September 30, 2017. By way of a separate agreement, the accounts receivable loan repayment by the Manager to the Authority, with an original maturity date of March 2020, was accelerated to December 31, 2017, with a corresponding discount and reduction in the principal and accrued interest due and owing by the Manager on the accounts receivable loan, so that the total amount due and owing on the accounts receivable loan is \$22,500,000. Payments by the Manager on the accounts receivable loan commenced on February 5, 2017 and all amounts due and owing to the Authority shall be paid by the Manager by the maturity date of December 31, 2017.

In anticipation of the expiration of the BCIA Lease and the LOA, on April 10, 2015 Executive Order No. 2015-03 was signed by the County Executive ordering and directing the establishment of a fifteen (15) member Healthcare Advisory Committee to explore how the BRMC may: (1) provide quality healthcare to residents of Bergen County and northern New Jersey; (2) provide a healthcare safety net for the elderly, indigent and those in need of emergency services; (3) provide for Veteran services; (4) adapt to changes in the healthcare market; and (5) provide quality healthcare services in a cost efficient manner.

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**12. MEDICAL CENTER, (continued)**

**Bergen New Bridge Medical Center, (continued)**

On April 27, 2016, the Healthcare Advisory Committee issued the Healthcare Advisory Committee Report identifying guiding principles and establishing goals and objectives related to the future operations of BRMC and the selection of a tenant-operator or third-party operator, as follows:

- (i) Strong Capabilities in Acute Care, Behavioral Health and LTC,
- (ii) Maintenance, Improvement and Growth of Patient Services,
- (iii) Structure of Governance and Appropriate Oversight,
- (iv) Transparency & Collaboration with the BCIA and Other Stakeholders,
- (v) Alignment of Strategic Interests,
- (vi) Access for Bergen County Residents and the Underserved,
- (vii) Capital Commitments and Financial Considerations,
- (viii) Employee Retention, Advancement and Workplace Safety, and
- (ix) Sustainable and Viable Relationship

The BCIA and the County approved an amendment to the BCIA Lease on February 23, 2017, so that the Lease Term Closing Date would be coterminous with that of the LOA as changed by the Sixth Supplement.

The County and the BCIA desire to enter into this Agreement in order to establish the terms and conditions relating to the lease of the BRMC to the BCIA, who will then sublet BRMC through a Sublease, Lease and Operating Agreement with a Tenant-Operator.

By a Sublease, Lease and Operating Agreement dated July 14, 2017 between the Bergen County Improvement Authority (the "Sublessor") and Care Plus Bergen, Inc., a New Jersey nonprofit corporation (the "Tenant-Operator"), the Sublessor desires to sublease certain buildings located on the Property and lease certain assets to the Tenant-Operator and for the Tenant-Operator to operate the Facility, and the Tenant-Operator desires to sublease certain buildings located on the Property and lease certain assets from the Sublessor and to operate the Facility for a period of nineteen (19) years with a commencement date of October 1, 2017.

As of the Commencement Date, the Tenant-Operator assumed the full operation of the Facility, including the responsibility for the maintenance and repair of the facilities and equipment including, but not limited to, the heating, ventilation and air conditioning systems, plumbing, electrical systems, sprinkler systems and the IT Systems (which shall include updates and upgrades to hardware and software to maintain the same in accordance with the IT Standards throughout the Term).

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**12. MEDICAL CENTER, (continued)**

**Bergen New Bridge Medical Center, (continued)**

Under Section 11.1 of the Lease and Operating Agreement, Rent shall be equal to ninety percent (90%) of EBITDAR (total operating revenue minus total operating expenses recorded pursuant the GAAP, plus interest expense, income taxes, depreciation, amortization and the lease expense for the Subleased Premises and the Leased Assets (not excluding any other operating lease expense), less interest income and investment income), payable on a monthly basis commencing October 31, 2017 and continuing on or before the last business day of each month thereafter during the term. Under Section 11.2 of the LOA, During the Term, the Tenant-Operator will pay all expenses associated with the operation of the Facility, including, but not limited to, all utilities, supplies, purchased services (including management fees), professional service fees, employee compensation and benefits, Pastoral Care Services, applicable property taxes (including payments in lieu of taxes or any other government impositions) and insurance costs.

Under Section 11.3 of the LOA, The Tenant-Operator shall require up to Twenty Million (\$20,000,000) Dollars prior to and on the Commencement Date to fund all of the Tenant-Operator's working capital (including twenty-one (21) days of DCOH (Days Cash on Hand) and other transaction expenses (the "Initial Cash Requirements") as follows:

- (a) Up to Two Million (\$2,000,000) Dollars for transaction expenses actually incurred by the Tenant-Operator (the "Transaction Expense"); and
- (b) Working Capital of Eighteen Million (\$18,000,000) Dollars ("the Working Capital Escrow").

The Sublessor shall fund the Initial Cash Requirements through a loan in accordance with the terms of a promissory note made by the Tenant-Operator in favor of the Sublessor. Interest on the Sublessor Loan shall accrue at a rate equal to the Sublessor's actual interest expense. The Tenant-Operator shall not be permitted to borrow money other than through the Sublessor Loan or as otherwise approved by the Sublessor in writing.

Under Section 11.5 (a) of the LOA all cash receipts related to patient service revenue generated by the Tenant-Operator shall be collected by the Sublessor except for professional medical services provided by Rutgers Physicians and that are billed by Rutgers and/or its agent; (b) On each of (1) the fifteenth (15<sup>th</sup>) day of each month (or the first business day following the fifteenth (15<sup>th</sup>) day of the month) and (2) the last business day of each month, the Sublessor shall remit the lessor of: (i) actual cash receipts collected or (ii) fifty percent (50%) of monthly budgeted operating expenses (excluding Total Rent Payments, Accrued Rent Interest and interest expense related to the Sublessor Loan), net of budgeted professional fee collections that the Tenant-Operator is expected to receive from Rutgers.



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**12. MEDICAL CENTER, (continued)**

**Bergen New Bridge Medical Center, (continued)**

The Authority (BCIA) has issued County Guaranteed Project Notes (Medical Center Project) to provide funds to the Authority to (i) finance various capital improvements and equipment for the Bergen Regional Medical Center including, but not limited to, parking lot improvements, assessment and improvements to electrical power supply systems, HVAC, electrical vault, and air ventilation shaft improvements, boiler replacement and information technology improvements; (ii) to provide funds to the Authority to provide working capital with respect to the Medical Center; and (iii) pay the costs of issuance.

Under a Promissory Note dated October 2017, Care Plus Bergen, Inc. owes \$10,000,000 to the Authority for a "Working Capital Loan Receivable". The Borrower shall make principal and interest payments consisting of accrued and unpaid interest, in arrears, and the outstanding principal balance beginning on October 1, 2017 in accordance with Section 11 of the LOA, and the principal balance shall be paid no later than the termination date set forth in Section 15.1 of the LOA.

**13. FUTURE CAPITAL PROJECTS**

Certain types of capital projects of the Hospital will be the responsibility of the County or the Authority, under the terms of the Lease Agreement. Various capital projects are presently in progress funded by appropriations of the County. The Authority has engaged a Construction Manager to oversee all the capital projects at the Hospital. Additionally, a reserve is being established which is being contributed to by both the County and the Manager to finance certain joint projects in the future. Project requests for the year 2024 are being prepared by the Hospital for review by the Authority and the County.

**14. EMERSON/ORADELL LAND ACQUISITION PROJECT**

The Authority has purchased certain real property, approximately 135 acres of which are located within the Boroughs of Emerson and Oradell, in the County of Bergen. The real property is currently the site of the Emerson Golf Club, a private 18-hole golf course, as well as other undeveloped parcels. The County intends to continue to use the Property as a County run 18-hole golf course.

**15. LITIGATION**

The Authority's attorneys have advised that there are no known material commitments or contingencies that would have a material effect on the financial statements.

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**16. CONTRIBUTIONS**

Various expenses are paid by the County of Bergen on behalf of the Hospital including capital improvements which are recorded as capital contributions and medical insurance costs applicable to retired employees which are recorded as operating contributions. Capital and operating contributions recorded in the Hospital Fund for the years ended December 31, 2023 and 2022 are \$43,957 and \$72,513, respectively.

**17. RELATED -PARTY TRANSACTIONS**

As discussed in Note 11, the Authority entered into a lease and agreement for Bergen Pines County Hospital, now known as the Bergen New Bridge Medical Center, with the County, and a lease and operating agreement for Bergen Pines County Hospital, now known as the Bergen New Bridge Medical Center, with Care Plus Bergen, Inc. These agreements require the Authority to provide certain administrative and financial services in conjunction with the implementation of these agreements. The County provides personnel to act on behalf of the Authority in fulfillment of the obligations undertaken by the Authority pursuant to these agreements. During 2023 and 2022, the Authority reimbursed the County \$362,303 and \$336,521, respectively, for these personnel services.

In addition, the County provides office space and various administrative services to the Authority. The County and the Authority have agreed that the Authority pay the cost for such services. For 2023 and 2022, the cost was \$75,000 and \$75,000, respectively.

The funds that County Nursing Facilities providers receive, as reimbursement for the services provided to Medicaid beneficiaries, come partly from the State and partly from the Federal government, and intergovernmental transfers may be used as a means of partially satisfying the State's share of Medicaid costs.

The County entered into the Agreement in order to provide additional Medical Assistance payments to qualifying County Nursing Facilities providers that participate in the Medicaid program. All expenses of these issuances including interest are paid for by the State of New Jersey.

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**18. RESERVES REQUIRED BY BOND RESOLUTION**

The following accounts are required by the Authority's bond resolution:

	<u>Debt Service Fund</u>	
	Hospital <u>Fund</u>	<u>Total</u>
<u>December 31, 2023</u>		
Required Balances	\$1,465,187	\$1,465,187
Cash and Receivables	<u>1,465,187</u>	<u>1,465,187</u>
Excess or (Deficit)	<u>\$0</u>	<u>\$0</u>
<u>December 31, 2022</u>		
Required Balances	\$1,259,531	\$1,259,531
Cash and Receivables	<u>1,259,531</u>	<u>1,259,531</u>
Excess or (Deficit)	<u>\$0</u>	<u>\$0</u>

**19. PENSION PLANS**

**Description of Plans:**

Authority employees participate in the State of New Jersey Public Employees' Retirement System (PERS) contributory, defined benefit public employee retirement systems or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

**Plan Description**

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

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19. **PENSION PLANS, (continued)**

Benefits Provided

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 vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 a 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 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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19. **PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS.

The Authority's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$37,182	\$-0-
2022	36,925	-0-
2021	32,900	-0-
2020	29,896	-0-

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**19. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS)**

At December 31, 2023, the Authority had a liability of \$402,953 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Authority's proportion was .0027819859 percent, which was a decrease of .0001461342 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Authority recognized pension expense of \$6,069. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$3,853	\$1,647
Changes of assumptions	885	24,421
Net difference between projected and actual earnings on pension plan investments	1,856	
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	<u>21,777</u>	<u>19,562</u>
Total	<u>\$28,371</u>	<u>\$45,630</u>

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**19. PENSION PLANS, (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended December 31:	
2024	\$(21,274)
2025	(11,875)
2026	16,594
2027	(2,970)
2028	51

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2023, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Authority's Proportion	.0027819859%	.0029281201%

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19. **PENSION PLANS, (continued)**

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

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



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19. **PENSION PLANS, (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

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19. **PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	At Current Discount Rate	1% Increase
Authority's proportionate share of the pension liability	<u>6.00%</u> \$528,982	<u>7.00%</u> \$402,953	<u>8.00%</u> \$301,975

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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**20. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension described in Note 19, the Authority provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employees Plan.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (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) Annual Comprehensive Financial Report (ACFR), 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) retired 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) retired 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.

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 providing 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 of coverage.

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**20. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Total OPEB Liability**

At December 31, 2023, the Authority had a liability of \$658,037 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. At June 30, 2023 the Authority's proportion was .004385 percent which was an increase of .00062 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Authority recognized OPEB benefit of \$16,367. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$30,345	\$178,701
Changes of assumptions	85,240	186,006
Net difference between projected and actual earnings on OPEB plan investments		109
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	<u>193,904</u>	<u>91,858</u>
Total	<u>\$309,489</u>	<u>\$456,674</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$(74,654)
2025	(61,146)
2026	(33,079)
2027	(15,507)
2028	(31,300)
Thereafter	(33,545)

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**20. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Actual Assumptions and Other Inputs**

The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Salary increases\*:

Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% to 6.55% based on years of service
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25% based on years of service

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

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

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

20. **OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Discount Rate**

The discount rate for June 30, 2023 was 3.65%. This 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 Discount Rate**

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2023		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
Authority's proportionate share of Net OPEB liability	\$762,216	\$658,037	\$574,240

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**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**20. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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

The following presents the Authority's proportionate share of the net OPEB liability as of June 30, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	<u>1%</u>	<u>June 30, 2023</u> <u>Healthcare Cost</u>	<u>1%</u>
	<u>Decrease</u>	<u>trend Rate</u>	<u>Increase</u>
Authority's proportionate share of Net OPEB liability	\$559,254	\$658,037	\$784,509

**21. FEDERAL ARBITRAGE REGULATIONS**

The Authority 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, 2023 and 2022, the Authority had no estimated arbitrage earnings due to the IRS.

**22. RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2022, the Government Accounting Standards Board issued GASB Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**22. RECENT ACCOUNTING PRONOUNCEMENTS, (continued)**

In June 2022, the Government Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Authority is determining what effects, if any, this pronouncement will have on future financial statements.

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Commission is determining what effects, if any, this pronouncement will have on future financial statements.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. The Authority is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.



**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**23. OTHER INFORMATION**

**A. Local Finance Board Applications**

The Authority is preparing several applications to the Local Finance Board to issue new conduit on behalf of several local governments.

**B. Risk Management**

The Authority is exposed to various risks of loss related to property, 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 Authority has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Authority should they occur.

The Authority has joined the County of Bergen self insured health and prescription benefits plan for its employees. The participating members fund the entire cost of the plan. Claims are paid directly by the plan.

The Authority is a member of the County of Bergen's Self Insurance pool for property, general liability and automobile liability.

The relationship between the Authority and the County of Bergen is governed by a contract and by-laws that have been adopted by resolution of the unit's governing body. The Authority has agreed to pay an annual installment based on a computation of the Authority's share of the County's premium as provided by the County. In return for this, the County of Bergen administers the Authority's insurance funds.

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

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**23. OTHER INFORMATION, (continued)**

**C. New Jersey Unemployment Compensation Insurance**

The Authority has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Authority 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 Authority is billed quarterly for amounts due to the State. The following is a summary of Authority contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Authority's expendable trust fund for the current and prior year:

Fiscal Year	Employee Contributions <u>and Interest</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2023	\$568	\$	\$5,776
2022	366		5,208
2021	308	284	4,842
2020	300		4,818

**24. DESIGNATED AND UNDESIGNATED NET POSITION**

As of December 31, 2023, the Authority's accounts maintain funds that, although may be spent for any lawful purpose by the Authority, have been designated by the Board for the following purposes and amounts:

	Hospital <u>Fund</u>	<u>Total</u>
Medical Center	<u>44,716,699</u>	<u>44,716,699</u>
	<u>\$44,716,699</u>	<u>\$44,716,699</u>

At December 31, 2023, the Authority reported a total amount of \$44,716,699 of Unrestricted Net Position - Designated for the purposes described above.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**24. DESIGNATED AND UNDESIGNATED NET POSITION, (continued)**

The remaining undesignated portion of the Authority's net position was comprised of the following at December 31, 2023 and 2022:

	<u>General Fund</u>	<u>Hospital Fund</u>	<u>Golf Course</u>	<u>Total</u>
<u>2023</u>				
Accrued Unfunded Pension Adjustments	\$(420,212)	\$	\$	(\$420,212)
Accrued OPEB Adjustments	(805,222)			(805,222)
Available for Use in Future Budgets	<u>68,921</u>	<u>          </u>	<u>          </u>	<u>68,921</u>
Total	<u>(\$1,156,513)</u>	<u>          \$0</u>	<u>          \$0</u>	<u>(\$1,156,513)</u>
	<u>General Fund</u>	<u>Hospital Fund</u>	<u>Golf Course</u>	<u>Total</u>
<u>2022</u>				
Accrued Unfunded Pension Adjustments	\$(451,325)	\$	\$	(\$451,325)
Accrued OPEB Adjustments	(846,549)			(846,549)
Available for Use in Future Budgets	<u>(302,967)</u>	<u>          </u>	<u>          </u>	<u>(302,967)</u>
Total	<u>(\$1,600,841)</u>	<u>          \$0</u>	<u>          \$0</u>	<u>(\$1,600,841)</u>

**25. DUE FROM RESTRICTED ACCOUNTS**

During fiscal year 2018, the Authority transferred funds from the General Fund to the Hospital Project Fund for the payment of debt service on its Project Notes. The unreimbursed amount at December 31, 2023 is shown below:

Funds transferred for Debt Service Payment	\$1,453,019
Interest on Working Capital Loan Received in General Fund	<u>(125,960)</u>
	<u>\$1,327,059</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**26. WORKING CAPITAL LOAN RECEIVABLE**

The Authority has made working capital loans to the Tenant-Operator of the Bergen New Bridge Medical Center as required by Section 11.3 of its 2017 lease and operating agreement with Care Plus Bergen, Inc. Activity relating to the working capital loans receivable for the years ending December 31, 2023 and 2022 is as follows:

<u>Balance</u> <u>Jan. 1, 2023</u>	<u>Loans</u>	<u>Payments</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
<u>\$10,000,000</u>	<u>\$ -0-</u>	<u>\$ _____</u>	<u>\$10,000,000</u>
 <u>Balance</u> <u>Jan. 1, 2022</u>	 <u>Loans</u>	 <u>Payments</u>	 <u>Balance</u> <u>Dec. 31, 2022</u>
<u>\$20,823,681</u>	<u>\$ -0-</u>	<u>\$10,823,681</u>	<u>\$10,000,000</u>

**27. DUE FROM NEW BRIDGE MEDICAL CENTER**

Amounts reported as due from New Bridge Medical Center are comprised of rent, various IT invoices paid by the Authority on behalf of the tenant-operator, and a transfer of funds for the non-federal share of enhanced Medicaid payments to the Bergen New Bridge Medical Center to the State of New Jersey known as the intergovernmental transfer (IGT).

As defined in the 2017 Lease and Operating Agreement, rent shall be equal to ninety percent (90%) of EBITDAR, payable on a monthly basis on or before the last business day of each month during the term.

“EBITDAR” shall mean, with respect to any period, (i) total operating revenue minus total operating expenses recorded pursuant to GAAP, plus (ii) interest expense, income taxes, depreciation, amortization and the lease expense for the Subleased Premises and the Leased Assets (however, not excluding any other operating lease expense), less (iii) interest income and investment income.

Based on the above, the following amounts are reported as due from New Bridge Medical Center:

	<u>2023</u>	<u>2022</u>
Hospital Rent	\$39,140,519	\$20,996,803
IT Invoices paid by BCIA	855,464	855,464
IGT Payment to State of NJ	<u>13,671,255</u>	<u>11,458,075</u>
	<u>\$53,667,238</u>	<u>\$33,310,342</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
**(CONTINUED)**

**28. SUBSEQUENT EVENTS**

The Authority has evaluated subsequent events through October 3, 2024, the date which the financial statements were available to be issued and the following items were noted for disclosure:

On May 29, 2024, the Authority issued \$139,394,911 County Guaranteed Governmental Pooled Project Notes, Series 2024. The notes have an interest rate of 4.50% and mature on May 28, 2025.

The Series 2024 Notes are being issued to provide funds to the Authority to acquire bond anticipation notes issued under the authority of the Local Bond Law (N.J.S.A. 40A:2-1 et seq.) ( the “Borrower Notes”) by the County of Bergen (the “County”) and six municipalities in the County (the “Municipal Borrowers”, and together with the County, the “Borrowers”), as applicable, (i) refinance certain of the outstanding bond anticipation notes of the Borrowers; (ii) finance various general capital improvements of the Borrowers; and (iii) pay certain of the costs of issuance of the Series 2024 Notes and the Borrower Notes.

On June 20, 2024, the Authority issued \$56,195,000 County Guaranteed Lease Revenue Bonds, Series 2024. The Bonds have various interest rates of 5% due June 1, 2025-2054. The Series 2024 Bonds are being issued to fund the County’s renovation of the County Courthouse.

On July 31, 2024, the Authority issued \$10,110,000 County Guaranteed Project Note, Series 2024 (New Bridge Medical Center). The note has an interest rate of 5.75% due on July 30, 2025.

The Series 2024 Project Note is being issued to pay off the \$10,005,000 project note maturing on July 31, 2024.

The Authority is also in the process of issuing \$66,686,245 County Guaranteed Governmental Pooled Project Note, Series 2024B.

The Series 2024B Notes are being issued to provide funds to the Authority to acquire bond anticipation notes issued under the authority of the Local Bond Law (N.J.S.A. 40A:2-1 et seq.) ( the “Borrower Notes”) by the County of Bergen (the “County”) and two municipalities in the County (the “Municipal Borrowers”, and together with the County, the “Borrowers”), as applicable, (i) refinance certain of the outstanding bond anticipation notes of the Borrowers; (ii) finance various general capital improvements of the Borrowers; and (iii) pay certain of the costs of issuance of the Series 2024B Notes and the Borrower Notes. It is anticipated that these notes will be sold on or about October 8, 2024.

**Required Supplementary Information**

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**Schedules of Required Supplementary Information**  
**Schedule of Authority's Share of Net Pension Liability - PERS**  
*Last 10 Fiscal Years\**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability (asset)	0.0027819859%	0.0029281201%	0.0028092856%	0.0027328499%	0.0027280612%	0.0026161400%	0.0025308908%	0.0023127342%	0.0021020509%
Authority's proportionate share of the net pension liability (asset)	\$ 402,953	\$ 441,894	\$ 332,802	\$ 445,656	\$ 491,555	\$ 515,498	\$ 589,151	\$ 684,966	\$ 471,868
Authority's covered payroll - PERS	\$ 215,792	\$ 213,492	\$ 222,731	\$ 216,174	\$ 199,760	\$ 195,810	\$ 186,360	\$ 178,460	\$ 160,268
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	186.73%	206.98%	149.42%	206.16%	246.07%	263.26%	316.14%	383.82%	294.42%
Plan fiduciary net position as a percentage of the total pension liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**Schedules of Required Supplementary Information**  
**Schedule of Authority's Contributions - PERS**  
*Last 10 Fiscal Years\**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 37,182.00	\$ 36,925.00	\$ 32,900.00	\$ 29,896.00	\$ 26,536.00	\$ 26,042.00	\$ 23,446.00	\$ 20,546.00	\$ 18,072.00
Contributions in relation to the contractually required contribution	\$ (37,182.00)	\$ (36,925.00)	\$ (32,900.00)	\$ (29,896.00)	\$ (26,536.00)	\$ (26,042.00)	\$ (23,446.00)	\$ (20,546.00)	\$ (18,072.00)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll - PERS	\$ 215,792	\$ 213,492	\$ 222,731	\$ 216,174	\$ 199,760	\$ 195,810	\$ 186,360	\$ 178,460	\$ 160,268
Contributions as a percentage of covered payroll	17.23%	17.30%	14.77%	13.83%	13.28%	13.30%	12.58%	11.51%	11.28%

\* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.



**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**Note to Required Schedules of Supplementary Information**  
**For the Year Ended December 31, 2023**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the pension liability are presented in Note 19 to the financial statements.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**Schedules of Required Supplementary Information**  
**Schedule of Authority's Share of Net OPEB Liability**  
*Last 10 Fiscal Years\**

	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the net OPEB liability (asset)	0.004385%	0.003765%	0.003790%	0.003839%	0.004471%	0.003862%	0.003813%
Authority's proportionate share of the net OPEB liability (asset)	\$ 658,037	\$ 608,032	\$ 682,192	\$ 688,970	\$ 605,645	\$ 605,045	\$ 778,454
Authority's covered payroll	\$ 215,792	\$ 213,492	\$ 222,731	\$ 216,174	\$ 199,760	\$ 195,810	\$ 186,360
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	304.94%	284.80%	306.29%	318.71%	303.19%	309.00%	417.72%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.79%	-0.36%	0.28%	0.91%	1.98%	1.97%	1.03%

\* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**Schedules of Required Supplementary Information**  
**Schedule of Authority's OPEB Contributions**  
*Last 10 Fiscal Years\**

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	24,960	18,920	19,449	21,243	21,722	37,633	38,777
Contributions in relation to the contractually required contribution	<u>(24,960)</u>	<u>(18,920)</u>	<u>(19,449)</u>	<u>(21,243)</u>	<u>(21,722)</u>	<u>(37,633)</u>	<u>(38,777)</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Authority's covered payroll	\$ 215,792	\$ 213,492	\$ 222,731	\$ 216,174	\$ 199,760	\$ 195,810	\$ 186,360
Contributions as a percentage of covered payroll	11.57%	8.86%	8.73%	9.83%	10.87%	19.22%	20.81%

\* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**Schedules of Required Supplementary Information**  
**Schedule of Changes in the Authority's Proportionate**  
**Share of the State OPEB Contributions**  
*Last 10 Fiscal Years\**

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability:</b>							
Service Cost	\$ 26,184	\$ 29,994	\$ 32,066	\$ 23,262	\$ 29,803	\$ 34,613	\$ 40,590
Interest Cost	25,493	15,111	15,684	19,097	28,439	29,509	24,724
Changes of Benefit Terms	1,010	15,153	77	40	(85)		
Difference Between Expected and Actual Experience	(93,108)	21,538	(45,336)	20,788	(62,590)	(140,051)	
Changes in Assumptions	11,186	(135,523)	12,854	118,048	(73,135)	(89,376)	(98,675)
Benefit Payments	(26,183)	(22,036)	(19,315)	(17,898)	(21,022)	(16,283)	(15,918)
Contributions - Members	2,737	2,002	1,642	1,441	1,934	2,085	2,043
Change in Allocation	99,766	(4,513)	(8,874)	(87,338)	97,325	10,108	
<b>Net Change in Total OPEB Liability</b>	<b>47,085</b>	<b>(78,274)</b>	<b>(11,202)</b>	<b>77,440</b>	<b>669</b>	<b>(169,395)</b>	<b>(47,236)</b>
<b>Total OPEB Liability - Beginning</b>	<b>605,823</b>	<b>684,097</b>	<b>695,299</b>	<b>617,859</b>	<b>617,190</b>	<b>786,585</b>	<b>833,821</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 652,908</b>	<b>\$ 605,823</b>	<b>\$ 684,097</b>	<b>\$ 695,299</b>	<b>\$ 617,859</b>	<b>\$ 617,190</b>	<b>\$ 786,585</b>
<b>Plan Fiduciary Net Position:</b>							
Contributions - Employer	\$ 18,916	\$ 14,664	\$ 12,321	\$ 11,225	\$ 15,488	\$ 16,266	\$ 14,559
Contributions - Non-Employer	2,439	1,724	1,432	1,344	1,961	2,068	2,023
Contributing Entities	2,737	2,002	1,642	1,441	1,934	2,085	2,043
Net Investment Income	88	9	8	110	216	90	30
Benefit Payments	(26,183)	(22,036)	(19,315)	(17,898)	(21,022)	(16,283)	(15,919)
Administrative Expense	(553)	(464)	(430)	(381)	(424)	(317)	(339)
Change in Allocation	(364)	(13)	(82)	(1,726)	1,916	105	
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(2,920)</b>	<b>(4,114)</b>	<b>(4,424)</b>	<b>(5,885)</b>	<b>69</b>	<b>4,014</b>	<b>2,397</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>(2,209)</b>	<b>1,905</b>	<b>6,329</b>	<b>12,214</b>	<b>12,145</b>	<b>8,131</b>	<b>5,734</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>(5,129)</b>	<b>(2,209)</b>	<b>1,905</b>	<b>6,329</b>	<b>12,214</b>	<b>12,145</b>	<b>8,131</b>
<b>Authority's Net OPEB Liability</b>	<b>\$ 658,037</b>	<b>\$ 608,032</b>	<b>\$ 682,192</b>	<b>\$ 688,970</b>	<b>\$ 605,645</b>	<b>\$ 605,045</b>	<b>\$ 778,454</b>

\* GASB requires that ten years of information be presented. However, since fiscal year 2017 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**Note to Required Schedules of Supplementary Information**  
**For the Fiscal Year Ended December 31, 2023**

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the OPEB liability are presented in Note 20 to the financial statements.

**Supplementary Schedules**

BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)  
COMBINING SCHEDULE OF NET POSITION  
AS OF DECEMBER 31, 2023

	General Fund	Hospital Fund	Golf Course	Total
<b>ASSETS</b>				
Unrestricted Current Assets				
Cash and Cash Equivalents	\$ 190,926	\$ 4,598,540	\$ -	\$ 4,789,466
Accounts Receivable (Net)	45,795	404	-	46,199
Accounts Receivable - 133 River St. Project	173,258	-	-	173,258
Due From New Bridge Medical Center	-	53,667,238	-	53,667,238
Due From County of Bergen	2,301	1,157,094	-	1,159,395
Due From General Fund	-	1,508,064	-	1,508,064
Due From Medical Center Construction Account	1,327,059	-	-	1,327,059
<b>Total Unrestricted Current Assets</b>	<b>1,739,339</b>	<b>60,931,340</b>	<b>-</b>	<b>62,670,679</b>
Restricted Current Assets				
Debt Service Fund				
Cash and Cash Equivalents	-	1,455,750	-	1,455,750
Construction Fund				
Cash and Cash Equivalents	-	2,027	-	2,027
Unemployment Trust Fund:				
Cash and Cash Equivalents	5,776	-	-	5,776
Project Fund				
Cash and Cash Equivalents	-	19,362,838	-	19,362,838
Cost of Issuance Fund				
Cash and Cash Equivalents	-	9,437	-	9,437
Working Capital Fund				
Cash and Cash Equivalents	-	4,444,961	-	4,444,961
Accrued Interest Receivable	-	1,825,845	-	1,825,845
Loan Receivable	-	10,000,000	-	10,000,000
<b>Total Restricted Current Assets</b>	<b>5,776</b>	<b>37,100,858</b>	<b>-</b>	<b>37,106,634</b>
<b>Total Current Assets</b>	<b>1,745,115</b>	<b>98,032,198</b>	<b>-</b>	<b>99,777,313</b>
Non-Current Assets				
Capital Assets				
Land	-	-	8,037,723	8,037,723
Improvements	-	123,147,355	324,493	123,471,848
Accumulated Amortization	-	(95,100,400)	(64,899)	(95,165,299)
<b>Total Non-Current Assets</b>	<b>-</b>	<b>28,046,955</b>	<b>8,297,317</b>	<b>36,344,272</b>
<b>Total Assets</b>	<b>1,745,115</b>	<b>126,079,153</b>	<b>8,297,317</b>	<b>136,121,585</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows - PERS	28,371	-	-	28,371
Deferred Outflows - OPEB Related	309,489	-	-	309,489
<b>Total Deferred Outflows of Resources</b>	<b>337,860</b>	<b>-</b>	<b>-</b>	<b>337,860</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,082,975</b>	<b>\$ 126,079,153</b>	<b>\$ 8,297,317</b>	<b>\$ 136,459,445</b>

BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)  
COMBINING SCHEDULE OF NET POSITION  
AS OF DECEMBER 31, 2023

	General Fund	Hospital Fund	Golf Course	Total
<b>LIABILITIES</b>				
Current Liabilities (Payable from Unrestricted Assets)				
Accounts Payable	\$ 109,113	\$ 60,906	\$ -	\$ 170,019
Accounts Payable - PERS	37,182	-	-	37,182
Due to County of Bergen	12,164	13,840,271	-	13,852,435
Due to Hospital Fund	1,508,064	-	-	1,508,064
Due to Now Bridge Medical Center	-	2,278,413	-	2,278,413
	<u>1,666,523</u>	<u>16,179,590</u>	<u>-</u>	<u>17,846,113</u>
Current Liabilities (Payable from Restricted Assets)				
Accounts Payable	-	465,701	-	465,701
Contracts Payable	-	1,253,123	-	1,253,123
Due to General Fund	-	1,327,059	-	1,327,059
Project Notes Payable	-	10,005,000	-	10,005,000
Revenue Bonds Payable	-	1,400,000	-	1,400,000
Loans Payable	-	500,053	-	500,053
Accrued Interest on Bonds and Notes	-	1,465,187	-	1,465,187
	<u>-</u>	<u>16,416,123</u>	<u>-</u>	<u>16,416,123</u>
<b>Total Current Liabilities</b>	<u>1,666,523</u>	<u>32,595,713</u>	<u>-</u>	<u>34,262,236</u>
Non-Current Liabilities:				
Compensated Absences Payable	3,895	35,051	-	38,946
Net Pension Liability - PERS	402,953	-	-	402,953
Net OPEB Liability	658,037	-	-	658,037
Revenue Bonds Payable	-	60,925,000	-	60,925,000
Loans Payable	-	1,398,660	-	1,398,660
	<u>1,064,885</u>	<u>62,358,711</u>	<u>-</u>	<u>63,423,596</u>
<b>Total Non-Current Liabilities</b>	<u>1,064,885</u>	<u>62,358,711</u>	<u>-</u>	<u>63,423,596</u>
<b>Total Liabilities</b>	<u>2,731,408</u>	<u>94,954,424</u>	<u>-</u>	<u>97,685,832</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unamortized Premiums	-	8,238,607	-	8,238,607
Deferred Inflows - PERS	45,630	-	-	45,630
Deferred Inflows - OPEB Related	456,674	-	-	456,674
	<u>502,304</u>	<u>8,238,607</u>	<u>-</u>	<u>8,740,911</u>
<b>Total Deferred Inflows of Resources</b>	<u>502,304</u>	<u>8,238,607</u>	<u>-</u>	<u>8,740,911</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	(57,466,248)	8,297,317	(49,168,931)
Restricted For:				
Construction Fund	-	19,364,865	-	19,364,865
Unemployment Trust	5,776	-	-	5,776
Working Capital Fund	-	16,270,806	-	16,270,806
Unrestricted:				
Designated - Bergen Regional Medical Center	-	44,716,699	-	44,716,699
Undesignated	(1,156,513)	-	-	(1,156,513)
	<u>(1,150,737)</u>	<u>22,886,122</u>	<u>8,297,317</u>	<u>30,032,702</u>
<b>Total Net Position</b>	<u>\$ (1,150,737)</u>	<u>\$ 22,886,122</u>	<u>\$ 8,297,317</u>	<u>\$ 30,032,702</u>



**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General</u> <u>Fund</u>	<u>Hospital</u> <u>Fund</u>	<u>Golf</u> <u>Course</u>	<u>Combined</u> <u>Total</u>
<b>OPERATING REVENUES</b>				
Service Charges - Bergen Regional Medical Center	\$	\$ 282,230,051	\$	\$ 282,230,051
Rent - Bergen New Bridge Medical Center		15,413,005		15,413,005
Bergen County Contributions		43,957		43,957
Miscellaneous	386,163			386,163
<b>Total Operating Revenues</b>	<u>386,163</u>	<u>297,687,013</u>	<u>-</u>	<u>298,073,176</u>
<b>OPERATING EXPENSES</b>				
Administration				
Salaries and Wages	70,329	369,228		439,557
Fringe Benefits	44,988	209,284		254,272
Other Expense	338,305	450,164		788,469
Cost of Providing Services				
Other Expense		282,600,508		282,600,508
Depreciation/Amortization of Improvements		5,883,271	16,225	5,899,496
<b>Total Operating Expenses</b>	<u>453,622</u>	<u>289,512,455</u>	<u>16,225</u>	<u>289,982,302</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(67,459)</u>	<u>8,174,558</u>	<u>(16,225)</u>	<u>8,090,874</u>
<b>NON-OPERATING INCOME (EXPENSES)</b>				
Interest on Investments	13,891	1,063,962		1,077,853
Bergen County Contributions	500,000	100,000		600,000
BRMCLP Settlement		677,838		677,838
Prior Years' Cancellations	(1,536)			(1,536)
Interest on Working Capital Loan		447,987		447,987
Payment to County of Bergen		(2,400,000)		(2,400,000)
Bond/Note Issuance Costs		(1,586)		(1,586)
Interest Expense		(3,682,431)		(3,682,431)
Amortization of Discounts, Premiums, Deferred Losses		343,275		343,275
<b>Total Non-Operating Income (Expenses)</b>	<u>512,355</u>	<u>(3,450,955)</u>	<u>-</u>	<u>(2,938,600)</u>
<b>CHANGE IN NET POSITION</b>	444,896	4,723,603	(16,225)	5,152,274
<b>Total Net Position, January 1</b>	<u>(1,595,633)</u>	<u>18,162,519</u>	<u>8,313,542</u>	<u>24,880,428</u>
<b>Total Net Position, December 31,</b>	<u>\$ (1,150,737)</u>	<u>\$ 22,886,122</u>	<u>\$ 8,297,317</u>	<u>\$ 30,032,702</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
 (A Component Unit of the County of Bergen)  
**COMBINING SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General</u> <u>Fund</u>	<u>Hospital</u> <u>Fund</u>	<u>Golf</u> <u>Course</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$	\$ 282,230,051	\$	\$ 282,230,051
Cash Received from Bergen County	500,000	13,532,698		14,032,698
Cash Received from General Fund		98,904		98,904
Cash Received from New Bridge Medical Center		15,413,005		15,413,005
Cash Received from Miscellaneous Fees	357,825			357,825
Other Non-Operating Receipts - Settlement		677,838		677,838
Cash Paid to Employees	(70,329)	(369,228)		(439,557)
Cash Paid for Employee Benefits	(44,988)	(209,284)		(254,272)
Cash Paid to Suppliers and Others	(592,005)	(283,104,721)		(283,696,726)
Cash Paid to Bergen County		(2,400,000)		(2,400,000)
Cash Paid to Hospital Fund	(98,904)			(98,904)
Cash Paid to New Bridge Medical Center		(20,094,319)		(20,094,319)
Net Cash Provided by (Used for) Operating Activities	<u>51,599</u>	<u>5,774,944</u>	<u>-</u>	<u>5,826,543</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Loans Issued		1,019,500		1,019,500
Issuance Costs Paid		(1,586)		(1,586)
Principal Payments on Loans		(500,053)		(500,053)
Bond Principal Payments		(1,420,000)		(1,420,000)
Interest Paid on Bonds		(3,487,799)		(3,487,799)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(4,389,938)</u>	<u>-</u>	<u>(4,389,938)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of Capital Assets		(6,361,386)		(6,361,386)
Interest Received	13,891	1,063,962		1,077,853
Net Cash Provided by (Used for) Investing Activities	<u>13,891</u>	<u>(5,297,424)</u>	<u>-</u>	<u>(5,283,533)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	65,490	(3,912,418)	-	(3,846,928)
Cash and Cash Equivalents - January 1,	<u>131,212</u>	<u>33,785,971</u>	<u>-</u>	<u>33,917,183</u>
Cash and Cash Equivalents - December 31,	<u>\$ 196,702</u>	<u>\$ 29,873,553</u>	<u>\$ -</u>	<u>\$ 30,070,255</u>
<b>ANALYSIS OF BALANCE AT DECEMBER 31</b>				
Unrestricted - Cash and Cash Equivalents	\$ 190,926	\$ 4,598,540	\$ -	4,789,466
Restricted - Cash and Cash Equivalents	<u>5,776</u>	<u>25,275,013</u>	<u>-</u>	<u>25,280,789</u>
	<u>\$ 196,702</u>	<u>\$ 29,873,553</u>	<u>\$ -</u>	<u>30,070,255</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Hospital Fund</u>	<u>Golf Course</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ (67,459)	\$ 8,174,558	\$ (16,225)	\$ 8,090,874
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Depreciation/Amortization of Improvements		5,883,271	16,225	5,899,496
Adjustment to Pension Expense	(31,113)			(31,113)
Adjustment to OPEB Expense	(41,327)			(41,327)
Other Non-Operating Income-County Contribution	500,000	100,000		600,000
Other Non-Operating Income-Settlement		677,838		677,838
Other Non-Operating Expenses-Payment to County		(2,400,000)		(2,400,000)
Prior Year Cancellations	(1,536)			(1,536)
(Increase)/Decrease in Accounts Receivable	6,717			6,717
(Increase)/Decrease in Accts. Receivable 133 River St.	(173,258)			(173,258)
(Increase)/Decrease in Due From Bergen County		(1,530)		(1,530)
(Increase)/Decrease in Due From General Fund		98,904		98,904
(Increase)/Decrease in Due From New Bridge Medical Center		(20,356,896)		(20,356,896)
Increase/(Decrease) in Accounts Payable	(41,521)	(52,233)		(93,754)
Increase/(Decrease) in Contracts Payable		(1,816)		(1,816)
Increase/(Decrease) in Due to Bergen County		13,390,271		13,390,271
Increase/(Decrease) in Due to Hospital Fund	(98,904)			(98,904)
Increase/(Decrease) in Due to New Bridge Medical Center		262,577		262,577
<b>Total Adjustments</b>	<u>119,058</u>	<u>(2,399,614)</u>	<u>16,225</u>	<u>(2,264,331)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 51,599</u>	<u>\$ 5,774,944</u>	<u>\$ -</u>	<u>\$ 5,826,543</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**BUDGETARY BASIS**  
**(With Comparative Amounts for the Year Ended December 31, 2022)**

	2023		2023		Variance		2022
	<u>Budget</u>		<u>Actual</u>		<u>Excess</u>		<u>Actual</u>
					<u>(Deficit)</u>		
<b>OPERATING REVENUES</b>							
Financing Fees	\$ 125,000	\$	33,998	\$	(91,002)	\$	43,728
Annual Administration Fees	133,000		75,000		(58,000)		99,225
Miscellaneous	<u>70,000</u>		<u>277,165</u>		<u>207,165</u>		<u>252,949</u>
Total Operating Revenues	\$ <u>328,000</u>	\$	\$ <u>386,163</u>		<u>58,163</u>	\$	\$ <u>395,902</u>
<b>NON-OPERATING REVENUES</b>							
Bergen County Contributions	500,000		500,000		-		
Interest on Investments and Deposits			<u>13,891</u>		<u>13,891</u>		<u>1,747</u>
Total Non-Operating Revenues	<u>500,000</u>		<u>513,891</u>		<u>13,891</u>		<u>1,747</u>
Total Revenues	<u>828,000</u>		<u>900,054</u>		<u>72,054</u>		<u>397,649</u>
<b>OPERATING APPROPRIATIONS</b>							
<b>ADMINISTRATION</b>							
Salaries and Wages	68,000		70,329		(2,329)		63,052
Fringe Benefits	26,000		44,988		(18,988)		37,910
Other Expenses	<u>461,500</u>		<u>410,745</u>		<u>50,755</u>		<u>400,778</u>
Total Administration	<u>555,500</u>		<u>526,062</u>		<u>29,438</u>		<u>501,740</u>
Total Appropriations	<u>555,500</u>		<u>526,062</u>		<u>29,438</u>		<u>501,740</u>
<b>Total Budgetary Income (Loss)</b>	<u>272,500</u>		<u>373,992</u>		<u>101,492</u>		<u>(104,091)</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**BUDGETARY BASIS**

(With Comparative Amounts for the Year Ended December 31, 2022)

	2023	2023	Variance	2022
	<u>Budget</u>	<u>Actual</u>	<u>Excess</u> <u>(Deficit)</u>	<u>Actual</u>
Total Budgetary Income (Loss) - Brought forward		373,992		(104,091)
<b>Reconciliation of Budgetary Income (Loss)</b>				
<b>To Change in Net Position (GAAP)</b>				
<b>Increases to Budgetary Income (Loss):</b>				
Adjustment to Pension Expense		31,113		48,542
Adjustment to OPEB Expense		41,327		25,406
<b>Decreases to Budgetary Income (Loss):</b>				
Prior Years' Items Cancelled		<u>(1,536)</u>		<u>(145,361)</u>
Change in Net Position - GAAP		<u><u>444,896</u></u>		<u><u>(175,504)</u></u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**  
**SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET**  
**HOSPITAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**BUDGETARY BASIS**

(With Comparative Amounts for the Year Ended December 31, 2022)

	2023 <u>Budget</u>	2023 <u>Actual</u>	Variance Excess (Deficit)	2022 <u>Actual</u>
<b>OPERATING REVENUES</b>				
Net Position Utilized	\$ 2,400,000	\$ 2,400,000	\$ -	\$ 2,400,000
Rent - Bergen New Bridge Medical Center		15,413,005	15,413,005	8,490,425
Service Charges - Bergen Regional Medical Center	243,633,000	282,230,051	38,597,051	236,716,057
Bergen County Contributions to Operating Costs		43,957	43,957	72,513
Debt Service Reimbursement	<u>5,000,000</u>	<u>                    </u>	<u>(5,000,000)</u>	<u>                    </u>
Total Operating Revenues	<u>\$ 251,033,000</u>	<u>\$ 300,087,013</u>	<u>49,054,013</u>	<u>\$ 247,678,995</u>
<b>NON-OPERATING REVENUES</b>				
Bergen County Contributions	100,000	100,000	-	
BRMCLP Settlement		677,838	677,838	
Interest on Working Capital Loan		447,987	447,987	405,559
Interest on Investments and Deposits	<u>900,000</u>	<u>1,063,962</u>	<u>163,962</u>	<u>325,499</u>
Total Non-Operating Revenues	<u>1,000,000</u>	<u>2,289,787</u>	<u>1,289,787</u>	<u>731,058</u>
Total Revenues	<u>252,033,000</u>	<u>302,376,800</u>	<u>50,343,800</u>	<u>248,410,053</u>
<b>OPERATING APPROPRIATIONS</b>				
<b>ADMINISTRATION</b>				
Salaries and Wages	350,000	369,228	(19,228)	355,607
Fringe Benefits	110,000	209,284	(99,284)	183,619
Other Expenses	<u>340,000</u>	<u>450,164</u>	<u>(110,164)</u>	<u>11,398</u>
Total Administration	<u>800,000</u>	<u>1,028,676</u>	<u>(228,676)</u>	<u>550,624</u>
<b>COST OF PROVIDING SERVICES</b>				
Other Expenses:				
Professional Fees	250,000	326,500	(76,500)	326,366
Interlocal Agreement with Bergen County - Lease of Hospital Assets	1,000,000	748,656	251,344	879,123
Contract - Management of Hospital Operations	245,888,927	280,036,595	(34,147,668)	234,550,264
State of New Jersey Health Care Subsidy		1,444,800	(1,444,800)	1,286,670
Health Benefits for Retirees - Bergen County		<u>43,957</u>	<u>(43,957)</u>	<u>72,513</u>
Total Cost of Providing Services	<u>247,138,927</u>	<u>282,600,508</u>	<u>(35,461,581)</u>	<u>237,114,936</u>
<b>NON-OPERATING APPROPRIATIONS</b>				
Principal Payments on Debt		1,420,000	(1,420,000)	-
Interest Payments on Debt	1,694,073	3,487,799	(1,793,726)	2,066,550
Contributions to Bergen County	<u>2,400,000</u>	<u>2,400,000</u>	<u>-</u>	<u>2,400,000</u>
Total Non-Operating Appropriations	<u>4,094,073</u>	<u>7,307,799</u>	<u>(3,213,726)</u>	<u>4,466,550</u>
Total Appropriations	<u>252,033,000</u>	<u>290,936,983</u>	<u>(38,903,983)</u>	<u>242,132,110</u>
Total Budgetary Income (Loss)	<u>-</u>	<u>11,439,817</u>	<u>11,439,817</u>	<u>6,277,943</u>

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
(A Component Unit of the County of Bergen)  
**SCHEDULE OF REVENUES AND EXPENSES COMPARED TO BUDGET**  
**HOSPITAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**BUDGETARY BASIS**

(With Comparative Amounts for the Year Ended December 31, 2022)

	2023	2023	Variance	2022
	<u>Budget</u>	<u>Actual</u>	<u>Excess</u> <u>(Deficit)</u>	<u>Actual</u>
Total Budgetary Income (Loss) - Brought forward		11,439,817		6,277,943
<b>Reconciliation of Budgetary Income (Loss)</b>				
<b>To Change in Net Position (GAAP)</b>				
<b>Increases to Budgetary Income (Loss):</b>				
Accrued Interest Payable (Net)		1,270,555		774,956
Bond Principal Payment		1,420,000		
Amortization of Premiums		343,275		114,425
<b>Decreases to Budgetary Income (Loss):</b>				
Net Position Appropriated		(2,400,000)		(2,400,000)
Accrued Interest Payable (Net)		(1,465,187)		(1,270,555)
Debt Issuance Costs		(1,586)		(480,284)
Depreciation/Amortization of Improvements		<u>(5,883,271)</u>		<u>(5,466,947)</u>
Change in Net Position - GAAP		<u>4,723,603</u>		<u>(2,450,462)</u>





**BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)  
HOSPITAL FUND  
SCHEDULE OF EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Total</u>	<u>Authority Hospital Fund Expenses</u>	<u>County Expenses</u>
<u>Administration:</u>			
Salary and Wages	\$ 369,228	\$ 369,228	\$ -
Other Expenses:			
Fringe Benefits	209,284	209,284	
Office Expenses	6,843	6,843	
Medicaid Repayment	443,321	443,321	
Total Administrative Expenses	<u>1,028,676</u>	<u>1,028,676</u>	<u>-</u>
<u>Cost of Providing Services:</u>			
Other Expenses:			
Professional Fees	326,500	326,500	
Health Benefits for Retirees	43,957		43,957
Interlocal Agreement with Bergen County-			
Lease of Hospital Assets	748,656	748,656	
Contract-Management of Hospital Operations	280,036,595	280,036,595	
State of New Jersey Health Care Subsidy	1,444,800	1,444,800	
Total Cost of Providing Services	<u>282,600,508</u>	<u>282,556,551</u>	<u>43,957</u>
Total Operating Expenses	<u>283,629,184</u>	<u>283,585,227</u>	<u>43,957</u>
<u>Non-Operating Expenses:</u>			
Depreciation/Amortization Expense	5,883,271	5,883,271	
Interest on Bonds and Notes	3,487,799	3,487,799	
Total Non-Operating Expenses	<u>9,371,070</u>	<u>9,371,070</u>	<u>-</u>
	\$ <u>293,000,254</u>	\$ <u>292,956,297</u>	\$ <u>43,957</u>



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S 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**

Honorable Chairperson and Commissioners  
Bergen County Improvement Authority  
327 E. Ridgewood Avenue, 3<sup>rd</sup> Floor  
Paramus, NJ 07652

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Bergen County Improvement Authority, as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 3, 2024.

***Internal Control Over Financial Reporting***

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

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in accompanying schedule of findings and responses as item 2023-01 that we consider to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Bergen County Improvement Authority's financial statements are free of 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.

***Management's Response to Findings***

Bergen County Improvement Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

October 3, 2024



**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2023**

**FINDING:**

**2023-01**    **CONDITION:**

The Authority has several cash accounts held by the trustee in its Hospital Project Fund included on the general ledger that had not been updated for 2023 activity.

**CRITERIA:**

Proper internal control requires posting and reconciliation of transactions for all accounts included on the general ledger on a timely basis.

**EFFECT:**

Possible misclassifications or misstatement of account balances.

**CAUSE:**

Transactions affecting some of the trustee held accounts were not posted to the Authority's general ledger.

**RECOMMENDATION:**

That transactions affecting each account reported on the Authority's general ledger be posted on a timely basis.

**VIEWS OF RESPONSIBLE OFFICIALS/CORRECTIVE ACTION:**

Procedures will be implemented to ensure that all transactions are posted on a timely basis and reconciled to the Authority accounts.

**2023-02\***    **CONDITION:**

The Authority has a deficit in its unrestricted net position that has not been included in its subsequent year budget.

**CRITERIA:**

Deficits in unrestricted net assets are required to be included in the subsequent year budget.

**EFFECT:**

Non-compliance with New Jersey statutes.

**CAUSE:**

Due to delays in the issuance of State OPEB financial information, the authority budget was adopted prior to having audited net position information.

**RECOMMENDATION:**

No recommendation is considered necessary.

**VIEWS OF RESPONSIBLE OFFICIALS/CORRECTIVE ACTION:**

The Authority needs to have current net position information in order to properly budget deficits.

**BERGEN COUNTY IMPROVEMENT AUTHORITY**  
**(A Component Unit of the County of Bergen)**

**SCHEDULE OF FINDINGS AND RESPONSES (cont.)**  
**YEAR ENDED DECEMBER 31, 2023**

**2023-03**    **CONDITION:**

Amounts recorded in the Authority's general ledger as financing fees receivable should be investigated for propriety or possible cancellation.

**CRITERIA:**

Accounts receivable should contain only valid amounts.

**EFFECT:**

Possible misstatement of accounts receivable balance.

**CAUSE:**

Financing fee billings and cash receipts are not being reconciled to the general ledger balance on a timely basis.

**RECOMMENDATION:**

That the Authority's financing fees receivable balance be reviewed for propriety and that billings and receipts be reconciled to the general ledger on a timely basis.

**VIEWS OF RESPONSIBLE OFFICIALS/CORRECTIVE ACTION:**

Financing fees receivable will be investigated and procedures will be implemented to ensure proper posting.

**BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)**

**\* \* \* \* \***

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2023**

**BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)**

**GENERAL COMMENTS**

**Contracts and Agreements Required to be Advertised Per N.J.S. 40A:11-3**

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

N.J.S.A. 40A:11-4 states that every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

Effective July 1, 2020, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$44,000.

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

**BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)**

**GENERAL COMMENTS  
(CONTINUED)**

The governing body of the Authority has the responsibility of determining whether the expenditures in any category will exceed the statutory threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Authority Counsel's opinion should be sought before a commitment is made.

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" 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 material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.



**BERGEN COUNTY IMPROVEMENT AUTHORITY  
(A Component Unit of the County of Bergen)**

**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

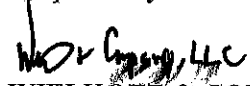
A review was performed on prior year's recommendations and corrective action was taken on all items, except for those marked with an "\*".

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

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

We wish to thank the Bergen County Improvement Authority for their cooperation during the performance of our audit.

Respectfully submitted,



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey