

**BOROUGH OF ELMWOOD PARK**

**Financial Statements with  
Supplementary Information  
December 31, 2019**

**(With Independent Auditor's Reports Thereon)**

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**BOROUGH OF ELMWOOD PARK**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2019**

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# WIELKOTZ & COMPANY <sup>LLC</sup>

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Borough Council  
Borough of Elmwood Park  
County of Bergen, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Elmwood Park in the County of Bergen, as of December 31, 2019 and 2018, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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



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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Elmwood Park on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Elmwood Park as of December 31, 2019 and 2018, or changes in financial position for the years then ended.

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

As described in Note 12 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer rescue personnel. The amount reflected in the trust fund statements of \$566,029 and \$537,856 for 2019 and 2018, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

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

In our opinion, except for the effect of the matters described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheet and account group as of December 31, 2019 and 2018, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Elmwood Park’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

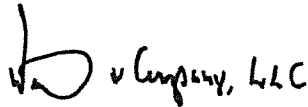
In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2020 on our consideration of the Borough of Elmwood Park’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

The Honorable Mayor and  
Members of the Borough Council  
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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 Borough of Elmwood Park's internal control over financial reporting and compliance.



Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CROO413



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

June 19, 2020

**BOROUGH OF ELMWOOD PARK, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2019 and 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 11,851,364	10,188,890
Change Fund	A-5	200	850
Petty Cash	A-6	<u>                    </u>	<u>1,000</u>
		<u>11,851,564</u>	<u>10,190,740</u>
Receivables and Other Assets with Full Reserves:			
Municipal Liens Receivable	A-10		581,442
Delinquent Taxes Receivable	A-11	593,449	593,231
Property Acquired for Taxes - Assessed Valuation	A-12	23,450	23,450
Revenue Accounts Receivable	A-13	58,516	39,765
Interfund Accounts Receivable	A-14	<u>37,619</u>	<u>33,506</u>
		<u>713,034</u>	<u>1,271,394</u>
		<u>12,564,598</u>	<u>11,462,134</u>
Federal and State Grant Fund:			
Due from Current Fund	A-9	261,249	219,569
Grants Receivable	A-8	<u>21,105</u>	<u>21,105</u>
		<u>282,354</u>	<u>240,674</u>
		<u>\$ 12,846,952</u>	<u>11,702,808</u>

**BOROUGH OF ELMWOOD PARK, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2019 and 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	\$ 1,160,294	1,930,829
Encumbrances Payable	A-3/A-16	661,164	
Due to Federal and State Grant Fund	A-9	261,249	219,569
Reserve for Other Expenditures	A-17	1,492,224	1,492,224
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	73,645	70,865
Tax Overpayments	A-18	9,311	58,197
Marriage License Fees Payable	A-20	1,050	
Prepaid Taxes	A-22	471,998	260,812
Due to LOSAP - Plan Assets	A-23	102,752	102,752
		4,233,687	4,135,248
Reserve for Receivables	Contra	713,034	1,271,394
Fund Balance	A-1	7,617,877	6,055,491
		12,564,598	11,462,133
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	209,588	172,187
Encumbrances Payable	A-24	10,780	
Unappropriated Reserve for Grants	A-25	61,986	68,487
		282,354	240,674
		\$ 12,846,952	11,702,807

See accompanying notes to financial statements.

## BOROUGH OF ELMWOOD PARK, N.J.

Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis

## Current Fund

## Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues and Other Income:		
Fund Balance Utilized	3,575,000	3,575,000
Miscellaneous Revenue Anticipated	4,985,848	5,533,698
Receipts from Delinquent Taxes	1,178,227	581,965
Receipts from Current Taxes	60,737,278	60,009,331
Non-Budget Revenue	664,715	639,288
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,259,452	1,028,968
Interfunds Returned	26,189	5,882
Other Liabilities Cancelled	31,766	14,270
	<hr/>	<hr/>
Total Revenues and Other Income	72,458,475	71,388,402
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	10,262,400	9,806,652
Other Expenses	11,112,508	12,551,314
Capital Improvement Fund	100,000	100,000
Municipal Debt Service	1,186,792	1,835,863
Deferred Charges and Statutory Expenditures -		
Municipal	2,422,995	2,190,944
Local District School Tax	36,532,245	35,896,232
County Taxes Including Added Taxes	5,661,118	5,663,699
Tax Appeal Refunds	42,781	
Refunds	250	1,499
State Disallowed Senior & Vet Deductions		
Interfunds Advanced		2,636
	<hr/>	<hr/>
Total Expenditures	67,321,089	68,048,839
Excess (Deficit) Revenue Over Expenditures	<hr/>	<hr/>
	5,137,386	3,339,563
Fund Balance, January 1,	<hr/>	<hr/>
	6,055,491	6,290,928
	<hr/>	<hr/>
	11,192,877	9,630,491

**BOROUGH OF ELMWOOD PARK, N.J.**  
**Comparative Statement of Operations and Changes in**  
**Fund Balance - Regulatory Basis**

**Current Fund**

**Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>3,575,000</u>	<u>3,575,000</u>
Fund Balance, December 31,	<u>\$ 7,617,877</u>	<u>6,055,491</u>

See accompanying notes to the financial statements.



## BOROUGH OF ELMWOOD PARK, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 3,575,000	3,575,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	22,000	22,750	750
Other	8,100	15,730	7,630
Fees and Permits	75,000	129,136	54,136
Fines and Costs:			
Municipal Court	584,000	734,542	150,542
Interest and Costs on Taxes	110,000	143,720	33,720
Interest on Investments and Deposits	150,000	176,598	26,598
Recreation Program Fees			
Energy Receipts Tax	1,335,917	1,335,917	
Consolidated Municipal Property Tax Relief Aid	125,987	125,987	
Board of Education - School Resource Officers	70,000	54,075	(15,925)
Uniform Construction Code Fees	330,000	383,282	53,282
Uniform Fire Safety Act	56,000	74,957	18,957
Reserve for Payment of Debt Services	204,522	204,522	
Trunk Sewer Revenue	667,225	659,332	(7,893)
Utility Operating Surplus	515,000	515,000	
Capital Fund Balance	250,000	250,000	
Safe and Secure Communities Program	60,000	60,000	
BCUA Grant	3,000	3,000	
Clean Communities	66,936	35,303	(31,633)
Body Armor Fund - Reserve	4,595	4,595	
Recycling Tonnage Grant	24,017	24,017	
Historic Grant	1,000	1,000	
Alcohol Education and Rehabilitation	1,366	1,366	
Drunk Driving Enforcement Fund	31,019	31,019	
Total Miscellaneous Revenues	4,695,684	4,985,848	290,164
Receipts from Delinquent Taxes	585,000	1,178,227	593,227
Subtotal General Revenues	8,855,684	9,739,075	883,391
Amount to be raised by taxes for support of municipal purposes	19,080,176	20,743,915	1,663,739
Budget Totals	27,935,860	30,482,990	2,547,130
Non-Budget Revenue		664,715	664,715
	\$ 27,935,860	31,147,705	3,211,845

## BOROUGH OF ELMWOOD PARK, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Analysis of Realized Revenues</u>			
Revenue from Current Tax Collections		\$ 60,737,278	
Allocated to:			
Local District School Tax	36,532,245		
County Taxes	<u>5,661,118</u>		
		<u>42,193,363</u>	
Balance for Support of Municipal Budget Appropriations		18,543,915	
Add : Appropriation - Reserve for Uncollected Taxes		<u>2,200,000</u>	
Amount for Support of Municipal Budget Appropriations		<u>\$ 20,743,915</u>	
Receipts from Delinquent Taxes:			
Delinquent Taxes		\$ 818,227	
Tax Title Liens		<u>360,000</u>	
		<u><u>1,178,227</u></u>	
<u>Analysis of Non-budget Revenues</u>			
Verizon Franchise Fees	\$ 158,246		
Cable Franchise Fees	96,366		
Hotel Franchise Tax	95,152		
Police Outside Duty Admin Fees	249,072		
MMA Signal	3,600		
Stale Checks	3,775		
PVSC Rebate	612		
Unclassified	1,749		
Polling	600		
JIF Marcal	29,218		
Property Damage 2018	2,500		
Stale Checks	4,901		
JIF Award	1,000		
Pension Refund	1,731		
MV Fines	8,073		
Miscellaneous	<u>8,120</u>		
		<u>\$ 664,715</u>	

See accompanying notes to the financial statements.

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 200,000	175,000	166,020	8,980	
Other Expenses	120,000	120,000	90,071	29,929	
Grant Consultant	36,000	36,000	36,000		
Mayor and Council:					
Salaries and Wages	36,000	36,000	34,769	1,231	
Financial Administration:					
Salaries and Wages	255,000	285,000	266,820	18,180	
Other Expenses	91,200	141,200	107,325	33,875	
Other Expenses - ADS Payroll	55,000	55,000	39,103	15,897	
Audit Services	60,000	60,000	52,950	7,050	
Collection of Taxes:					
Salaries and Wages	209,000	239,000	223,899	15,101	
Other Expenses	35,000	35,000	17,454	17,546	
Postage	35,000	45,000	32,938	12,062	
Assessment of Taxes:					
Salaries and Wages	92,000	97,000	90,240	6,760	
Other Expenses	27,000	27,000	17,615	9,385	
Legal Services and Cost:					
Salaries and Wages	85,000	85,000	81,552	3,448	
Other Expenses	175,000	150,000	120,868	29,132	
Engineering Services and Costs:					
Other Expenses	30,000	30,000	11,101	18,899	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Salaries and Wages	9,000	11,000	8,939	2,061	
Other Expenses	5,000	6,000	5,665	335	
Zoning Board					
Salaries and Wages	10,000	10,000	7,025	2,975	
Other Expenses	12,000	7,000	4,661	2,339	
Council on Affordable Housing					
Other Expenses	45,000	25,000	21,500	3,500	
Insurance:					
General Liability	414,347	464,347	376,106	88,241	
Workers Compensation	408,000	408,000	407,937	63	
Employee Group Health	2,940,000	2,390,000	2,283,555	106,445	
Employee Group Health - Waiver	10,000	10,000	4,145	5,855	
Public Safety:					
Police:					
Salaries and Wages - Regular	6,094,000	6,057,000	5,837,633	219,367	
Salaries and Wages - Crossing Guards	120,000	120,000	105,942	14,058	
Salaries and Wages - Other Police Person	120,000	310,000	300,830	9,170	
Other Expenses - Regular/Specials	375,000	470,000	445,751	24,249	
Purchase of Police Vehicles	30,000	30,000	30,000		
Police Dispatch/911:					
Salaries and Wages	185,000	210,000	204,915	5,085	
Emergency Management:					
Salaries and Wages					
Other Expenses	10,710	10,710	4,851	5,859	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
First Aid Organization - Contribution:					
Contribution	50,000	50,000	50,000		
Ambulance Stipend	26,000	26,000	25,690	310	
Fire Department					
Stipend Program	100,000	100,000	95,736	4,264	
Other Expenses - Miscellaneous	150,000	150,000	113,757	36,243	
Other Expenses - Clothing Allowance	58,000	58,000	49,860	8,140	
Other Expenses - Rental of Firehouse	56,100	56,100	56,100		
Uniform Fire Safety Act (Ch. 383, PL 1983)					
Salaries and Wages - Fire Official	70,000	79,500	79,500		
Other Expenses	7,959	9,959	8,981	978	
Municipal Prosecutor:					
Salaries and Wages	25,800	25,800	20,518	5,282	
Municipal Court					
Salaries and Wages	200,000	200,000	193,874	6,126	
Other Expenses	25,000	25,000	17,885	7,115	
Public Defender:					
Salaries and Wages	19,000	19,000	11,227	7,773	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	995,000	1,145,000	1,118,002	26,998	
Other Expenses	410,000	410,000	392,247	17,753	
Other Public Works Functions					
Other Expenses - Traffic Lights	50,000	33,000	22,386	10,614	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Shade Tree					
Other Expenses	6,000	16,000	14,150	1,850	
Solid Waste Collection					
Salaries and Wages	90,000	90,000	70,759	19,241	
Other Expenses - Recycling	260,000	240,000	237,687	2,313	
Other Expenses - Solid Waste/Tipping	1,200,000	1,200,000	1,181,619	18,381	
Rent Leveling					
Salaries and Wages	1,600	1,600	1,307	293	
Other Expenses	350	350		350	
Vehicle Maintenance:					
Other Expenses	85,000	85,000	79,779	5,221	
Health and Welfare:					
Public Health Services:					
Salaries and Wages	18,000	18,000	10,879	7,121	
Other Expenses	16,500	16,500	7,176	9,324	
Veterans Service Bureau					
Other Expenses	4,200	4,200		4,200	
Parks and Recreation:					
Recreation Services and Programs:					
Salaries and Wages	390,000	420,000	420,000		
Other Expenses	125,000	165,000	154,423	10,577	
Maintenance of Parks:					
Other Expenses	30,500	30,500	17,401	13,099	
Celebration of Public Events:					
Other Expenses	50,000	50,000	46,248	3,752	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	Budget after Modification and <u>Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Senior Citizen's:					
Other Expenses	28,000	28,000	20,914	7,086	
Utility Expenses and Bulk Purchases					
Electric and Gas	250,000	205,000	195,951	9,049	
Street Lighting	300,000	300,000	299,090	910	
Telephone	70,000	70,000	65,208	4,792	
Gasoline	150,000	130,000	130,000		
Marcal Fire					
Salaries and Wages	160,000	160,000	159,632	368	
Other Expenses	115,000	115,000	90,091	24,909	
Ransomware Emergency					
Other Expenses - Computer Hack	75,000	75,000	27,230	47,770	
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	245,000	262,500	262,500		
Other Expenses	39,880	39,880	36,386	3,494	
Total Operations within "CAPS"	<u>18,282,146.00</u>	<u>18,265,146.00</u>	<u>17,222,373.00</u>	<u>1,042,773.00</u>	
B. Contingent	10,000	10,000	10,000		
Total Operations Including Contingent-within "CAPS"	<u>18,292,146</u>	<u>18,275,146</u>	<u>17,232,373</u>	<u>1,042,773</u>	
Detail:					
Salaries & Wages	9,765,400	10,192,400	9,802,353	390,047	
Other Expenses (Including Contingent)	8,526,746	8,082,746	7,430,020	652,726	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	449,937	464,937	459,524	5,413	
Social Security System (O.A.S.I.)	440,000	440,000	424,091	15,909	
Police and Firemen's Retirement System of NJ	1,518,058	1,518,058	1,517,290	768	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>2,407,995</u>	<u>2,422,995</u>	<u>2,400,905</u>	<u>22,090</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>20,700,141</u>	<u>20,698,141</u>	<u>19,633,278</u>	<u>1,064,863</u>	
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	767,000	767,000	767,000		
Recycling Tax	33,000	33,000	32,993	7	
Sewerage Processing and Disposal Passaic Valley Sewer Commission Operating and Maintenance Costs	1,860,804	1,860,804	1,860,803	1	
Total Other Operations - Excluded from "CAPS"	<u>2,660,804</u>	<u>2,660,804</u>	<u>2,660,796</u>	<u>8</u>	



TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Interlocal Municipal Service Agreements:					
Elmwood Park BOE - School Resource Officers	70,000	70,000	7,473	62,527	
County of Bergen - Public Health Officer and Animal Control	97,760	97,760	97,757	3	
Borough of Fair Lawn - Construction Code Services	58,265	58,265	57,005	1,260	
<b>Total Interlocal Municipal Service Agreements</b>	<b>226,025</b>	<b>226,025</b>	<b>162,235</b>	<b>63,790</b>	
Public and Private Programs Offset by Revenues					
Safe and Secure Communities Act - Police					
State Share	60,000	60,000	60,000		
Local Share	21,000	21,000	21,000		
BCUA Grant	3,000	3,000	3,000		
Recycling Tonnage Grant	24,017	24,017	24,017		
Body Armor Replacement Fund	4,595	4,595	4,595		
Alcohol Rehabilitation	1,366	1,366	1,366		
Bergen County Historical Restoration Grant	1,000	1,000	1,000		
Drunk Driving Enforcement	31,019	31,019	31,019		
Clean Communities Grant (N.J.S.A. 13:1e-99.2)	66,936	66,936	35,303	31,633	
<b>Total Public and Private Programs Offset by Revenues</b>	<b>212,933</b>	<b>212,933</b>	<b>181,300</b>	<b>31,633</b>	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Operations-Excluded from "CAPS"	3,099,762	3,099,762	3,004,331	95,431	
Detail:					
Salaries and Wages	70,000	70,000	7,473	62,527	
Other Expenses	3,029,762	3,029,762	2,996,858	32,904	
Capital Improvements - Excluded from "CAPS"	100,000	100,000	100,000		
Capital Improvement Fund	100,000	100,000	100,000		
Total Capital Improvements Excluded from "CAPS"	100,000	100,000	100,000		
Municipal Debt Service - Excluded from "CAPS"	700,000	700,000	700,000		
Payment of Bond Principal	647,963	647,963			647,963
Payment of BANs and Capital Notes	127,994	127,994	127,994		
Interest on Bonds	105,000	105,000	101,803		3,197
Interest on Notes					
New Jersey EIT Loans:					
Principal and Interest	255,000	257,000	256,995		5
Total Municipal Debt Service-Excluded from "CAPS"	1,835,957	1,837,957	1,186,792		651,165

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,035,719	5,037,719	4,291,123	95,431	651,165
Subtotal General Appropriations	25,735,860	25,735,860	23,924,401	1,160,294	651,165
Reserve for Uncollected Taxes	2,200,000	2,200,000	2,200,000		
Total General Appropriations	\$ 27,935,860	\$ 27,935,860	\$ 26,124,401	\$ 1,160,294	\$ 651,165

Appropriation by 40:A4-87 \$ 62,061  
 Adopted Budget 27,873,799

\$ 27,935,860

Reserve for Uncollected Taxes \$ 2,200,000  
 Federal and State Grants 160,300  
 Encumbrances 661,164  
 Cash 23,102,937

\$ 26,124,401

See accompanying notes to the financial statements.

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,035,719	5,037,719	4,291,123	95,431	651,165
Subtotal General Appropriations	25,735,860	25,735,860	23,924,401	1,160,294	651,165
Reserve for Uncollected Taxes	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>		
Total General Appropriations	\$ <u>27,935,860</u>	<u>27,935,860</u>	<u>26,124,401</u>	<u>1,160,294</u>	<u>651,165</u>
Appropriation by 40:A4-87 \$ 62,061					
Adopted Budget	<u>27,873,799</u>				
	\$ <u>27,935,860</u>				

Reserve for Uncollected Taxes \$	2,200,000
Federal and State Grants	160,300
Encumbrances	661,164
Due from Other Trust Fund	2,149
Cash	<u>23,100,788</u>
	\$ <u>26,124,401</u>

See accompanying notes to the financial statements.

**BOROUGH OF ELMWOOD PARK**

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31, 2019 and 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Animal Trust Fund:			
Cash	B-1	\$ <u>35,254</u>	<u>35,773</u>
		<u>35,254</u>	<u>35,773</u>
Other Trust Funds:			
Cash	B-1	<u>1,958,741</u>	<u>2,258,680</u>
Unemployment Compensation Insurance Trust Fund:			
Cash	B-1	<u>181,162</u>	<u>177,773</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Cash in Plan	B-1	472,845	444,672
Contribution Receivable	B-9		
Plan Assets Receivable	B-9	<u>93,184</u>	<u>93,184</u>
		<u>566,029</u>	<u>537,856</u>
		<u>\$ 2,741,186</u>	<u>3,010,082</u>

**BOROUGH OF ELMWOOD PARK**

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31, 2019 and 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Trust Fund:			
Interfund - Current Fund	B-2	\$ 15,383	8,349
Pre-Paid Licenses	B-3	2,323	1,082
Due to State of New Jersey	B-4	407	22
Reserve for Animal Trust Fund Expenditures	B-5	<u>17,141</u>	<u>26,320</u>
		<u>35,254</u>	<u>35,773</u>
Other Trust Fund:			
Interfund - Current Fund	B-2	13,651	17,357
Reserve for Various Deposits	B-8	<u>1,945,090</u>	<u>2,241,323</u>
		<u>1,958,741</u>	<u>2,258,680</u>
Unemployment Compensation Insurance Trust Fund:			
Reserve for Expenditures	B-6	180,965	177,773
Due to State of New Jersey	B-7	<u>197</u>	<u></u>
		<u>181,162</u>	<u>177,773</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Net Assets Available for Benefits	B-10	<u>566,029</u>	<u>537,856</u>
		<u>\$ 2,741,186</u>	<u>3,187,855</u>

See accompanying notes to financial statements.

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2019 and 2018

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Cash	C-2/C-3	\$ 617,244	2,263,465
Grants Receivable:			
State Department of Transportation	C-7	67,240	155,500
Community Development Block Grant	C-8	459,351	274,351
Bergen County Open Space Grant	C-9	327,100	289,358
Infrastructure Loan Receivable	C-10	17,514	17,514
Due from Elmwood Park Board of Education	C-11	123,538	123,538
Deferred Charges to Future Taxation:			
Funded	C-5	13,006,410	6,955,335
Unfunded	C-6	5,116,759	8,585,019
		<u>\$ 19,735,156</u>	<u>18,664,080</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-13	\$ 11,220,000	4,970,000
Bond Anticipation Notes Payable	C-14		5,833,500
NJ Infrastructure Trust Loan Payable	C-18	950,000	1,044,000
NJ Infrastructure Fund Loan Payable	C-19	836,410	941,335
Contracts Payable	C-20	3,395,921	1,760,685
Interfunds Payable:	C-4	89	1,396
Reserve for Grants Receivable	C-21	526,591	472,184
Improvement Authorizations:			
Funded	C-15	827,319	856,717
Unfunded	C-15	1,254,753	1,565,059
Reserve for Payment of Debt Service	C-16	1	204,523
Capital Improvement Fund	C-17	155,404	235,404
Fund Balance	C-1	568,668	779,277
		<u>\$ 19,735,156</u>	<u>18,664,080</u>

There were \$5,116,759 and \$2,751,519 of Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018 respectively (Exhibit C-22).

See accompanying notes to the financial statements.

**BOROUGH OF ELMWOOD PARK**

**Comparative Statement of Changes in Fund Balance - Regulatory Basis**

**General Capital Fund**

**For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Balance - December 31,	\$ 779,277	779,277
Increased By:		
Premium on Bond Sale	<u>39,391</u>	<u>          </u>
	818,668	
Decreased By:		
Budget Revenue - Due to Current Fund	<u>250,000</u>	<u>          </u>
Balance - December 31,	<u>\$ 568,668</u>	<u>779,277</u>

See accompanying notes to the financial statements.



## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31, 2019 and 2018

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ 5,888,770	5,494,420
Interfunds Receivable	D-7	<u>207</u>	<u>529</u>
		<u>5,888,977</u>	<u>5,494,949</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-8	135,866	81,845
Inventory - Materials and Supplies	D-9	<u>500</u>	<u>500</u>
		<u>136,366</u>	<u>82,345</u>
Total Water Utility Operating Fund		<u>6,025,343</u>	<u>5,577,294</u>
Capital Fund:			
Cash - Treasurer	D-5,D-6	996,029	858,664
Fixed Capital	D-10	8,652,408	8,652,408
Fixed Capital Authorized and Uncompleted	D-11	<u>4,545,000</u>	<u>3,370,000</u>
Total Capital Fund		<u>14,193,437</u>	<u>12,881,072</u>
		<u>\$ 20,218,780</u>	<u>18,458,366</u>

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-12	\$ 197,226	720,344
Reserve for Encumbrances	D-21	184,729	13,721
Accrued Interest on Loans	D-13	15,928	22,211
		<u>397,883</u>	<u>756,276</u>
Reserve for Receivables	Contra	135,866	81,845
Reserve for Inventory	Contra	500	500
Fund Balance	D-1	5,491,094	4,738,673
		<u>6,025,343</u>	<u>5,577,294</u>
Total Water Utility Operating Fund			
Capital Fund:			
Due to Water Utility Operating Fund	D-7	207	529
Infrastructure Loans Payable	D-18	1,744,547	1,994,669
Improvement authorization:			
Funded	D-16	179,692	168,584
Unfunded	D-16	414,691	390,718
Capital Improvement Fund	D-15	1,018,000	718,000
Reserve for:			
Payment of Debt Service	D-17	205,269	335,000
Amortization	D-14	6,725,368	6,345,515
Deferred Reserve for Amortization	D-20	2,684,000	2,684,000
Contracts Payable	D-22	1,087,585	109,979
Downpayments on Improvements	D-19	9,000	9,000
Fund Balance	D-2	125,078	125,078
		<u>14,193,437</u>	<u>12,881,072</u>
Total Capital Fund			
		<u>\$ 20,218,780</u>	<u>18,458,366</u>

There were \$2,043,493 and \$998,224 of Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018 respectively (Exhibit D-23).

See accompanying notes to financial statements.

## BOROUGH OF ELMWOOD PARK

Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis

## Water Utility Operating Fund

For the Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenue and other income:		
Water Rents	\$ 3,883,005	3,796,622
Miscellaneous Revenue	98,150	94,027
Liabilities Cancelled	6,283	2,166
Unexpended Balance Appropriation Reserve	<u>423,536</u>	<u>340,202</u>
Total revenue and other income	<u>4,410,974</u>	<u>4,233,017</u>
Expenditures:		
Operating	2,497,000	2,497,000
Capital improvements	300,000	300,000
Debt Service	296,553	299,046
Deferred Charges and Statutory Expenditures	<u>50,000</u>	<u>50,000</u>
Total expenditures	<u>3,143,553</u>	<u>3,146,046</u>
Excess(Deficit) in revenues	1,267,421	1,086,971
Statutory Excess to Surplus	1,267,421	1,086,971
Fund Balance, January 1	<u>4,738,673</u>	<u>4,016,702</u>
	6,006,094	5,103,673
Decreased by:		
Utilized as Current Budgeted Revenue	<u>515,000</u>	<u>365,000</u>
Balance, December 31	<u>\$ 5,491,094</u>	<u>4,738,673</u>

See accompanying notes to financial statements.

**BOROUGH OF ELMWOOD PARK**  
**Comparative Statement of Fund Balance - Regulatory Basis**  
**Water Utility Capital Fund**  
**For the Years ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Balance - December 31, 2018	\$ 125,078	335,078
Increased by:		
Appropriated to Finance Improvement Authorizations	_____	210,000
Balance - December 31, 2019	\$ 125,078	125,078

See accompanying notes to financial statements.

**BOROUGH OF ELMWOOD PARK**

**Statement of Revenues - Regulatory Basis**

**Water Utility Operating Fund**

**Year ended December 31, 2019**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Water Rents	\$ 3,154,600	3,883,005	728,405
Miscellaneous		<u>98,150</u>	<u>98,150</u>
	<u>\$ 3,154,600</u>	<u>3,981,155</u>	<u>826,555</u>

Analysis of Realized Revenue

	Rents \$	<u>3,883,005</u>
		95,084
	Due from Water Capital Fund - Interest on Investments	<u>3,066</u>
	\$	<u>98,150</u>

See accompanying notes to financial statements.

**BOROUGH OF ELMWOOD PARK**

**Statement of Expenditures - Regulatory Basis**

**Water Utility Operating Fund**

**Year ended December 31, 2019**

	<u>Appropriations</u>				
	<u>Budget</u>	Budget after modifi- cation	<u>Paid or charged</u>	<u>Reserved</u>	<u>Canceled</u>
Operating:					
Salaries and Wages	\$ 497,000	397,000	329,864	67,136	
Other Expenses	<u>2,000,000</u>	<u>2,100,000</u>	<u>2,005,061</u>	<u>94,939</u>	
Total Operating	<u>2,497,000</u>	<u>2,497,000</u>	<u>2,334,925</u>	<u>162,075</u>	
Capital Improvements:					
Capital Improvement Fund	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>		
Total Capital Improvements	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>		
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures - Contribution to:					
Social Security System (O.A.S.I.)	<u>50,000</u>	<u>50,000</u>	<u>14,849</u>	<u>35,151</u>	
Total Deferred Charges and Statutory Expenditures	<u>50,000</u>	<u>50,000</u>	<u>14,849</u>	<u>35,151</u>	
Debt Service:					
Environmental Infrastructure Principal and Interest	<u>307,600</u>	<u>307,600</u>	<u>296,553</u>		<u>11,047</u>
Total Debt Service	<u>307,600</u>	<u>307,600</u>	<u>296,553</u>		<u>11,047</u>
	<u>\$ 3,154,600</u>	<u>3,154,600</u>	<u>2,946,327</u>	<u>197,226</u>	<u>11,047</u>
Adopted Budget		<u>3,154,600</u>			
		<u>\$ 3,154,600</u>			

Cash Disbursed	\$ 2,715,167
Reserve for Encumbrances	184,729
Accrued Interest on Loans	<u>46,431</u>
	<u>\$ 2,946,327</u>

See accompanying notes to financial statements.

**BOROUGH OF ELMWOOD PARK**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>General Fixed Assets:</u>		
Land	\$ 13,664,400	13,664,400
Land Improvements	653,295	613,636
Buildings	7,005,815	7,003,757
Machinery and Equipment	<u>11,344,448</u>	<u>10,731,774</u>
	<u>\$ 32,667,958</u>	<u>32,013,567</u>
Investment in Fixed Assets	<u>\$ 32,667,958</u>	<u>32,013,567</u>

See accompanying notes to financial statements.

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**BOROUGH OF ELMWOOD PARK**

**Comparative Balance Sheet-Regulatory Basis**

**Payroll Account**

**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Cash - Net Payroll	\$ 10,496	8,074
Cash - Payroll Deductions and Withholdings	<u>451</u>	<u>          </u>
	<u>\$ 10,947</u>	<u>8,074</u>
<u>Reserves</u>		
Due to Current Fund - Net Payroll Account	\$ 8,496	6,404
Reserve for Net Payroll	2,000	1,670
Payroll Deductions and Withholdings	<u>451</u>	<u>          </u>
	<u>\$ 10,947</u>	<u>8,074</u>

See accompanying notes to financial statements.

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**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

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

**A. Reporting Entity**

The Borough of Elmwood Park (the "Elmwood Park") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

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

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

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

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

Community Development Block Grant Trust Fund - This fund is used to account for the award of and subsequent receipt and disbursements related to Community Development Block Grants.

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

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

Water Utility Operating Fund - This fund is used to account for all revenues and expenditures applicable to the operations of the water department.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

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

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

Water Utility Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of water capital facilities. The major resources are derived from the issuance of debt.

Payroll Account – This account is used for all net payroll checks distributed to employees.

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

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. Additionally, a 6% penalty is assessed for balances over \$10,000 if not paid by the end of the calendar year. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month of the current calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

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

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

Basis of Accounting, (continued)

collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

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

- General Capital Fund
- Trust Fund
- Water Utility Capital Fund

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

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

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

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

During the years ended December 31, 2019 and 2018, the Governing Body approved additional revenues and appropriations of \$62,061 and \$65,221, respectively, in accordance with N.J.S.A. 40A:4-87. There were no increases to the water utility operating budget in 2019 and 2018. In addition, several budget transfers were approved by the Governing Body in 2019 and 2018.

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

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

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

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

Basis of Accounting, (continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

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

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

Basis of Accounting, (continued)

General Fixed Assets - The Borough of Elmwood Park has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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

Fixed assets acquired by the Water Utility Fund are capitalized as Fixed Capital and not depreciated.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

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

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

Basis of Accounting, (continued)

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

For the year ended December 31, 2019, the Borough adopted GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

**C. Basic Financial Statements**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2019 and 2018, \$-0- of the Borough's bank balance of \$22,237,747 and \$21,320,070, respectively, were exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Borough places no limit on the amount the Borough may invest in any one issuer.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Unaudited Investments**

As more fully described in Note 12, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2019 and 2018 amounted to \$472,845 and \$444,672, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
American Funds Growth	\$18,688	\$25,818
Delaware VIP SMID Cap Core Services	42,609	41,416
Fixed Account	140,816	161,339
LVIP SSGA S&P 500 Index	182,060	211,899
LVIP T. Rowe Price Mid Cap Growth	47,385	
All Others	<u>41,287</u>	<u>4,200</u>
Total	<u>\$472,845</u>	<u>\$444,672</u>

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2019 and 2018 consisted of the following:

	Balance		Balance	Amounts Due
	<u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Dec. 31, 2018</u>	<u>Within</u>
				<u>One Year</u>
<b>Bonds Payable:</b>				
General Obligation Debt	<u>\$4,970,000</u>	<u>\$6,950,000</u>	<u>\$11,220,000</u>	<u>\$1,075,000</u>
Total Bonds Payable	<u>4,970,000</u>	<u>6,950,000</u>	<u>11,220,000</u>	<u>1,075,000</u>
<b>Other Liabilities:</b>				
New Jersey Infrastructure Trust:				
Wastewater Loans - General Capital	1,985,335		1,786,410	205,311
Wastewater Loans - Water Capital	1,994,669		1,744,547	254,622
Compensated Absences Payable	<u>2,674,603</u>		<u>2,400,869</u>	
Total Other Liabilities	<u>6,654,607</u>		<u>5,931,826</u>	<u>459,933</u>
	<u>\$11,624,607</u>	<u>\$6,950,000</u>	<u>\$17,151,826</u>	<u>\$1,534,933</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

	Balance			Balance	Amounts Due
	Dec. 31, 2017	Additions	Reductions	Dec. 31, 2018	Within
					One Year
Bonds Payable:					
General Obligation Debt	<u>\$6,335,000</u>	<u>\$</u>	<u>\$1,365,000</u>	<u>\$4,970,000</u>	<u>\$700,000</u>
Total Bonds Payable	<u>6,335,000</u>	<u></u>	<u>1,365,000</u>	<u>4,970,000</u>	<u>700,000</u>
Other Liabilities:					
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	2,341,421		356,086	1,985,335	198,925
Wastewater Loans - Water Capital	2,329,828		335,159	1,994,669	250,121
Compensated Absences Payable	<u>2,683,623</u>	<u>804,922</u>	<u>813,942</u>	<u>2,674,603</u>	<u></u>
Total Other Liabilities	<u>7,354,872</u>	<u>804,922</u>	<u>1,505,187</u>	<u>6,654,607</u>	<u>449,046</u>
	<u>\$13,689,872</u>	<u>\$804,922</u>	<u>\$2,870,187</u>	<u>\$11,624,607</u>	<u>\$1,149,046</u>

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

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	Year 2019	Year 2018	Year 2017
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$13,006,410	\$12,788,835	\$13,764,421
Authorized but not Issued - General -			
Bonds and Notes	5,116,759	2,751,519	1,363,069
Water Utility - Bonds, Notes and Loans	1,744,547	1,994,669	2,329,828
Authorized but not Issued - Water -			
Bonds and Notes	<u>2,043,493</u>	<u>998,224</u>	<u>686,250</u>
Bonds, Notes and Loans Issued and			
Authorized not Issued	<u>21,911,209</u>	<u>18,533,247</u>	<u>18,143,568</u>
Less Deductions:			
Reserve for Payment of Debt	<u>205,270</u>	<u>539,523</u>	<u>813,159</u>
	<u>205,270</u>	<u>539,523</u>	<u>813,159</u>
Net Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$21,705,939</u>	<u>\$17,993,724</u>	<u>\$17,330,409</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.632% for 2019.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$23,125,000	23,125,000	0
General Debt	18,123,169	1	18,123,168
Water Utility	<u>3,788,040</u>	<u>3,788,040</u>	<u>0</u>
	<u>\$45,036,209</u>	<u>\$26,913,041</u>	<u>\$18,123,168</u>

Net debt of \$18,123,168 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,865,398,171 equals 0.632%.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .688% for 2018.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$24,700,000	\$24,700,000	0
General Debt	15,540,354	204,523	15,335,831
Water Utility	<u>2,992,893</u>	<u>2,992,893</u>	<u>0</u>
	<u>\$43,233,247</u>	<u>\$27,897,416</u>	<u>\$15,335,831</u>

Net debt of \$15,335,831 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,227,856,893 equals .688%.

Borrowing Power Available under N.J.S.A. 40A:2-6 as Amended

	<u>2019</u>	<u>2018</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$100,288,936	\$77,974,991
Net Debt	<u>18,123,168</u>	<u>15,335,831</u>
Remaining Borrowing Power	<u>\$82,165,768</u>	<u>\$62,639,160</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S.A. 40A:2-45

	<u>2019</u>	<u>2018</u>
Cash receipts from fees, rents or other charges for year	\$3,981,155	\$3,890,649
Deductions:		
Operating and Maintenance Cost	2,547,000	2,547,000
Debt Service per Water Account	<u>296,553</u>	<u>299,046</u>
Total Deductions	<u>2,843,553</u>	<u>2,846,046</u>
Excess (Deficit) in Revenue - Self-Liquidating	<u>\$1,137,602</u>	<u>\$1,044,603</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

The Borough's long-term debt consisted of the following at December 31, 2019:

Paid by Current Fund:

<u>General Serial Bonds:</u>	<u>2019</u>	<u>2018</u>
\$6,830,000, 2013 General Improvement Bonds, due in annual installments of \$375,000 to \$720,000 through August 1, 2025 at 2.00% to 3.00%	\$4,270,000	\$4,970,000
\$6,950,000, 2019 General Improvement Bonds, due in annual installments of \$375,000 to \$750,000 through August 15, 2031 at 1.50% to 2.00%	<u>6,950,000</u>	<u>        </u>
Total General Serial Bonds	<u>\$11,220,000</u>	<u>\$4,970,000</u>

Aggregate debt service requirements during the next five years and thereafter are as follows:

<u>Year</u>	<u>General Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$1,075,000	\$247,094	\$1,322,094
2021	1,095,000	225,719	1,320,719
2022	1,125,000	203,125	1,328,125
2023	1,150,000	178,263	1,328,263
2024	1,160,000	149,900	1,309,900
2025-2029	4,115,000	388,100	4,503,100
2030-2031	<u>1,500,000</u>	<u>45,000</u>	<u>1,545,000</u>
	<u>\$11,220,000</u>	<u>\$1,437,201</u>	<u>\$12,657,201</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

General capital, water capital and assessment serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or water utilities revenues and special assessments.

At December 31, 2019 and 2018, the Borough had authorized but not issued debt as follows:

	<u>2019</u>	<u>2018</u>
General Capital Fund	\$5,116,759	\$2,751,519
Water Utility Capital Fund	<u>2,043,493</u>	<u>998,224</u>
	<u>\$7,160,252</u>	<u>\$3,749,743</u>

**NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE**

**General Intergovernmental Loans Payable**

The Borough entered into a loan agreement(s) with the New Jersey Environmental Infrastructure Trust for the financing relating to the sewer main extension and de-icing material storage building. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

<u>General Capital</u>	<u>2019</u>	<u>2018</u>
\$1,885,000, 2007 Trust Loan, due in annual installments of \$70,000 to \$138,000 through August 1, 2027, interest at 3.40%-5.00%	\$950,000	\$1,044,000
\$2,042,471, 2007 Fund Loan, due in annual installments of \$2,121 to \$101,934 through August 1, 2027, no interest	<u>836,410</u>	<u>941,335</u>
	<u>\$1,786,410</u>	<u>\$1,985,335</u>



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE, (continued)**

**Water Utility Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing relating to the water system improvements of the Borough's Water Utility. The Borough pledges revenue from operations to pay debt service on utility intergovernmental loans issued. Utility intergovernmental loans outstanding of the water utility at December 31 are as follows:

<u>Water Utility Capital</u>	<u>2019</u>	<u>2018</u>
\$2,300,814, 2006 Trust Loan, due in annual installments of \$85,000 to \$170,247 through August 1, 2026, interest at 4.00%-5.00%	\$1,037,876	\$1,166,484
\$2,222,699, 2006 Fund Loan, due in annual installments of \$4,868 to \$114,005 through August 1, 2025, no interest	<u>706,671</u>	<u>828,185</u>
	<u>\$1,744,547</u>	<u>\$1,994,669</u>

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST ON OUTSTANDING LOANS**

<u>Year</u>	<u>General Capital Loans</u>			<u>Water Utility Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$205,311	\$47,500	\$252,811	\$254,621	\$38,227	\$292,848
2021	210,568	42,500	253,068	259,019	32,893	291,912
2022	213,925	37,306	251,231	262,997	27,368	290,365
2023	218,120	31,744	249,864	274,740	21,657	296,397
2024	230,001	26,144	256,145	256,966	15,576	272,542
2025-2029	<u>708,485</u>	<u>40,356</u>	<u>748,841</u>	<u>436,204</u>	<u>20,255</u>	<u>456,459</u>
	<u>\$1,786,410</u>	<u>\$225,550</u>	<u>\$2,011,960</u>	<u>\$1,744,547</u>	<u>\$155,976</u>	<u>\$1,900,523</u>

**NOTE 5. BOND ANTICIPATION NOTES**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 5. BOND ANTICIPATION NOTES, (continued)**

On December 31, 2019 and 2018, the Borough had \$-0- and \$5,833,500, respectively, in outstanding General Capital bond anticipation notes. The Borough also had \$-0- and \$-0- of Water Utility Capital Fund bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2019 and 2018:

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
General Capital Notes Payable:				
Spencer Savings Bank	<u>\$5,833,500</u>	\$ _____	<u>\$5,833,500</u>	<u>\$0</u>
	<u>\$5,833,500</u>	<u>\$ _____</u>	<u>\$5,833,500</u>	<u>\$0</u>
	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
General Capital Notes Payable:				
Spencer Savings Bank	<u>\$5,088,000</u>	<u>\$5,833,500</u>	<u>\$5,088,000</u>	<u>\$5,833,500</u>
	<u>\$5,088,000</u>	<u>\$5,833,500</u>	<u>\$5,088,000</u>	<u>\$5,833,500</u>

**NOTE 6. PENSION PLANS**

Description of Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); 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 Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. 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.

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), 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 PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

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

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 or PFRS, 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.

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.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

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 and 8.5% for PFRS, which increased to 10% in October 2011, 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 and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2019	\$448,508	\$1,518,058	\$-0-
2018	394,464	1,362,616	-0-
2017	380,264	1,138,488	-0-

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

**Public Employees Retirement System (PERS)**

At December 31, 2019, the Borough had a liability of \$7,840,840 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough'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, 2019, the Borough's proportion was .0435155376 percent, which was an increase/(decrease) of (.0015752824).percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized pension expense of \$448,508. At December 31, 2019, 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 projected and actual experience	\$140,733	\$34,637
Changes of assumptions	782,937	2,721,531
Net difference between projected and actual earnings on pension plan investments		123,771
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>393,207</u>	<u>452,097</u>
Total	<u>\$1,316,877</u>	<u>\$3,332,036</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) 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 will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$(226,408)
2021	(734,462)
2022	(655,832)
2023	(307,947)
2024	(31,620)

**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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
Borough's Proportion	.0435155376 %	.04509082%

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

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



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. 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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining 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, 2019 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, 2019		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Borough's proportionate share of the pension liability	\$9,918,609	\$7,840,840	\$6,090,025

**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).

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

At December 31, 2019, the Borough had a liability of \$19,945,279 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough'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, 2019, the Borough's proportion was .1629806683 percent, which was an increase of .147453004 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized pension expense of \$1,518,058. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$168,364	\$126,277
Changes of assumptions	683,434	6,446,131
Net difference between projected and actual earnings on pension plan investments		270,252
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>2,260,113</u>	<u>69,832</u>
Total	<u>\$3,111,911</u>	<u>\$6,912,492</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) 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:

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Year ended June 30:	
2020	\$(1,045,643)
2021	(2,194,972)
2022	(1,554,500)
2023	(766,263)
2024	(429,485)

**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 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$1,198,936,924	\$1,988,215,695
Collective deferred inflows of resources	4,874,748,912	4,286,994,294
Collective net pension liability	12,237,818,793	13,531,648,591
Borough's Proportion	.1629806683%	.1552766472%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

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

**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, 2019) 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 PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on 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. 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 non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**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, 2019 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, 2019		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.85%</u>	<u>6.85%</u>	<u>7.85%</u>
Borough's proportionate share of the pension liability	\$28,066,189	\$19,945,279	\$13,244,056

**Special Funding Situation - PFRS**

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

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,149,397 and \$2,854,063, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$365,934 and \$338,059, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$212,204 and \$169,029, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

**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 Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension described in Note 6, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments 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) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) 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.



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provides 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.

**Total OPEB Liability**

At December 31, 2019, the Borough had a liability of \$20,107,517 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2019 the Borough's proportion was .148438000 percent which was an increase/(decrease) of (.007023000) from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized OPEB expense of \$911,677. At December 31, 2019, 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	\$	\$5,880,222
Changes of assumptions		7,125,657
Net difference between projected and actual earnings on OPEB plan investments	16,563	
Changes in proportion	<u>                    </u>	<u>4,105,722</u>
Total	<u>\$16,563</u>	<u>\$17,111,601</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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:	
2020	\$(2,115,541)
2021	(2,115,541)
2022	(2,116,839)
2023	(2,118,938)
2024	(2,120,855)
Thereafter	(2,401,602)

**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 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

**Actual Assumptions and Other Inputs**

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2018. 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.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

\* 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.

**Health Care Trend Assumptions**

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

**Discount Rate**

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. 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.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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

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

	<u>June 30, 2019</u>		
	1%	At Current	1%
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Borough's proportionate share of Net OPEB liability	\$23,249,405	\$20,107,517	\$17,554,318

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

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough'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>June 30, 2019</u>		
	1%	Healthcare Cost	1%
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Borough's proportionate share of Net OPEB liability	\$16,968,266	\$20,107,517	\$24,112,160

**NOTE 8. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2019 and 2018 which has been appropriated as revenue in the 2019 and 2020 budgets is as follows:

	<u>2020</u>	<u>2019</u>
Current Fund	\$3,975,000	\$3,575,000
Water Utility Operating Fund	-0-	-0-

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 9. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2019 and 2018:

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Land	\$13,664,400	\$	\$	\$13,664,400
Land Improvements	613,636	39,659		653,295
Buildings and Improvements	7,003,757	2,058		7,005,815
Machinery and Equipment	<u>10,731,774</u>	<u>612,674</u>		<u>11,344,448</u>
	<u>\$32,013,567</u>	<u>\$654,391</u>	<u>\$</u>	<u>\$32,667,958</u>

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Land	\$12,775,199	\$889,201	\$	\$13,664,400
Land Improvements	744,485	310,228	441,077	613,636
Buildings and Improvements	7,593,282	31,477	621,002	7,003,757
Machinery and Equipment	<u>9,474,171</u>	<u>1,585,753</u>	<u>328,150</u>	<u>10,731,774</u>
	<u>\$30,587,137</u>	<u>\$2,816,659</u>	<u>\$1,390,229</u>	<u>\$32,013,567</u>

**NOTE 10. ACCRUED SICK AND VACATION BENEFITS**

The Borough has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$2,400,869 as of December 31, 2019 and the estimated amount at December 31, 2018 was \$2,674,603. These amounts have not been reported either as an expenditure or liability. The Borough has started a plan to buy back accumulated days on an annual basis.

As of December 31, 2019 and 2018, the Borough has reserved in the Other Trust Fund \$321,761 and \$518,489, respectively, to fund compensated absences in accordance with N.J.S.A. 40A:4-39.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2019 consist of the following:

\$207	Due to the Water Utility Operating Fund from the Water Utility Capital Fund for interest earned on investments.
15,383	Due to the Current Fund from the Animal License Trust Fund for the statutory excess calculation.
89	Due to the Current Fund from the Capital Fund for interest earned on investments.
9,961	Due to the Current Fund from the Escrow Trust Fund for interest earned on developer's deposits due to the Borough.
3,690	Due to the Current Fund from the Other Trust Fund for interest earned on investments and to correct various deposit errors.
8,496	Due to the Current Fund from the Net Payroll account for excess unallocated funds.
<u>261,249</u>	Due to the Federal and State Grant Fund from the current fund for grants received less reimbursement of expenses paid.
<u>\$299,075</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**NOTE 12. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

The Borough of Elmwood Park Length of Service Program (the Plan) was created by a Borough ordinance adopted on August 16, 2001 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Elmwood Park approved the adoption of the Plan at the general election held on November 7, 2000.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 12. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)**

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the First Aid Organization, come from contributions made solely by the Borough of behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-195(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough contributed \$700 and \$700 for 2019 and 2018, respectively, for each eligible volunteer first aid squad member in the Plan. The total Borough contributions were \$-0- and \$3,500 for 2019 and 2018, respectively.

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

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

**Vesting and Benefits**

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 12. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)**

**Reporting Requirements**

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

We have reviewed the plan for the year ended December 31, 2019 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 13. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2019 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Elmwood Park is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance fund is an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The SBJIF and MEL coverage amounts are on file with the Borough.

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



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 13. RISK MANAGEMENT, (continued)**

The fund provides its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Employees</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019	\$14,102	\$10,910	\$180,965
2018	12,210	30,721	177,773
2017	11,579	11,475	196,284

**NOTE 14. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2019</u>	<u>Balance</u> <u>Dec 31, 2018</u>
Prepaid Taxes	<u>\$471,998</u>	<u>\$260,812</u>
Cash Liability for Taxes Collected in Advance	<u>\$471,998</u>	<u>\$260,812</u>

**NOTE 15. CONTINGENT LIABILITIES**

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would be raised by future taxation. The Borough's legal counsel estimate such amounts to be immaterial.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**  
**(continued)**

**NOTE 17. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through June 19, 2020, the date which the financial statements were available to be issued and the following additional item was noted for disclosure:

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Elmwood Park. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes, water billings and cash flow shortages as the result of these delayed collection. The Borough will continue to monitor the situation closely.

**SUPPLEMENTARY DATA**

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**BOROUGH OF ELMWOOD PARK, N.J.**

**Supplementary Data**

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of Bond</u>
Daniel Golabek	Mayor		
Lorraine Pelligrine	Councilwoman		
Dorris Wechtler	Councilwoman		
Angela Fava	Councilwoman		
Denise Ingui	Councilwoman		
Sandra Balistrieri	Councilwoman		
Francesco Fasolo	Councilman		
Michael Foligno	Administrator		
Erin Delaney	Borough Clerk		
Salvatore Ingraffia	Attorney		
Roy Riggiano	Chief Finance Officer/Treasurer/Utility Collector		
Frank Santora	Tax Collector	\$ 1,000,000	(A)
Kevin Esposito	Tax Assessor		
Michael Foligno	Police Chief		
Scott Karcz	Superintendent of Public Works		
Anthony Ambrogio	Construction Official		
James DePadova	Plumbing Sub-Code Official		
Phillip Cheski	Fire Official		
Joe Dymarczyk	Electrical Sub-Code Official		
Anthony Gallina	Magistrate	1,000,000	(A)
Debra Zafonte	Court Administrator	1,000,000	(A)
Stephanie Jacob	Deputy Court Administrator	1,000,000	(A)
Kellie M. Reyes, Esq.	Prosecutor		
Hansel Asmar	Health Officer - County		
Marlene DiStefano	Registrar		

(A) - There is a statutory bond limit in the Municipal Joint Insurance Fund that covers the Treasurer, Tax Collector, Library Treasurer and any assistant or deputy "in title to" these positions Magistrates, Court Administrators, and court clerk up to \$1,000,000 with a member deductible of \$1,000.

**BOROUGH OF ELMWOOD PARK**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax rate	\$ <u>2.951</u>	<u>2.923</u>	<u>2.889</u>
Apportionment of tax rate:			
Municipal *	0.919	0.920	0.908
County	0.272	0.273	0.257
Local school	<u>1.760</u>	<u>1.730</u>	<u>1.724</u>

\* Includes Municipal Library

Assessed valuation

2019	\$ 2,076,266,690
2018	2,075,093,390
2017	2,072,358,499

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2019	\$ 61,507,018	60,737,278	98.75%
2018	60,779,776	60,009,331	98.73%
2017	59,943,124	59,336,553	98.99%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31,</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2019	\$	593,449	593,449	0.96%
2018	581,442	593,231	1,174,673	1.93%
2017	579,115	581,965	1,161,080	1.94%

**BOROUGH OF ELMWOOD PARK**

**Supplementary Data**

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2019 by foreclosure or deed as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2019	\$	23,450
2018		23,450
2017		23,450

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2019	\$	7,617,877	3,975,000
	2018		6,055,491	3,575,000
	2017		6,290,928	3,575,000
	2016		5,589,685	3,575,000
	2015		5,757,609	3,575,000
Water Utility Fund:	2019	\$	5,491,094	
	2018		4,738,673	
	2017		4,016,702	
	2016		3,489,972	
	2015		2,759,107	

Comparison of Water Utility Levies

<u>Year</u>		<u>Water Levy</u>	<u>Cash collection</u>
2019	\$	3,937,026	3,883,005
2018		3,110,013	3,796,622
2017		4,369,139	3,721,726
2016		3,591,060	3,470,019
2015		2,856,763	2,709,458

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**BOROUGH OF ELMWOOD PARK**

**Schedule of Expenditures of Federal Awards**

Year ended December 31, 2019

Federal Grantor General Capital Fund:	Federal Program	Federal CFDA Number	Federal FAIN Number	Grant Year	Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures
(1) Department of Housing and Urban Development	Community Development Block Grant Ord. 2019-23: Resurfacing of Portions of Miller & Summit Ave., 1st, 2nd, & 3rd Streets	14.218		2019	185,000 \$		185,000	*
	Ord. 2018-05: Resurfacing of Franklin, Orchard and Lee Ord. 2015-17			2018 2015	124,351 150,000			* * 124,351 116,366
<b>Total Federal Financial Assistance - General Capital Fund</b>								*
<b>Federal and State Grant Fund:</b>								*
(2) U.S. Department of Transportation National Highway Traffic Safety Administration	Distracted Driving Pedestrian Safety - Non-Motorized Safety Program Safety Restraints Program - Click it or Ticket	20.616 20.616 20.600		2019 2019 2019	5,500 13,640 5,253	5,500 13,640 5,253	5,500 13,640 4,873	* * * 5,500 13,640 4,873
<b>Total Federal Financial Assistance - Federal and State Grant Fund</b>								*
<b>Trust Funds:</b>								*
U.S. Department of the Treasury U.S. Department of Justice	Equitable Sharing Program Equitable Sharing Program	21.000 16.922		2018 2018			2,260	* * 22,403
<b>Total Federal Financial Assistance - Trust Funds</b>								*
						\$ 24,393	24,013	*
							2,260	*
							2,260	*
						\$ 24,393	211,273	*

(1) Passed through the County of Bergen  
(2) Passed through the State of New Jersey

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance.

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**BOROUGH OF ELMWOOD PARK**

**Schedule of Expenditures of State Awards**

Year ended December 31, 2019

<u>State funding department</u>	<u>State program</u>	<u>Grant number</u>	<u>Grant year</u>	<u>Allocation or grant award amount</u>	<u>Revenue Realized/ Receipts</u>	<u>Expended</u>	<u>MEMO Cumulative Total Expenditures</u>	
<u>Federal and State Grant Fund:</u> Department of Environmental Protection Agency	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	2019	24,017 \$	24,017		*	
			2018	17,439		9,651	*	
			2017	27,244	6,826	18,426	*	
Clean Communities	4900-765-042-4900-004-V42Y	2019	35,303	35,303		*		
		2018	31,633		23,465	*		
		2017	33,055			23,465	*	
		2016	38,908	59,320	30,291	27,801	*	
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2019	1,366	1,366		*	
			2018	2,636				*
			2017	3,303				*
			2016	12,278				*
			2014					*
2009				1,366		*		
Department of Law and Public Safety	Division of Criminal Justice Safe and Secure Grant	19-0211	2019	60,000	60,000		*	
			2018	60,000	60,000	60,000	60,000	*
Drunk Driving Enforcement Fund	6400-100-078-6400		2018	6,627			*	
			2018	19,952			9,960	*
Division of Criminal Justice Body Armor Fund	1020-718-066-1020-001-YCJS-6120		2019	4,595	4,595		*	
			2017	3,874		4,595	4,595	*
Municipal Alliance for Alcohol & Drug Abuse (Passed through Bergen County)					64,595	64,595	*	
								*
<b>Total State Financial Assistance - Federal and State Grant Fund</b>				125,281	94,886		*	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Expenditures of State Awards**

Year ended December 31, 2019

State funding department	State program	Grant number	Grant year	Allocation or grant award amount	Revenue Realized/ Receipts	Expended	MEMO Cumulative Total Expenditures
General Capital Fund: Department of Transportation	Imp. Of the Boulevard, Sec. 10, Phase 2		2017	155,500	88,260		132,680
<i>Total State Financial Assistance - General Capital Fund</i>					88,260		*
<i>Total State Financial Assistance</i>					\$ 213,541	94,886	*
Other Financial Assistance County of Bergen	Stigma Free Grant		2018	1,860			*
	Historical Grant for Restoration		2019	1,126	1,126	1,000	1,000
	BCUA Grant		2019	3,000	3,000	3,000	3,000
	Open Space Trust Fund						*
	Birwood Park Imps. - Ord. 2017-32		2017	49,100	49,100		49,100
	Tennis Court Imps. - Ord. 2018-27		2018	197,925		197,925	197,925
	ADA Accessible Playground Equipment	Cherry Hill Park - Ord. 2019-09	2019	129,175		129,175	*
<i>Total Other Financial Assistance</i>					53,226	331,100	*
<i>Total State and Other Financial Assistance</i>					\$ 266,767	425,986	*

Note: This schedule was not subject to an audit in accordance with N.J. OMB Circular 15-08.

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2019

	Current Fund
Balance - December 31, 2018	\$ 10,188,890
Increased by Receipts:	
Petty Cash	1,500
Change Fund	650
Taxes Receivable	61,193,943
Tax Title Liens	360,000
Miscellaneous Revenue Not Anticipated	664,715
Tax Overpayments	42,075
Due from State - Senior Citizen and Veteran Deductions	103,530
Revenue Accounts Receivable	4,825,548
Marriage License Fees Payable	4,150
Interfunds	26,189
Prepaid Taxes	471,998
Grants Receivable	93,673
Unappropriated Reserves	60,126
	<u>67,845,947</u>
Decreased by Disbursements:	
Current Year Budget Appropriations	23,100,788
Petty Cash	500
Tax Overpayments	59,195
Appropriation Reserves	671,377
Tax Appeal Refunds	42,781
Refunds	250
Local District School Taxes	36,532,245
County Taxes Payable	5,661,118
Marriage License Fees Payable	3,100
Appropriated Grant Reserve Disbursements	112,119
	<u>66,183,473</u>
Balance - December 31, 2019	<u>\$ 11,851,364</u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	850
Decreased by:		
Returned		<u>650</u>
Balance - December 31, 2019	\$	<u><u>200</u></u>
	<u>Analysis of Balance</u>	
	Municipal Court \$	<u><u>200</u></u>

**Schedule of Cash - Petty Cash**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	1,000
Increased by:		
Disbursed		<u>500</u>
		1,500
Decreased by:		
Returned to Treasurer	\$	<u><u>1,500</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Amount Due to/(from) State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	70,865
Decreased by:			
Senior Citizens' Deductions Per Tax Billing	\$	28,250	
Veterans' Deductions Per Tax Billing		82,000	
Senior Citizen's and Veteran's Allowed - 2019		<u>750</u>	
			<u>111,000</u>
			(40,135)
Increased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash	\$	103,530	
Senior Citizen's and Veteran's Disallowed - 2019		<u>10,250</u>	
			<u>113,780</u>
Balance - December 31, 2019		\$	<u><u>73,645</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Grants Receivable**

**Federal and State Grant Fund**

**Year Ended December 31, 2019**

<u>Grant</u>	Balance, Dec. 31, 2018	2019 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, 2019
Municipal Alliance on Alcoholism and Recycling Tonnage Grant	\$ 21,105			21,105
Safe and Secure Communities Grant		24,017	24,017	
Body Armor Grant		60,000	60,000	
Clean Communities		4,595	4,595	
Drunk Driving Enforcement Fund		35,303	35,303	
Alcohol Education and Rehabilitation		6,627	6,627	
BCUA Grant		1,366	1,366	
Pedestrian Safety Grant		3,000	3,000	
Click it or Ticket		13,640	13,640	
Drive Sober or Get Pulled Over		5,252	5,252	
Bergen County - Historical Restoration Grant		5,500	5,500	
		1,000	1,000	
	<u>\$ 21,105</u>	<u>160,300</u>	<u>160,300</u>	<u>21,105</u>
		Adopted Budget 98,239		
		Added by N.J.S.A. 40A:4-87 <u>62,061</u>		
		<u>\$ 160,300</u>		
		Cash Receipts 93,673		
		Unappropriated Reserves <u>66,627</u>		
		<u>\$ 160,300</u>		



**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Amount Due to/(from) Current Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	(219,569)
Increased by:			
Cash Receipts - Unappropriated Reserves	\$	60,126	
Cash Receipts - Grants Receivable		<u>93,673</u>	
			<u>153,799</u>
			(373,368)
Decreased by:			
Cash Disbursements			<u>112,119</u>
Balance - December 31, 2019		\$	<u><u>(261,249)</u></u>

**Exhibit A-10**

**Schedule of Municipal Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	581,442
Increased by:			
Transferred from Taxes Receivable			<u>1,337</u>
			<u><u>582,779</u></u>
Decreased by:			
Redeemed	\$	360,000	
Transferred to Outside Liens		<u>222,779</u>	
			<u><u>\$ 582,779</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2019

Year	Balance, Dec. 31, 2018	Levy	Collected 2018	Collected 2019	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2019
2018	593,231	224,996		818,227				
	593,231	224,996		818,227				
2019		61,507,018	260,812	60,375,716	100,750	1,337	174,954	593,449
	\$ 593,231	61,732,014	260,812	61,193,943	100,750	1,337	174,954	593,449

Cash 61,193,943

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 61,270,633
Added Tax (R.S. 54:4-63.1 et seq.)	236,385
	\$ 61,507,018

Tax Levy:

Local District School Tax	\$ 36,532,245
County Tax	5,407,624
County Open Space Preservation	231,706
County Added and Omitted Taxes	21,788
	5,661,118

Local Tax for Municipal Purposes	\$ 19,080,176
Add: Additional Taxes Levied	233,479

Local Tax for Municipal Purposes	19,313,655
	\$ 61,507,018

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Property Acquired for Taxes -  
Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ <u>23,450</u>
Balance - December 31, 2019	\$ <u><u>23,450</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Revenue Accounts Receivable**

**Current Fund**

**Year Ended December 31, 2019**

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Clerk:				
Licenses:				
Alcoholic beverages		22,750	22,750	
Other		15,730	15,730	
Fees and Permits		129,136	129,136	
Municipal Court :				
Fines and Costs	39,765	753,293	734,542	58,516
Interest and Costs on Taxes		143,720	143,720	
Interest on Investments and Deposits		176,598	176,598	
Consolidated Municipal Property Tax Relief Aid		125,987	125,987	
Energy Receipts Tax		1,335,917	1,335,917	
Uniform Construction Code Fees		383,282	383,282	
Interlocal Service Agreements				
Board of Education - School Resource Officer		54,075	54,075	
Utility Operating Surplus of Prior Year		515,000	515,000	
Uniform Fire Safety Act - Local		74,957	74,957	
Trunk Sewer Revenue		659,332	659,332	
Reserve for Payment of Debt		204,522	204,522	
Capital Fund Balance		250,000	250,000	
	<u>39,765</u>	<u>4,844,299</u>	<u>4,825,548</u>	<u>58,516</u>
	\$			

Interest on Investments	\$	
Cash Collections		<u>4,825,548</u>
	\$	<u>4,825,548</u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Interfunds**

**Current Fund**

**Year Ended December 31, 2019**

<u>Fund</u>	Due from/(to) Balance		Due from/(to) Balance	
	<u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2019</u>
Animal Control Trust Fund	8,349	15,383	8,349	15,383
Other Trust Fund	8,691	4,119	9,120	3,690
Other Trust Fund - Escrow	8,666	1,295		9,961
General Capital Fund	1,396	1,009	2,316	89
Net Payroll	6,404	8,496	6,404	8,496
	<u>\$ 33,506</u>	<u>30,302</u>	<u>26,189</u>	<u>37,619</u>

Cash Receipts \$		26,189
Unallocated Balance in Net Payroll	8,496	
Reimbursement of Expenses	2,149	
Interest on Investments	4,274	
Statutory Excess	15,383	
	<u>\$ 30,302</u>	<u>26,189</u>

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 15,626	15,626		15,626
Mayor and Council	961	961		961
Financial Administration	21,936	21,936	361	21,575
Revenue Administration	1	1		1
Assessment of Taxes	13,115	13,115		13,115
Legal Services and Costs	4,000	4,000		4,000
Planning Board	163	163		163
Zoning Board	2,819	2,819		2,819
Health Benefit Waiver	6,250	6,250		6,250
Police	96,010	96,010		96,010
Crossing Guards	987	987		987
Other Police Personnel	9,060	9,060		9,060
Police Dispatch/911	468	468		468
Ambulance Stipend	2,295	2,295		2,295
Fire Department Stipend Program	23,663	23,663		23,663
Municipal Prosecutor	5,680	5,680		5,680
Municipal Court	54,726	54,726		54,726
Public Defender	5,290	5,290		5,290
Road Repairs and Maintenance	43,322	43,322		43,322
Solid Waste Collection	35,344	35,344		35,344
Public Health Services	6,324	6,324		6,324
Rent Leveling	1,600	1,600		1,600
Construction Code Official	27,214	27,214		27,214
	<u>376,854</u>	<u>376,854</u>	<u>361</u>	<u>376,493</u>
Total Salaries and Wages Within "CAPS"				
Other Expenses Within "CAPS":				
Administrative and Executive				
Other Expenses	898	4,398	4,398	
Grant Consultant	3,000	3,000		3,000
Financial Administration:				
Other Expenses	40,327	40,327	5,450	34,877
Payroll Service	25,812	25,812	8,837	16,975
Audit Services	39,108	39,108		39,108
Engineering Services and Costs	46,116	46,116	26,003	20,113
Collection of Taxes	30,938	30,938	1,324	29,614
Postage	11,156	11,156		11,156

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Assessment of Taxes:				
Other Expenses	9,118	9,118	1,165	7,953
Legal Services and Costs	119,546	119,546	55,840	63,706
Planning Board	3,220	3,220		3,220
Zoning Board	10,599	10,599	350	10,249
Council on Affordable Housing	24,663	24,663	1,837	22,826
Insurance:				
General Liability	135,922	135,922	104,377	31,545
Group Insurance	39,489	39,489	(1,503)	40,992
Worker's Compensation	103,901	85,401	85,401	
Police:				
Other Expenses - Regular	59,363	59,363	26,304	33,059
Purchase of Police Vehicles	29,276	29,276	29,276	
Emergency Management Services	5,017	5,017		5,017
Fire Department				
Other Expenses - Miscellaneous	60,142	60,142	54,384	5,758
Other Expenses - Clothing Allowance	3,018	3,018		3,018
Uniform Fire Code	3,812	3,812	3,812	
Municipal Court	10,106	10,106	879	9,227
Road Repairs and Maintenance	99,456	99,456	47,006	52,450
Traffic Lights	28,003	28,003	2,326	25,677
Shade Tree	4,000	4,000		4,000
Solid Waste Collection - Recycling	93,460	93,460	9,589	83,871
Solid Waste Collection - Tipping Fees	144,345	144,345	101,398	42,947
Vehicle Maintenance	38,589	38,589	4,403	34,186
Public Health Services	8,829	8,829	1,595	7,234
Animal Control				
Veterans Services Bureau	4,200	4,200		4,200
Recreation	18,357	18,357	5,250	13,107
Maintenance of Parks	28,808	28,808		28,808
Celebration of Public Events				
Other Expenses	27,989	27,989	10,200	17,789
Senior Citizen Expenses	2,319	2,319	600	1,719
Gasoline	53,443	53,443	13,397	40,046
Electric and Gas	56,114	56,114	24,533	31,581

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Telephone	14,131	14,131	1,678	12,453
Street Lighting	61,950	61,950	30,323	31,627
Rent Leveling	350	350		350
Construction Code Official	1,594	1,594	(11,063)	12,657
Contingent	5,408	5,408		5,408
Total Other expenses Within "CAPS"	<u>1,505,892</u>	<u>1,490,892</u>	<u>649,369</u>	<u>841,523</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System		15,000	5,613	9,387
Social Security System (O.A.S.I.)	<u>24,647</u>	<u>24,647</u>		<u>24,647</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>24,647</u>	<u>39,647</u>	<u>5,613</u>	<u>34,034</u>
Other Expenses Excluded From "CAPS":				
Recycling Tax	<u>9,156</u>	<u>9,156</u>	<u>1,754</u>	<u>7,402</u>
Total Other Expenses Excluded from "CAPS"	<u>9,156</u>	<u>9,156</u>	<u>1,754</u>	<u>7,402</u>
Interlocal Municipal Service Agreements				
Borough of Fair Lawn - Construction Code	<u>14,280</u>	<u>14,280</u>	<u>14,280</u>	
Total Interlocal Municipal Service Agreements	<u>14,280</u>	<u>14,280</u>	<u>14,280</u>	
Total Reserves	<u>\$ 1,930,829</u>	<u>1,930,829</u>	<u>671,377</u>	<u>1,259,452</u>
Appropriation Reserves		1,930,829		
		<u>\$ 1,930,829</u>		
		Cash Disbursed	<u>671,377</u>	
			<u>\$ 671,377</u>	



**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2019**

Increased by:	
Transferred from Current Year Budget	\$ <u>661,164</u>
 Balance - December 31, 2019	 \$ <u><u>661,164</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Reserve for Other Expenditures**

**Current Fund**

**Year Ended December 31, 2019**

	Pending Tax <u>Appeals</u>	<u>Revaluation</u>	<u>Total</u>
Balance - December 31, 2018	\$ <u>1,455,224</u>	<u>37,000</u>	<u>1,492,224</u>
Balance - December 31, 2019	\$ <u><u>1,455,224</u></u>	<u><u>37,000</u></u>	<u><u>1,492,224</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	58,197
Increased by:			
Collections			<u>42,075</u>
			100,272
Decreased by:			
Refunds	\$	59,195	
Canceled		<u>31,766</u>	
			<u>90,961</u>
Balance - December 31, 2019		\$	<u><u>9,311</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Local School District Tax Payable**

**Current Fund**

**Year Ended December 31, 2019**

Increased by:		
2019 Levy	\$	<u>36,532,245</u>
Decreased by:		
Payments	\$	<u><u>36,532,245</u></u>

**Schedule of Marriage License Fees Payable**

**Current Fund**

**Year Ended December 31, 2019**

Increased by:		
State Marriage License Fees Collected	\$	4,150
Decreased by:		
Cash Disbursements		<u>3,100</u>
Balance - December 31, 2019	\$	<u><u>1,050</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2019**

Increased by:		
2019 Levy	\$ 5,407,624	
2019 Open Space	231,706	
2019 Added Assessments	<u>21,788</u>	
		<u>5,661,118</u>
		5,661,118
Decreased by:		
Payments	\$	<u><u>5,661,118</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	260,812
Increased by:		
Collections		<u>471,998</u>
		732,810
Decreased by:		
Applied to 2019 Taxes Receivable		<u>260,812</u>
Balance - December 31, 2019	\$	<u><u>471,998</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**

**Statement of Plan Assets Due to LOSAP**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ <u>102,752</u>
Balance - December 31, 2019	\$ <u><u>102,752</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**  
**Schedule of Appropriated Reserves for Grants**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2019**

<u>Grant</u>	Balance, Dec. 31, <u>2018</u>	Transfer From 2019 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2019</u>
Municipal Alliance on Alcohol and Drug Abuse - 2017	\$ 1,201			1,201
Alcohol Education and Rehabilitation	54,526	1,366		55,892
Recycling Tonnage Grant	27,882	24,017	6,826	45,073
Safe and Secure Communities		60,000	60,000	
Body Armor Replacement Fund	3,874	4,595	4,595	3,874
Clean Communities	40,443			40,443
Clean Communities	31,633		23,465	8,168
Drunk Driving Enforcement Fund	9,992	6,627		16,619
Alcohol Education and Rehabilitation	2,636			2,636
Pedestrian Safety Grant		13,640	13,640	
Drive Sober or Get Pulled Over		5,500	5,500	
Click it or Ticket		5,252	4,873	379
BCUA Grant		3,000	3,000	
Clean Communities		35,303		35,303
Bergen County - Historical Restoration Grant		1,000	1,000	
	<u>\$ 172,187</u>	<u>160,300</u>	<u>122,899</u>	<u>209,588</u>
		Budget 98,239		
		Appropriated by 40a:4-87 <u>62,061</u>		
		<u>\$ 160,300</u>		
		Encumbrances Payable 10,780		
		Cash Disbursements <u>112,119</u>		
			<u>\$ 122,899</u>	



**BOROUGH OF ELMWOOD PARK, N.J.**

**Schedule of Unappropriated Reserves for Grants**

**Federal and State Grant Fund**

**Year Ended December 31, 2019**

<u>Grant</u>	Balance, Dec. 31, <u>2018</u>	Transfer To 2019 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2019</u>
Safe and Secure Grant	\$ 60,000	60,000	60,000	60,000
Bergen County - Historical Restoration Grant			126	126
Bergen Co. Stigma Free Grant	1,860			1,860
Drunk Driving Enforcement Fund	<u>6,627</u>	<u>6,627</u>		
	<u>\$ 68,487</u>	<u>66,627</u>	<u>60,126</u>	<u>61,986</u>

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## BOROUGH OF ELMWOOD PARK

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2019

	Animal Trust Fund	Other Trust Fund	Unemployment Compensation Trust Fund	Emergency Service LOSAP Fund
Balance - December 31, 2018	\$ 35,773	2,258,680	177,773	444,672
Increase by Receipts:				
Prepaid Dog License Fees Collected	2,323			
Dog License Fees Collected	5,157			
Appreciation in Investment Value				83,195
Other Miscellaneous Fees	124			
Due to the State of New Jersey	1,353			
Interest on Investments		5,414		
Various Reserves and Deposits		2,401,439		
Employee Payroll Deductions			14,102	
Total Receipts	<u>8,957</u>	<u>2,406,853</u>	<u>14,102</u>	<u>83,195</u>
	<u>44,730</u>	<u>4,665,533</u>	<u>191,875</u>	<u>527,867</u>
Decreased by Disbursements:				
Due to the State of New Jersey	1,127			
Interfunds	8,349	9,120		
Various Reserves and Deposits		2,697,672		
Unemployment Claims Payable			10,713	
Account Charges/Tax				3,907
LOSAP Distributions				51,115
Total Disbursements	<u>9,476</u>	<u>2,706,792</u>	<u>10,713</u>	<u>55,022</u>
Balance - December 31, 2019	<u>\$ 35,254</u>	<u>1,958,741</u>	<u>181,162</u>	<u>472,845</u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Interfunds Receivable/(Payable)

## Trust Funds

Year Ended December 31, 2019

	Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2019</u>
Other Trust Fund				
Current Fund	\$ (8,691)	4,119	9,120	(3,690)
Total Other Trust Fund	<u>(8,691)</u>	<u>4,119</u>	<u>9,120</u>	<u>(3,690)</u>
Animal License Trust Fund				
Current Fund	\$ (8,349)	15,383	8,349	(15,383)
Total Animal License Trust Fund	<u>(8,349)</u>	<u>15,383</u>	<u>8,349</u>	<u>(15,383)</u>
Escrow Trust Fund				
Current Fund	\$ (8,666)	1,295		(9,961)
Total Escrow Trust Fund	<u>(8,666)</u>	<u>1,295</u>		<u>(9,961)</u>
	<u>\$ (25,706)</u>	<u>20,797</u>	<u>17,469</u>	<u>(29,034)</u>
			17,469	
		15,383		
		5,414		
		<u>\$ 20,797</u>	<u>17,469</u>	

**Exhibit B-3**

**BOROUGH OF ELMWOOD PARK**

**Schedule of Prepaid Animal Licenses**

**Animal License Trust Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	1,082
Increased by:		
Collections		<u>2,323</u>
		3,405
Decreased by:		
2019 License Fees Applied		<u>1,082</u>
Balance - December 31, 2019	\$	<u><u>2,323</u></u>

**Exhibit B-4**

**Schedule of Amount Due to/(from) State of New Jersey**

**Animal License Trust Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	22
Increased by:		
Cancellation of Prior Year Overpayment	\$	159
State Fees Collected		<u>1,353</u>
		<u>1,512</u>
		1,534
Decreased by:		
Paid to State		<u>1,127</u>
Balance - December 31, 2019	\$	<u><u>407</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Reserve for Animal Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	26,320
Increased by:			
Dog License Fees	\$	5,157	
Prepaid Fees Applied		1,082	
Miscellaneous Revenue:			
Late Fees - Dog		<u>124</u>	
			<u>6,363</u>
			32,683
Decreased by:			
Statutory Excess - Due Current Fund		15,383	
Adjustment for Prior Year Overpayment		<u>159</u>	
			<u>15,542</u>
Balance - December 31, 2019		\$	<u><u>17,141</u></u>

Animal License Fees Collected

	<u>Year</u>		
	2017	\$	8,234
	2018		<u>8,907</u>
Maximum Reserve	\$		<u><u>17,141</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Reserve for Unemployment  
Compensation Insurance Fund**

**Trust Funds**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 177,773
Increased by:	
Employee Payroll Deductions	<u>14,102</u>
	191,875
Decreased by:	
Unemployment Claims Payable	<u>10,910</u>
Balance - December 31, 2019	\$ <u><u>180,965</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Due to State of New Jersey -  
Unemployment Compensation Insurance Fund**

**Trust Funds**

**Year Ended December 31, 2019**

Increased by:	
Unemployment Claims Payable	\$ <u>10,910</u>
	10,910
Decreased by:	
Unemployment Claims	<u>10,713</u>
Balance - December 31, 2019	\$ <u><u>197</u></u>



**BOROUGH OF ELMWOOD PARK**

**Schedule of Various Reserves and Deposits**

**Trust Funds**

**Year Ended December 31, 2019**

	Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2019</u>
Escrow Deposits	\$ 199,215	205,983	196,622	208,576
Multiple Dwelling Emergency Deposits	43,379	22		43,401
Recreation	547,484	656,050	688,806	514,728
Parking Offenses Adjudication Act	16,833	2,544	7,991	11,386
Lien Redemptions	119,213	203,685	103,675	219,223
Tax Title Lien Premiums	416,577	93,200	205,977	303,800
Accrued Compensated Absences	518,489		196,728	321,761
Federal Equitable Sharing Program - Treasury	66,612		2,260	64,352
Federal Equitable Sharing Program - Justice	50,983			50,983
Fire Prevention - Dedicated Penalties	6,220	15,581		21,801
Fire Prevention	171,064	81,026	95,367	156,723
Drunk Driving	197			197
Band Shelter	31,305	4,799	32,900	3,204
Miscellaneous	1,000			1,000
Alcohol Education & Rehabilitation	4,582		18,040	(13,458)
Police Outside Duty	48,170	1,235,925	1,246,682	37,413
	<u>\$ 2,241,323</u>	<u>2,498,815</u>	<u>2,795,048</u>	<u>1,945,090</u>

Cash Receipts	\$ 2,401,439	
Cash Disbursements		2,697,672
Reallocation of Reserves	<u>97,376</u>	<u>97,376</u>
	<u>2,498,815</u>	<u>2,795,048</u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Service Award Contributions Receivable**

**Trust Funds**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ <u>93,184</u>
Balance - December 31, 2019	\$ <u><u>93,184</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Net Assets Available for Benefits**

**Trust Funds**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	537,856
Increased by:			
Appreciation in Fair Value of Investments			<u>83,195</u>
			621,051
Decreased by:			
Account Charges/Tax	\$	3,907	
Distributions		<u>51,115</u>	
			<u>55,022</u>
Balance - December 31, 2019		\$	<u><u>566,029</u></u>

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**BOROUGH OF ELMWOOD PARK**

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$ 2,263,465
Increased by Receipts:		
Bond Sale Proceeds	\$ 6,950,000	
Premium on Bond Sale	39,391	
Interfund	1,009	
Grants Received	137,360	
Contributions Received	294,175	
Capital Improvement Fund	<u>100,000</u>	
		<u>7,521,935</u>
		9,785,400
Decreased by Disbursements:		
Improvement Authorizations	1,117,133	
Contracts Payable	1,760,685	
Budget Revenue - Payment of Debt	204,522	
Budget Revenue - Fund Balance	250,000	
Bond Anticipation Notes	5,833,500	
Interfund	<u>2,316</u>	
		<u>9,168,156</u>
Balance - December 31, 2019		<u><u>\$ 617,244</u></u>

## BOROUGH OF ELMWOOD PARK

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2019

Fund Balance	\$ 568,668
Capital Improvement Fund	155,404
Due to Current Fund	89
Grants Receivable	(853,691)
Contributions Receivable	(123,538)
Environmental Infrastructure Loan Receivable	(17,514)
Reserve for Payment of Debt Service	1
Contracts Payable	3,395,921
Reserve for Grants Receivable	526,591

## Improvement Authorizations:

Ordinance <u>Number</u>	<u>Improvement Description</u>	
2012-06	Various Public Improvements	41,365
2013-04	Emergency Generator	96,755
2013-16	Various Public Improvements	62,480
2013-21	Streetscape Improvements	(118,977)
2013-27	Handicapped Access	66,864
2014-11	Supp. For Fleischers Brook and UST Closure	1,239
2014-12	Sanitary Sewer Pump Station	(62,692)
2014-22	Acquisition of Easement, Block 1408 Lot 1	2,047
2014-25/2015-20	Improvement of the Boulevard, Sec. 8, 9, 10	55
2015-09	Supplemental Handicapped Access Curb Ramps	33,538
2015-14	2015 Road Resurfacing Program	29,790
2015-17	Resurfacing of Iozia Terrace, Franklin & Court St.	(108,366)
2015-18	Remounting of 2 Ambulances onto new Chasis	5,898
2015-22	Restoration of Fleischers Brook	8,923
2016-03	Rehabilitation of the Hockey Rink	30,210
2016-11	Resurfacing of Franklin, Gall, North & Summit	60,080
2016-12	2016 Road Resurfacing Program	70,037
2016-14	Building Improvements & Acquisition of Equipment	12,194
2016-18	Various Improvements to Cherry Hill Park	186
2016-19	Self Contained Breathing Apparatus for Fire Dept.	2,319
2017-13	Improvement of the Boulevard, Sec. 10, Phase 2	(55,242)
2017-14	2017 Road Resurfacing Program	19,148
2017-17	Various Public Improvements	13,517
2017-20	UST Removal and Environmental Remediation	(34,563)
2017-28	Sewer Jet Vacuum Machine	3,743
2017-32	Various Improvements to Birchwood Park	455
2017-33	New Pumper Fire Engine	21,225

## BOROUGH OF ELMWOOD PARK

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2019

2018-05/2018-23	Resurfacing of Franklin, Orchard & Lee Street	(161,794)
2018-09	Various Imps. To the Intersection of Market and Mola Blvd	298
2018-16	Replacement of Sewer Lines & Ejector Pumps	21,387
2018-17	Various Public Imps. & New Additional and/or Replacement Machin	19,363
2018-21	Various Equipment & Machinery for the Fire Department	19,407
2018-27/2019-14	Imps. to Tennis Courts at the High School	8,600
2019-07	Rehabilitation of Veteran's Park	(171,000)
2019-09	ADA Accessible Playground Equipment at Cherry Hill Park	176,196
2019-11	Acquisition of a new Aerial Tower Fire Truck & Mini Pumper Fire Engine	(1,549,585)
2019-15	Various Public Improvements	(1,374,621)
2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd and 3rd Streets	<u>(225,166)</u>
		\$ <u><u>617,244</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Interfunds**

**General Capital Fund**

**Year ended December 31, 2019**

	Due from/(to) Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>
Current Fund	\$ <u>(1,396)</u>	<u>2,316</u>	<u>1,009</u>	<u>(89)</u>
	<u>(1,396)</u>	<u>2,316</u>	<u>1,009</u>	<u>(89)</u>
	Cash Receipts \$		1,009	
	Cash Disbursements	<u>2,316</u>	<u>          </u>	
		<u>\$ 2,316</u>	<u>1,009</u>	



**BOROUGH OF ELMWOOD PARK**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	6,955,335
Increased by:			
Transferred from Deferred Charges - Unfunded			<u>6,950,000</u>
			13,905,335
Decreased by:			
Current year Budget Appropriations:			
Loan Principal	\$	198,925	
Serial Bond Principal		<u>700,000</u>	
			<u>898,925</u>
Balance - December 31, 2019		\$	<u><u>13,006,410</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Deferred Charges to Future Taxation - Unfunded**

**General Capital Fund**

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Analysis of Balance			Unexpended Improvement Authorization			
		Balance Dec. 31, 2018	2019 Authorizations	Decreased By		Balance Dec. 31, 2019	Expenditures	
	<u>General Improvements:</u>	\$						
2012-06	Various Public Improvements	11,160			11,160		11,160	
2013-16	Various Public Improvements	780			780		780	
2013-21	Streetscape Improvements	123,400			123,400		118,977	4,423
2014-12	Sanitary Sewer Pump Station	2,242,000		2,100,000	142,000		62,692	79,308
2014-13	2014 Road Resurfacing Program	345,529			345,529			345,529
2014-25	Improvement Boulevard Sec 8 & 9	65,000			65,000			65,000
2015-14	2015 Road Resurfacing Program	276,000		250,000	26,000			26,000
2015-17	Resurfacing Iozia Terrace, Franklin & Court St.	142,000			142,000		108,366	33,634
2015-20	Improvement to Boulevard Sec 8, 9 & 10	121,900		121,900				
2015-22	Restoration of Fleischers Brook	129,000		30,000	99,000			99,000
2016-11	Resurfacing of Franklin, Gall, North and Summit	97,250		97,250				
2016-12	2016 Road Resurfacing Program	457,000		400,000	57,000			57,000
2016-14	Building Improvements & Acq. Of Equipment	340,000		300,000	40,000			40,000
2016-19	Acq. Of Self Contained Breathing Apparatus for Fire Dept.	19,000		19,000				
2017-13	Improvement of Blvd. Section 10 Phase 2	177,600		88,260	89,340		55,242	34,098
2017-14	2017 Road Resurfacing Program	455,200		455,200				
2017-17	Various Improvements	320,000		320,000				
2017-20	Underground Storage Tank Removal & Environmental Remediation	199,000		25,000	174,000		34,563	139,437
2017-28	Sewer Jet Vacuum Machine	229,500		229,500				
2017-33	New Pumper Fire Engine	516,000		516,000				
2018-05	Resurfacing of Franklin, Orchard and Lee Streets	228,000			228,000			66,206
2018-09	Various Imps. To the Intersection of Market St. and Mola Blvd.	165,000		165,000				
2018-16	Replacement of Sewer Lines and Ejector Pumps	276,000		276,000				
2018-17	Various Public Imps. & New Additional and/or Replacement Machinery	392,300		392,300				

BOROUGH OF ELMWOOD PARK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance		2019 Authorizations	Decreased By:	Balance Dec. 31, 2019	Analysis of Balance	
		Dec. 31, 2018	Dec. 31, 2019				Expenditures	Unexpended Improvement Authorization
2018-20	2018 Road Resurfacing Program	1,076,000			1,076,000			
2018-21	Various Equipment & Machinery for Fire Dept.	68,500			68,500			
2018-23	Additional Appropriation: 2018-05	111,900			108,350	3,550		3,550
2019-07	Rehabilitation of Veteran's Park			171,000		171,000	171,000	
2019-11	Acquisition of a new Aerial Tower Fire Truck & Mini Pumper Fire Engine					1,657,000	1,549,585	107,415
2019-15	Various Public Improvements					1,509,000	1,374,621	134,379
2019-23	Resurfacing of Portions of Miller & Summit Avenue, and 1st, 2nd and 3rd Streets			233,000		233,000	225,166	7,834
		\$ 8,585,019		3,570,000	7,038,260	5,116,759	3,862,006	1,254,753
	2018 Authorizations		\$ 3,570,000					
			\$ 3,570,000					
	Unappropriated Grant Proceeds Applied - Ord. 2017-13				88,260			
	Transferred to Deferred Charges - Funded				6,950,000			
					\$ 7,126,520			
								Improvement Authorizations - Unfunded \$ 1,254,753

**BOROUGH OF ELMWOOD PARK**

**Schedule of Grants Receivable - State Department of Transportation**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	155,500
Decreased by:		
Cash Receipts		<u>88,260</u>
Balance - December 31, 2019	\$	<u><u>67,240</u></u>
		<u>Analysis</u>
	Ord. 13-2017 \$	<u><u>67,240</u></u>

**Schedule of Grants Receivable - Community Development Block Grant**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	274,351
Increased by:		
Grants Awards		<u>185,000</u>
Balance - December 31, 2019	\$	<u><u>459,351</u></u>
		<u>Analysis</u>
	Ord. 17-2015	150,000
	Ord. 05-2018	124,351
	Ord. 23-2019	<u>185,000</u>
	\$	<u><u>459,351</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Grants Receivable - Bergen County Open Space Grant**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	289,358
Increased by:			
Grant Awards			<u>129,175</u>
			418,533
Decreased by:			
Cash Receipts	\$	49,100	
Cancelled		<u>42,333</u>	
			<u>91,433</u>
Balance - December 31, 2019		\$	<u><u>327,100</u></u>
			<u>Analysis</u>
	Ord. 27-2018		197,925
	Ord. 9-2019		<u>129,175</u>
		\$	<u><u>327,100</u></u>

**Schedule of Environmental Infrastructure Loan Receivable**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	<u>17,514</u>
Balance - December 31, 2019		\$	<u><u>17,514</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Contributions Receivable - Due from Elmwood  
Park Board of Education - Ord. 27-2018/14-2019**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	123,538
Increased by:		
Contribution Pledged - Ord. 14-2019	\$	<u>57,000</u>
		180,538
Decreased by:		
Cash Receipts		<u>57,000</u>
Balance - December 31, 2019	\$	<u><u>123,538</u></u>

**Schedule of Contributions Receivable - Recreation Trust Fund**

**General Capital Fund**

**Year Ended December 31, 2019**

Increased by:		
Contribution Pledged - Ord. 9-2019 and 14-2019	\$	<u>236,675</u>
Decreased by:		
Cash Receipts	\$	<u><u>236,675</u></u>

**BOROUGH OF ELMWOOD PARK**

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
			Date	Amount					
General Improvements	8/1/2013	6,830,000	08/01/20	700,000	2.00-3.00%	4,970,000		700,000	4,270,000
			08/01/21	705,000					
			08/01/22	710,000					
			08/01/23	715,000					
			08/01/24	720,000					
			08/01/25	720,000					
General Improvements	August 15, 2019	6,950,000	08/15/20	375,000	1.50%		6,950,000		6,950,000
			08/15/21	390,000	1.50%				
			08/15/22	415,000	1.50%				
			08/15/23	435,000	2.00%				
			08/15/24	440,000	2.00%				
			08/15/25	455,000	2.00%				
			08/15/26	700,000	2.00%				
			08/15/27	740,000	2.00%				
			08/15/28	750,000	2.00%				
			08/15/29	750,000	2.00%				
			08/15/30	750,000	2.00%				
			08/15/31	750,000	2.00%				
						\$ 4,970,000	6,950,000	700,000	11,220,000
						Budget Appropriations			
								700,000	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

**Year ended December 31, 2019**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of issue of original notes</u>	<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance Dec. 31 2018</u>	<u>Decreased</u>
2014-12	Rehab of Sanitary Sewer Pump Station	Aug. 18, 2016	Aug. 17, 2018	Aug. 16, 2019	1.75%	2,242,000	2,242,000
2014-13	2014 Road Resurfacing Program	Aug. 18, 2016	Aug. 17, 2018	Aug. 16, 2019	1.75%	345,529	345,529
2014-25	Improvement of Boulevard Sec 8 & 9	Aug. 18, 2016	Aug. 17, 2018	Aug. 16, 2019	1.75%	65,000	65,000
2015-14	2015 Road Resurfacing Program	Aug. 18, 2016	Aug. 17, 2018	Aug. 16, 2019	1.75%	276,000	276,000
2015-20	Improvement of Boulevard Sec 8, 9 & 10	Aug. 18, 2016	Aug. 17, 2018	Aug. 16, 2019	1.75%	121,900	121,900
2015-22	Restoration of Fleischer's Book	Aug. 18, 2016	Aug. 17, 2018	Aug. 16, 2019	1.75%	129,000	129,000
2016-11	Resurfacing of Franklin, Gall, North & Summit	Aug. 18, 2016	Aug. 17, 2018	Aug. 16, 2019	1.75%	97,250	97,250
2016-12	2016 Road Resurfacing Program	Aug. 18, 2016	Aug. 17, 2018	Aug. 16, 2019	1.75%	457,000	457,000
2016-14	Building Improvements & Acquisition of Equipment	Aug. 17, 2017	Aug. 17, 2018	Aug. 16, 2019	1.75%	340,000	340,000
2016-19	Acquisition of SCBA for Fire Department	Aug. 17, 2017	Aug. 17, 2018	Aug. 16, 2019	1.75%	19,000	19,000
2017-13	Improvement of Boulevard Sec 10 Phase 2	Aug. 17, 2017	Aug. 17, 2018	Aug. 16, 2019	1.75%	21,121	21,121
2017-14	2017 Road Program	Aug. 17, 2017	Aug. 17, 2018	Aug. 16, 2019	1.75%	455,200	455,200
2017-17	Acquisition of Vehicles and Equipment	Aug. 17, 2017	Aug. 17, 2018	Aug. 16, 2019	1.75%	320,000	320,000
2017-20	Removal of Underground Storage Tank and Remediation	Aug. 17, 2017	Aug. 17, 2018	Aug. 16, 2019	1.75%	199,000	199,000
2017-28	Sewer Jet Vacuum Machine	Aug. 17, 2018	Aug. 17, 2018	Aug. 16, 2019	1.75%	229,500	229,500
2017-33	New Pumper Fire Engine	Aug. 17, 2018	Aug. 17, 2018	Aug. 16, 2019	1.75%	516,000	516,000

\$ 5,833,500

\$ 5,833,500

Re-Establish Authorized not Issued \$ 969,650  
Bond Sale Proceeds 4,863,850

\$ 5,833,500



**BOROUGH OF ELMWOOD PARK**

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Adoption Date	Ordinance Amount	Balance Dec. 31, 2018		2019 Authorizations	Paid or Charged	Balance Dec. 31, 2019	
				Funded	Unfunded			Funded	Unfunded
<u>General Improvements:</u>									
2012-06	Various Public Improvements		999,000	41,365	11,160			41,365	11,160
2013-04	Emergency Generator		450,000	107,355			10,600	96,755	
2013-16	Various Public Improvements		873,906	62,480	780			62,480	780
2013-21	Streetscape Improvements		687,000	4,223			(200)		4,423
2013-27	Handicapped Access		250,000	66,864				66,864	
2014-11	Supp. for Fleischers Brook and Underground Storage Tank Closure		209,000	1,239				1,239	
2014-12	Sanitary Sewer Pump Station		2,355,000		161,158		81,850		79,308
2014-13	2014 Road Resurfacing Program		599,000		345,529				345,529
2014-22	Acquisition of Easement Block 1408/Lot 1		22,500	2,047				2,047	
2014-25/2015-20	Improvement Boulevard Sec 8 & 9		353,000	33,538	65,055			55	65,000
2015-09	Supplemental Handicapped Access Curb Ramps		96,200						
2015-14	2015 Road Resurfacing Program		510,000		55,790			33,538	26,000
2015-17	Resurfacing Iozia Terrace, Franklin & Court St.		150,000		33,634			29,790	33,634
2015-18	Remounting of Two Ambulances onto New Chassis		220,000	5,898				5,898	
2015-22	Restoration of Fleischers Brook		135,500		107,923			8,923	99,000
2016-03	Rehabilitation of the Hockey Rink		133,640	30,210				30,210	
2016-11	Resurfacing of Franklin, Gall, North & Summit		295,100	60,080				60,080	
2016-12	2016 Road Resurfacing Program		480,000		167,032		39,995	70,037	57,000
2016-14	Building Improvements & Acquisition of Equipment		357,500		52,194			12,194	40,000
2016-18	Various Improvement to Cherry Hill Park		125,000	186				186	
2016-19	Acq. Of Self Contained Breathing Apparatus for Fire Dept.		375,498		2,319			2,319	
2017-13	Improvement of Blvd Sec 10 Phase 2		186,500	53,820			19,722	19,148	34,098
2017-14	2017 Road Resurfacing Program		478,000	19,148				19,148	
2017-17	Various Improvements		336,200	13,517				13,517	
2017-20	Underground Storage Tank Removal & Environmental Remediation		209,000	181,485			42,048	3,743	139,437
2017-28	Sewer Jet Vacuum Machine		241,000		3,743			3,743	
2017-32	Various Improvements to Birchwood Park		175,000	455				455	
2017-33	New Pumper Fire Engine		542,500		21,225			21,225	
2018-05/2018-23	Resurfacing of Franklin, Orchard & Lee Street	Apr. 19, 2018/Oct. 18, 2018	357,500		105,792		36,036		69,756

**BOROUGH OF ELMWOOD PARK**

**Schedule of Improvement Authorizations**

**General Capital Fund**

**Year Ended December 31, 2019**

Ordinance Number	Improvement Description	Adoption Date	Ordinance Amount	Balance Dec. 31, 2018		2019 Authorizations	Balance Dec. 31, 2019		
				Funded	Unfunded		Funded	Unfunded	
2018-09	Various Imps. to the Intersection of Market St. and Mola Boulevard	May 17, 2018	173,400	37,298		37,000	298		
2018-16	Replacement of Sewer Lines & Ejector Pumps	Jul. 19, 2018	290,000	92,038		70,651	21,387		
2018-17	Various Public Imps. & New Additional and/or Replacement Machinery	Jul. 19, 2018	412,000	20,518		1,155	19,363		
2018-21	Various Equipment & Machinery for the Fire Department	Aug. 2, 2018	72,000	9,678		(9,729)	19,407		
2018-27/2019-14	Imps. To Tennis Courts at the High School	Nov. 8, 2018 Aug. 15, 2019	445,000 115,000		115,000	551,400	8,600		
2019-07	Rehabilitation of Veteran's Park	Apr. 18, 2019	180,000		180,000	180,000			
2019-09	ADA Accessible Playground Equipment at Cherry Hill Park	May 16, 2019	308,350		308,350	132,154	176,196		
2019-11	Acquisition of new Aerial Tower Fire Truck & Mini-Pumper Fire Engine	Jun. 20, 2019	1,740,000		1,740,000	1,632,585	107,415		
2019-15	Various Public Improvements	Aug. 15, 2019	1,585,000		1,585,000	1,450,621	134,379		
2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd & 3rd Streets	Sept. 19, 2019	245,000		245,000	237,166	7,834		
						\$ 856,717	1,565,059	4,173,350	827,319
								4,513,054	1,254,753

Capital Improvement Fund \$	180,000
Contributions Receivable	294,175
Grants Receivable	129,175
Deferred Charges - Unfunded	3,570,000
	<u>\$ 4,173,350</u>

Cash \$	1,117,133
Contracts Payable	3,395,921
	<u>\$ 4,513,054</u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Reserve for Payment of Debt Service**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	204,523
Decreased by:		
Budgeted Revenue		<u>204,522</u>
Balance - December 31, 2019	\$	<u><u>1</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 235,404
Increased by:	
Budget Appropriation	<u>100,000</u>
	335,404
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>180,000</u>
Balance - December 31, 2019	<u><u>\$ 155,404</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of NJ Infrastructure Loan Payable**

**General Capital Fund**

**Year Ended December 31, 2019**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Main Extension De-icing Material Storage Bldg.	November 8, 2007	1,885,000	08/01/20	100,000	4.00%	1,044,000	94,000	950,000
			08/01/21	105,000	5.00%			
			08/01/22	109,000	5.00%			
			08/01/23	114,000	4.25%			
			08/01/24	123,000	4.50%			
			08/01/25	128,000	4.50%			
			08/01/26	133,000	4.50%			
			08/01/27	138,000	4.25%			
						\$ 1,044,000	94,000	950,000
							Budget Appropriations \$	94,000

**BOROUGH OF ELMWOOD PARK**

**Schedule of NJ Infrastructure Loan Payable**

**General Capital Fund**

**Year Ended December 31, 2019**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Decreased	Balance Dec. 31, 2019
			Date	Amount				
Sewer Main Extension De-icing Material Storage Bldg.	November 8, 2007	2,042,471	08/01/20	105,311	0.00%	941,335	104,925	836,410
			08/01/21	105,569				
			08/01/22	104,925				
			08/01/23	104,120				
			08/01/24	107,001				
			08/01/25	106,164				
			08/01/26	105,182				
			08/01/27	98,138				
						\$ 941,335	104,925	836,410
						Budget Appropriations \$		104,925

**BOROUGH OF ELMWOOD PARK**

**Schedule of Contracts Payable**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 1,760,685
Increased by:	
Charges to Improvement Authorizations	<u>3,395,921</u>
	5,156,606
Decreased by:	
Cash Disbursements	<u>1,760,685</u>
Balance - December 31, 2019	<u><u>\$ 3,395,921</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	472,184
Increased by:		
Grant Awards		185,000
		657,184
Decreased by:		
Grant Received - Applied to Authorized	\$	88,260
Cancelled		42,333
		130,593
Balance - December 31, 2019	\$	526,591

<u>Analysis</u>		
Ord. 13-2017: Department of Transportation		67,240
Ord. 23-2019: Community Development Trust Fund		185,000
Ord. 17-2015: Community Development Block Grant		150,000
Ord. 05-2018: Community Development Block Grant		124,351
	\$	526,591



## BOROUGH OF ELMWOOD PARK

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>2019 Authorizations</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2019</u>
2012-06	Various Public Improvements	\$ 11,160			11,160
2013-16	Various Public Improvements	780			780
2013-21	Streetscape Improvements	123,400			123,400
2014-12	Rehabilitation of Sanitary Sewer Pump Station		142,000		142,000
2014-13	2014 Road Resurfacing Program		345,529		345,529
2014-25	Improvement of Boulevard, Sec. 8 & 9		65,000		65,000
2015-14	2015 Road Resurfacing Program		26,000		26,000
2015-17	Resurfacing Iozia Terrace, Franklin and Court St	142,000			142,000
2015-22	Restoration of Fleischer's Brook		99,000		99,000
2016-12	2016 Road Resurfacing Program		57,000		57,000
2016-14	Building Improvements & Acquisition of Equipment		40,000		40,000
2017-13	Improvement of Blvd Section 10 Phase 2	156,479	21,121	88,260	89,340
2017-20	Removal of Underground Storage Tank & Remediation		174,000		174,000
2018-05	Resurfacing of Franklin, Orchard and Lee Streets	228,000			228,000
2018-09	Various Imps. To the Intersection of Market Street and Mola Boulevard	165,000		165,000	
2018-16	Replacement of Sewer Lines & Ejector Pumps	276,000		276,000	
2018-17	Various Public Imps. & New Additional and/or Replacement Machinery	392,300		392,300	
2018-20	2018 Road Resurfacing Program	1,076,000		1,076,000	
2018-21	Various Equipment & Machinery for Fire Department	68,500		68,500	
2018-23	Additional Appropriation: 2018-05	111,900		108,350	3,550
2019-07	Rehabilitation of Veteran's Park		171,000		171,000
2019-11	Acquisition of a new Aerial Tower Fire Truck & Mini-Pumper Fire Engine		1,657,000		1,657,000
2019-15	Various Public Improvements		1,509,000		1,509,000
2019-23	Resurfacing of Portions of Miller, Summit Avenue, and 1st, 2nd and 3rd Streets		233,000		233,000
		<u>\$ 2,751,519</u>	<u>4,539,650</u>	<u>2,174,410</u>	<u>5,116,759</u>
	Re-establish Authorized not Issued		969,650		
	2019 Authorizations		<u>3,570,000</u>		
			<u>\$ 4,539,650</u>		

Grant Proceeds Received \$	88,260
Bond Sale Proceeds	<u>2,086,150</u>
	<u>\$ 2,174,410</u>

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## BOROUGH OF ELMWOOD PARK

## Schedule of Cash - Treasurer

## Water Utility Fund

Year ended December 31, 2019

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2018	\$ 5,494,420	858,664
Increased by Receipts:		
Water Collector	3,883,005	
Interest on Investments	95,084	3,066
Interfunds	3,388	
Capital Improvement Fund		300,000
	<u>3,981,477</u>	<u>303,066</u>
	9,475,897	1,161,730
Decreased by Disbursements:		
2019 Appropriations	2,715,167	
2018 Appropriation Reserves	310,529	
Interfunds		3,388
Accrued Interest on Notes	46,431	
Current Fund Revenue	515,000	
Contracts Payable		109,979
Improvement Authorizations		52,334
	<u>3,587,127</u>	<u>165,701</u>
Balance - December 31, 2019	\$ <u>5,888,770</u>	<u>996,029</u>

**BOROUGH OF ELMWOOD PARK**

**Analysis of Cash**

**Water Utility Capital Fund**

**Year ended December 31, 2019**

	Balance, Dec. 31, <u>2019</u>
Fund Balance	\$ 125,078
Down Payments on Improvements	9,000
Reserve for Payment of Debt Service	205,269
Capital Improvement Fund	1,018,000
Interfunds Accounts Payable	207
Contracts Payable	1,087,585

Improvement authorizations:

<u>Ordinance number</u>	<u>General improvements</u>	
2005-30	Water Main Replacement	(15,027)
2005-39	Water Meters	77,513
2006-07	Water Improvements	(2,030)
2006-29	Water Improvements	(167,466)
2011-17	Various Water Main Improvements	(293,252)
2017-35/2018-14	Water Tank Replacement	102,179
2018-15	Replacement of Water Lines	(10,892)
2019-24/2019-28	Water Main Replacement - Tuella Avenue	<u>(1,140,135)</u>
		<u>\$ 996,029</u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Interfunds**

**Water Utility Operating Fund**

**Year ended December 31, 2019**

	Due from/(to) Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>
Water Utility Capital Fund	\$ <u>529</u>	<u>3,066</u>	<u>3,388</u>	<u>207</u>
	\$ <u><u>529</u></u>	<u><u>3,066</u></u>	<u><u>3,388</u></u>	<u><u>207</u></u>
Interest earned on Investments	\$	3,066		
Cash Receipts			<u>3,388</u>	
		<u><u>\$ 3,066</u></u>	<u><u>3,388</u></u>	

**Exhibit D-8**

**BOROUGH OF ELMWOOD PARK**

**Schedule of Consumers' Accounts Receivable -  
Operating Fund**

**Water Utility Operating Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	81,845
Increased by:		
Water Rents Levied		<u>3,937,026</u>
		4,018,871
Decreased by:		
Cash receipts		<u>3,883,005</u>
Balance - December 31, 2019	\$	<u><u>135,866</u></u>

**Exhibit D-9**

**Inventory - Material and Supplies**

**Water Utility Operating Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$	<u>500</u>
Balance - December 31, 2019	\$	<u><u>500</u></u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year ended December 31, 2019

<u>Account</u>	Balance, Dec. 31, <u>2018</u>	Balance, Dec. 31, <u>2019</u>
Distribution Mains and Appurtenances	\$ 2,006,452	2,006,452
Emergency Booster Pumping Station	32,569	32,569
Labor	6,861	6,861
Miscellaneous Construction Expense	2,449	2,449
Engineering and Supervision	19,095	19,095
Interest	21,571	21,571
Legal	1,301	1,301
Hydrants	16,267	16,267
Truck - Water Utility Share	1,268	1,268
Meters & Hydrants	266,967	266,967
Accounting Equipment	5,444	5,444
Land - Pumping Station	670	670
Appraisal - Garfield Water Works	2,500	2,500
Acquisition of Land to Erect Water Tank	74,689	74,689
Acquisition of Lease Rights	9,800	9,800
Improvements of Water Infrastructure	4,640,331	4,640,331
Various System Improvements and Computer Mapping	755,104	755,104
Replacement of Water Meters	789,070	789,070
	<u>\$ 8,652,408</u>	<u>8,652,408</u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Fixed Capital Authorized and Uncompleted**

**Water Utility Capital Fund**

**Year ended December 31, 2019**

Ordinance number	Improvement description	Ordinance		Balance, Dec. 31, 2018	2019 Authorizations	Balance, Dec. 31, 2019
		Date	Amount			
2005-39	Water Meters	12/29/05	140,000	140,000		140,000
2006-07	Water Improvements	02/16/06	76,000	80,000		80,000
2011-17	Various Water Main Projects	10/20/12	340,000	340,000		340,000
2017-35	Water Tank Replacement	12/21/17	2,330,000	2,330,000		2,330,000
2018-14	Water Tank Replacement	07/19/18	210,000	210,000		210,000
2018-15	Replacement of Water Lines	07/19/18	270,000	270,000		270,000
2019-24	Water Main Replacement at Tuella Ave	09/20/23	1,050,000		1,050,000	1,050,000
2019-28	Water Main Replacement at Tuella Ave	11/15/2023	125,000		125,000	125,000
				<u>\$ 3,370,000</u>	<u>1,175,000</u>	<u>4,545,000</u>



**BOROUGH OF ELMWOOD PARK**

**Schedule of 2018 Appropriation Reserves**

**Water Utility Operating Fund**

**Year ended December 31, 2019**

	Balance, Dec. 31, <u>2018</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 201,201	214,330		214,330
Other Expenses	<u>504,820</u>	<u>504,820</u>	<u>310,529</u>	<u>194,291</u>
Total Operating	<u>706,021</u>	<u>719,150</u>	<u>310,529</u>	<u>408,621</u>
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to: Social Security System (O.A.S.I.)	<u>14,323</u>	<u>14,915</u>		<u>14,915</u>
Total Deferred Charges and Statutory Expenditures	<u>14,323</u>	<u>14,915</u>		<u>14,915</u>
Total Operating	<u>\$ 720,344</u>	<u>734,065</u>	<u>310,529</u>	<u>423,536</u>
Appropriation Reserves \$		720,344		
Encumbrances		<u>13,721</u>		
		<u>\$ 734,065</u>		

**BOROUGH OF ELMWOOD PARK**

**Schedule of Accrued Interest on Bonds and Loans**

**Water Utility Operating Fund**

**Year ended December 31, 2019**

Balance, December 31, 2018		\$	22,211
Increased by:			
Budget Appropriation			<u>46,431</u>
			68,642
Decreased by:			
Payments	\$	46,431	
Liability Canceled		<u>6,283</u>	
			<u>52,714</u>
Balance, December 31, 2019		\$	<u><u>15,928</u></u>

Analysis of Balance

<u>Principal Outstanding Dec. 31, 2019</u>	<u>From</u>	<u>To</u>	<u>Interest Rate</u>	<u>Required Amount</u>
\$ 1,037,876	8/1/2019	12/31/2019	4.00-5.00%	<u>15,928</u>
				\$ <u><u>15,928</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Reserve for Amortization**

**Water Utility Capital Fund**

**Year ended December 31, 2019**

Balance, December 31, 2018		\$	6,345,515
Increased by:			
Paid by Operating Budget			
NJ EIT Loan Payable	\$	250,122	
Paydown of unissued debt		<u>129,731</u>	
			<u>379,853</u>
Balance, December 31, 2019		\$	<u><u>6,725,368</u></u>

**Schedule of Capital Improvement Fund**

**Water Utility Capital Fund**

**Year ended December 31, 2019**

Balance- December 31, 2018		\$	718,000
Increased by:			
2019 Budget Appropriation			<u>300,000</u>
Balance- December 31, 2019		\$	<u><u>1,018,000</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Improvement Authorizations**  
**Water Utility Capital Fund**

Year ended December 31, 2019

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2018		2019 Authorizations		Balance, Dec. 31, 2019	
				Funded	Unfunded	Expended	Funded	Unfunded	
05-39	Water Meters	12/29/2005	140,000	77,513			77,513		
06-07	Water Improvements	2/16/2006	80,000		73,970			73,970	
11-17	Various Water Main Improvements	10/20/2012	340,000		46,748			46,748	
2017-35/2018-14	Water Tank Replacement	12/21/2017	2,330,000						
		7/19/2018	210,000	91,071					
2018-15	Replacement of Water Lines	7/19/2018	270,000				102,179	259,108	
2019-24/2019-28	Water Main Replacement - Tuella Avenue	9/19/2019	1,050,000				10,892		
		11/14/2019	125,000				1,140,135	34,865	
				<u>\$ 168,584</u>	<u>390,718</u>	<u>1,175,000</u>	<u>1,139,919</u>	<u>414,691</u>	

Authorized Not Issued \$ 1,175,000

Cash Disbursement \$ 52,334  
 Contracts Payable 1,087,585  
 \$ 1,139,919

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Reserve for Payment of Debt**  
**Water Utility Capital Fund**  
**Year ended December 31, 2019**

Balance - December 31, 2018	\$	335,000
Decreased by:		
Applied to Authorized not Issued - Ord. 2006-29		129,731
Balance - December 31, 2019	\$	205,269

<u>Analysis of Balance</u>		
Ord. 2005-12		205,269
	\$	205,269

**BOROUGH OF ELMWOOD PARK**

**Schedule of Environmental Infrastructure Trust Fund Loans Payable**

**Water Utility Capital Fund**

**Year ended December 31, 2019**

<u>Purpose</u>	<u>Date of issue of original notes</u>	<u>Original issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Balance Dec.31 2018</u>	<u>Decreased</u>	<u>Balance, Dec.31, 2019</u>
Water System Improvements	11/9/2006	4,523,513	2/1/2020	15,457	4.00-5.00%	1,994,669	250,122	1,744,547
			8/1/2020	239,165				
			2/1/2021	13,650				
			8/1/2021	245,369				
			2/1/2022	11,720				
			8/1/2022	251,277				
			2/1/2023	9,724				
			8/1/2023	265,016				
			2/1/2024	7,530				
			8/1/2024	249,435				
			2/1/2025	4,868				
			8/1/2025	261,090				
			8/1/2026	170,246				
						<u>\$ 1,994,669</u>	<u>250,122</u>	<u>1,744,547</u>
						<u>Budget Appropriations</u>	<u>250,122</u>	<u>1,744,547</u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Down Payments on Improvements**

**Water Utility Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>9,000</u>
Balance - December 31, 2019	\$ <u><u>9,000</u></u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Deferred Reserve for Amortization

## Water Utility Capital Fund

Year ended December 31, 2019

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of Ordinance</u>	Balance, Dec. 31, <u>2018</u>	Balance, Dec. 31, <u>2019</u>
05-39	Water Meters	12/29/2005	\$ 140,000	140,000
06-07	Water Improvements	2/16/2006	4,000	4,000
2017-35/2018-14	Water Tank Replacement	12/21/2017	<u>2,540,000</u>	<u>2,540,000</u>
			<u>\$ 2,684,000</u>	<u>2,684,000</u>



**Exhibit D-21**

**BOROUGH OF ELMWOOD PARK**

**Schedule of Encumbrances Payable**

**Water Utility Operating Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ <u>13,721</u>
Increased by:	
Transferred from 2019 Budget	<u>184,729</u>
	198,450
Decreased by:	
Transferred to Appropriation Reserves	<u>13,721</u>
Balance - December 31, 2019	\$ <u><u>184,729</u></u>

**Exhibit D-22**

**Schedule of Contracts Payable**

**Water Utility Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018	\$ 109,979
Increased by:	
Charges to Improvement Authorizations	<u>1,087,585</u>
	1,197,564
Decreased by:	
Cash Disbursements	<u>109,979</u>
Balance - December 31, 2019	\$ <u><u>1,087,585</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Bonds and Notes Authorized But Not Issued**

**Water Utility Capital Fund**

**Year ended December 31, 2019**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2019</u>
05-30	Water Main Replacement	15,027			15,027
06-07	Water Improvements	76,000			76,000
06-29	Water Improvements	297,197		129,731	167,466
2011-17	Various Water Main Replacement	340,000			340,000
2018-15	Replacement of Water Lines	270,000			270,000
2019-24	Replacement of Water Main at Tuella Avenue		1,050,000		1,050,000
2019-28	Supplemental Appropriation - 2019-24		125,000		125,000
		<u>\$ 998,224</u>	<u>1,175,000</u>	<u>129,731</u>	<u>2,043,493</u>
			<u>2019 Authorizations</u>		
			<u>1,175,000</u>		
			<u>\$ 1,175,000</u>		
				<u>Reserve for Payment of Debt Applied</u>	<u>129,731</u>

**BOROUGH OF ELMWOOD PARK**

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**PART II**

**LETTER ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2019**

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**WIELKOTZ & COMPANY <sup>LLC</sup>**  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
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NEWTON OFFICE  
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NEWTON, NEW JERSEY 07860  
(973)-835-7900

**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 Mayor and  
Members of the Borough Council  
Borough of Elmwood Park  
County of Bergen, New Jersey

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-regulatory basis of the Borough of Elmwood Park in the County of Bergen as of and for the year ended December 31, 2019 and the related notes to the financial statements, and have issued our report thereon dated June 19, 2020, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Elmwood Park's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Elmwood Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Elmwood Park'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 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.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Elmwood Park in the accompany comments and recommendations section of this report.

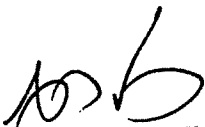
### **Compliance and Other Matters**

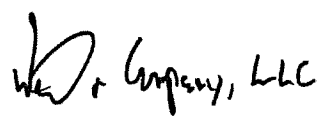
As part of obtaining reasonable assurance about whether the Borough of Elmwood Park's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Elmwood Park in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

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

  
Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413

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

June 19, 2020

## BOROUGH OF ELMWOOD PARK

### GENERAL COMMENTS

#### Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting 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, except that the governing body of any contracting unit 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 25,000. 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.
- b. 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 subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. 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.

**BOROUGH OF ELMWOOD PARK**  
**GENERAL COMMENTS, CONTINUED**

Effective July 1, 2010, 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 \$36,000. On May 7, 2009, the Borough increased the bid threshold to \$36,000 as allowed by law for having a qualified purchasing agent. On July 1, 2015, the threshold with a qualified purchasing agent was increased to \$40,000.

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

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

- Veterans Memorial Project
- Memorial Tennis Courts Project
- Tuella Ave Improvements
- 2018 CDBG - Improvements to Miller Ave, Summit Ave, 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> St
- 2019 Road Program

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.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

**Collection of Interest on Delinquent Taxes and Assessments**

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

On August 15, 2019, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:



**BOROUGH OF ELMWOOD PARK**  
**GENERAL COMMENTS, CONTINUED**

“NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Elmwood Park, that taxes due to the Borough shall be payable February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup> each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the tax payer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% thereafter and a 6% additional penalty for a delinquency over \$10,000 if not paid by the end of the calendar year. Delinquent water bills over \$100 shall be subject to interest at 1% per month thirty days after the due date.

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from the due date the interest shall be waived except in the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in the Resolution.”

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

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on October 16, 2019, and was complete.

Inspection of the sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of liens</u>
2019	0
2018	6
2017	6

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**BOROUGH OF ELMWOOD PARK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2019**

**COMMENTS**

**Finance/Treasurer/Accounts Payable:**

1. \*Goods and services are being ordered prior to the issuance of a purchase order.
2. \*Competitive quotes were not obtained for some purchases in excess of the quote threshold.
  - a. Installation of Doors for Hut
  - b. English Avenue Park Trees and Cleanout
3. Reserve balances in the Other Trust Fund for Tax Title Lien Premiums and Redemptions are not in agreement with supporting documentation.
4. The annual Equitable Sharing and Certification report filed with the Federal Departments of Justice and Treasury is not in agreement with the financial records of the Borough.
5. There is a deficit in the Alcohol Rehabilitation Trust Fund as a result of bills paid in excess of the reserve balance.
6. There are Capital Fund Improvement Authorizations greater than five years old that have unfunded portions outstanding.

**Administration/Clerk**

1. Not all professional service contracts were awarded via resolution or in compliance with the state's "Pay to Play" statute (P.L. 2005, c. 51)
  - a. Special Labor Counsel's initial contract was not awarded by resolution
  - b. Municipal Planner contract was awarded without the submission of a proposal.
  - c. All awarding resolutions did not reflect the budget appropriation and/or capital ordinance to be charged for the expenditures.
2. An accurate record of prepaid animal licenses is not being maintained.

**Municipal Court**

1. A review of the December monthly management report indicated there is a significant amount of tickets assigned but not issued over 180 days and tickets in "Other Case Status"

**BOROUGH OF ELMWOOD PARK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2019**

**RECOMMENDATIONS**

**Finance/Treasurer/Accounts Payable:**

1. Purchase orders be issued prior to the placement of an order for goods and services in accordance with Technical Accounting Directive 1.
2. Competitive quotes be obtained for purchases in excess of the quote threshold as required.
3. Adjustments be made to bring the reserve balances for Tax Title Lien Premiums and Redemptions in agreement with tax collector reports.
4. Further investigation and adjustments be made to determine accurate balances to be reported on the annual Equitable Sharing and Certification Report.
5. Greater oversight and monitoring be utilized to ensure reserve balances are adequate to fund expenditures.
6. Unfunded improvement authorizations that are over five years old, where projects have been completed, be funded through either a budget appropriation or through the issuance of temporary or permanent debt.

**Administration/Clerk**

1. All professional service contracts be awarded via resolution and in accordance with the state's "Pay to Play" statute.
  - a. Awarding resolutions contain the line item appropriation to be charged.
  - b. All professional service contracts be awarded by resolution
  - c. All professional service contracts be supported by a proposal.
2. An accurate of prepaid licenses collected that corresponds to deposits made be maintained.

**Municipal Court**

1. Tickets assigned but not issued over 180 days be recalled and either re-assigned or destroyed and that the court review other case statuses for proper follow-up and disposition.

**BOROUGH OF ELMWOOD PARK**

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

A review was performed on all prior year recommendations and corrective action was taken on all except for the Findings/Recommendations marked with an “\*”.

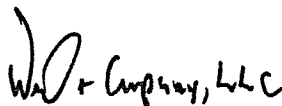
**ACKNOWLEDGMENT**

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz  
Registered Municipal Accountant  
No. CR00413



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

June 19, 2020

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