

BOROUGH OF ELMWOOD PARK

**Financial Statements with
Supplementary Information
December 31, 2020**

(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, 2020

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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, 2020 and 2019, 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, 2020, 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.



The Honorable Mayor and
Members of the Borough Council
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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, 2020 and 2019, 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 \$587,404 and \$566,029 for 2020 and 2019, 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, 2020 and 2019, 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, 2020 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 July 13, 2021 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

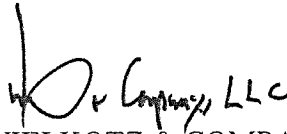


The Honorable Mayor and
Members of the Borough Council
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reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit 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

July 13, 2021



BOROUGH OF ELMWOOD PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 11,503,286	11,851,364
Change Fund	A-5	<u>200</u>	<u>200</u>
		<u>11,503,486</u>	<u>11,851,564</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-11	576,146	593,449
Property Acquired for Taxes - Assessed Valuation	A-12	23,450	23,450
Due from Federal Agencies	A-13	54,043	
Revenue Accounts Receivable	A-14	80,582	58,516
Interfund Accounts Receivable	A-16	<u>10,711</u>	<u>37,619</u>
		<u>744,932</u>	<u>713,034</u>
Deferred Charges:			
Special Emergency Authorizations	A-15	<u>551,323</u>	
		<u>551,323</u>	
		<u>12,799,741</u>	<u>12,564,598</u>
Federal and State Grant Fund:			
Due from Current Fund	A-9	245,117	261,249
Due from General Capital Fund	A-10	2,309	
Grants Receivable	A-8	<u>21,105</u>	<u>21,105</u>
		<u>268,531</u>	<u>282,354</u>
		<u>\$ 13,068,272</u>	<u>12,846,952</u>

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

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-17	\$ 1,649,280	1,160,294
Encumbrances Payable	A-3/A-18	607,026	661,164
Due to Federal and State Grant Fund	A-9	245,117	261,249
Reserve for Other Expenditures	A-19	1,492,224	1,492,224
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	74,599	73,645
Tax Overpayments	A-20	29,030	9,311
Marriage License Fees Payable	A-22	1,175	1,050
County Taxes Payable	A-23	10,048	
Prepaid Taxes	A-24	377,817	471,998
Due to LOSAP - Plan Assets	A-25	102,752	102,752
		<u>4,589,068</u>	<u>4,233,687</u>
Reserve for Receivables	Contra	744,932	713,034
Fund Balance	A-1	7,465,741	7,617,877
		<u>12,799,741</u>	<u>12,564,598</u>
Federal and State Grant Fund:			
Due to Other Trust Fund	A-26	8,590	
Appropriated Reserve for Grants	A-27	170,591	209,588
Encumbrances Payable	A-27	3,024	10,780
Unappropriated Reserve for Grants	A-28	86,326	61,986
		<u>268,531</u>	<u>282,354</u>
		<u>\$ 13,068,272</u>	<u>12,846,952</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues and Other Income:		
Fund Balance Utilized	3,975,000	3,575,000
Miscellaneous Revenue Anticipated	3,941,534	4,985,848
Receipts from Delinquent Taxes	634,643	1,178,227
Receipts from Current Taxes	61,910,897	60,737,278
Non-Budget Revenue	691,951	664,715
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,104,269	1,259,452
Interfunds Returned	37,619	26,189
Other Liabilities Cancelled		31,766
	<hr/>	<hr/>
Total Revenues and Other Income	72,295,913	72,458,475
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	10,887,300	10,262,400
Other Expenses	11,019,947	11,112,508
Capital Improvement Fund	100,000	100,000
Municipal Debt Service	1,580,658	1,186,792
Deferred Charges and Statutory Expenditures -		
Municipal	2,524,328	2,422,995
Local District School Tax	37,030,661	36,532,245
County Taxes Including Added Taxes	5,824,713	5,661,118
Tax Appeal Refunds		42,781
Refunds	2,722	
State Disallowed Senior & Vet Deductions		250
Interfunds Advanced	54,043	
	<hr/>	<hr/>
Total Expenditures	69,024,372	67,321,089
	<hr/>	<hr/>
Excess (Deficit) Revenue Over Expenditures	3,271,541	5,137,386
	<hr/>	<hr/>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year:		
Special Emergency - COVID Revenue Losses	551,323	
	<hr/>	<hr/>
Statutory Excess to Surplus	3,822,864	5,137,386

BOROUGH OF ELMWOOD PARK, N.J.

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

Current Fund

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Fund Balance, January 1,	<u>7,617,877</u>	<u>6,055,491</u>
	11,440,741	11,192,877
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>3,975,000</u>	<u>3,575,000</u>
Fund Balance, December 31,	\$ <u><u>7,465,741</u></u>	<u><u>7,617,877</u></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, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 3,975,000	3,975,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	22,000	22,310	310
Other	8,100	9,621	1,521
Fees and Permits	75,000	92,324	17,324
Fines and Costs:			
Municipal Court	585,000	414,407	(170,593)
Interest and Costs on Taxes	110,000	140,567	30,567
Interest on Investments and Deposits	150,000	94,235	(55,765)
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	82,000	89,050	7,050
Uniform Construction Code Fees	330,000	248,414	(81,586)
Uniform Fire Safety Act	60,000	58,216	(1,784)
Trunk Sewer Revenue	91,642	95,160	3,518
Utility Operating Surplus	575,000	575,000	
Capital Fund Balance	350,000	350,000	
Safe and Secure Communities Program	60,000	60,000	
Body Armor Grant	4,277	4,277	
Clean Communities	31,832	31,832	
Stigma Free Grant	1,860	1,860	
CARES Act	183,306	183,306	
Census Grant	3,508	3,508	
Historic Grant	126	126	
Alcohol Education and Rehabilitation	1,417	1,417	
Childhood Health & Safety Grant	4,000	4,000	
	<u>4,190,972</u>	<u>3,941,534</u>	<u>(249,438)</u>
Total Miscellaneous Revenues			
Receipts from Delinquent Taxes	<u>585,000</u>	<u>634,643</u>	<u>49,643</u>
Subtotal General Revenues	<u>8,750,972</u>	<u>8,551,177</u>	<u>(199,795)</u>
Amount to be raised by taxes for support of municipal purposes	<u>19,564,203</u>	<u>21,255,523</u>	<u>1,691,320</u>
Budget Totals	28,315,175	29,806,700	1,491,525
Non-Budget Revenue		<u>691,951</u>	<u>691,951</u>
	<u>\$ 28,315,175</u>	<u>30,498,651</u>	<u>2,183,476</u>

BOROUGH OF ELMWOOD PARK, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2020

Analysis of Realized Revenues

Revenue from Current Tax Collections		\$ 61,910,897
Allocated to:		
Local District School Tax	37,030,661	
County Taxes	<u>5,824,713</u>	
		<u>42,855,374</u>
Balance for Support of Municipal Budget Appropriations		19,055,523
Add : Appropriation - Reserve for Uncollected Taxes		<u>2,200,000</u>
Amount for Support of Municipal Budget Appropriations		\$ <u><u>21,255,523</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		\$ 634,643
Tax Title Liens		<u>634,643</u>

Analysis of Non-budget Revenues

Verizon Franchise Fees	\$ 157,273	
Cable Franchise Fees	90,751	
Hotel Franchise Tax	83,192	
Police Outside Duty Admin Fees	214,000	
Public Defender Fees	3,786	
Insurance Dividend	26,565	
Insurance Settlement	89,740	
DMV Fines	7,156	
Miscellaneous	<u>19,488</u>	
		\$ <u><u>691,951</u></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, 2020

	<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	\$ 210,000	222,000	221,874	126	
Other Expenses	90,000	90,000	47,851	42,149	
Grant Consultant	36,000	40,000	39,600	400	
Mayor and Council:					
Salaries and Wages	50,500	50,500	50,096	404	
Financial Administration:					
Salaries and Wages	285,000	300,000	293,910	6,090	
Other Expenses	91,200	91,200	69,419	21,781	
Other Expenses - ADS Payroll	55,000	55,000	42,631	12,369	
Audit Services	60,000	60,000	33,550	26,450	
Collection of Taxes:					
Salaries and Wages	175,000	175,000	145,271	29,729	
Other Expenses	40,000	40,000	20,667	19,333	
Postage	40,000	40,000	26,672	13,328	
Assessment of Taxes:					
Salaries and Wages	98,000	98,000	86,072	11,928	
Other Expenses	27,000	27,000	14,763	12,237	
Legal Services and Cost:					
Salaries and Wages	90,000	160,000	132,906	27,094	
Other Expenses	175,000	175,000	172,981	2,019	
Engineering Services and Costs:					
Other Expenses	30,000	35,000	29,824	5,176	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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	9,400	11,400	9,194	2,206	
Other Expenses	46,000	76,000	70,701	5,299	
Zoning Board					
Salaries and Wages	10,500	10,500	7,448	3,052	
Other Expenses	12,000	12,000	2,120	9,880	
Council on Affordable Housing					
Other Expenses	45,000	45,000	5,000	40,000	
Insurance:					
General Liability	613,372	663,372	405,434	257,938	
Workers Compensation	414,756	414,756	414,756		
Employee Group Health	2,883,000	2,332,900	2,259,403	73,497	
Employee Group Health - Waiver	15,000	15,000	5,500	9,500	
Public Safety:					
Police:					
Salaries and Wages - Regular	6,400,000	6,325,500	6,172,144	153,356	
Salaries and Wages - Crossing Guards	110,000	110,000	61,364	48,636	
Salaries and Wages - Other Police Person	200,000	287,500	283,584	3,916	
Other Expenses - Regular/Specials	400,000	505,500	483,308	22,192	
Purchase of Police Vehicles	30,000	30,000	25,601	4,399	
Police Dispatch/911:					
Salaries and Wages	190,000	190,000	170,208	19,792	
Emergency Management:					
Other Expenses	10,710	10,710	3,495	7,215	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Fire Department					
Stipend Program	125,000	125,000	118,883	6,117	
Other Expenses - Miscellaneous	150,000	160,000	130,845	29,155	
Other Expenses - Clothing Allowance	58,000	58,000	50,398	7,602	
Other Expenses - Rental of Firehouse	60,000	60,000	60,000		
Uniform Fire Safety Act (Ch. 383, PL 1983)					
Salaries and Wages - Fire Official	90,000	115,000	108,645	6,355	
Other Expenses	8,000	8,000	5,239	2,761	
Municipal Prosecutor:					
Salaries and Wages	25,800	25,800	20,673	5,127	
Municipal Court					
Salaries and Wages	210,000	210,000	198,806	11,194	
Other Expenses	25,000	25,000	11,770	13,230	
Public Defender:					
Salaries and Wages	19,000	19,000	7,978	11,022	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	1,154,000	1,209,000	1,199,213	9,787	
Other Expenses	390,000	390,000	284,138	105,862	
Other Public Works Functions					
Other Expenses - Traffic Lights	50,000	50,000	20,575	29,425	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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	6,000		6,000	
Solid Waste Collection					
Salaries and Wages	97,500	97,500	45,438	52,062	
Other Expenses - Recycling	270,000	290,000	269,872	20,128	
Other Expenses - Solid Waste/Tipping	1,260,000	1,400,000	1,376,752	23,248	
Rent Leveling					
Salaries and Wages	1,600	1,600	780	820	
Other Expenses	350	350		350	
Vehicle Maintenance:					
Other Expenses	85,000	57,000	32,306	24,694	
Health and Welfare:					
Public Health Services:					
Salaries and Wages	20,000	20,000	11,895	8,105	
Other Expenses	16,500	16,500	3,573	12,927	
Veterans Service Bureau					
Other Expenses	4,200	4,200		4,200	
Parks and Recreation:					
Recreation Services and Programs:					
Salaries and Wages	412,000	412,000	301,495	110,505	
Other Expenses	125,000	125,000	92,953	32,047	
Maintenance of Parks:					
Other Expenses	30,500	30,500	14,115	16,385	
Celebration of Public Events:					
Other Expenses	50,000	50,000	26,094	23,906	
Senior Citizen's:					
Other Expenses	28,000	28,000	3,829	24,171	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Utility Expenses and Bulk Purchases					
Electric and Gas	250,000	250,000	207,467	42,533	
Street Lighting	300,000	340,000	329,000	11,000	
Telephone	70,000	78,000	72,638	5,362	
Gasoline	150,000	120,000	76,151	43,849	
Compensated Absences					
Salaries and Wages	300,000	300,000	300,000		
Uniform Construction Code:					
Construction Code Official:	315,000	315,000	309,152	5,848	
Salaries and Wages	40,000	40,000	23,482	16,518	
Other Expenses					
Total Operations within "CAPS"	<u>19,138,888</u>	<u>19,135,288</u>	<u>17,521,502</u>	<u>1,613,786</u>	
B. Contingent	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>		
Total Operations Including Contingent-within "CAPS"	<u>19,148,888</u>	<u>19,145,288</u>	<u>17,531,502</u>	<u>1,613,786</u>	
Detail:					
Salaries & Wages	10,613,300	10,805,300	10,262,529	542,771	
Other Expenses (Including Contingent)	8,535,588	8,339,988	7,268,973	1,071,015	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	424,585	424,585	424,585		
Social Security System (O.A.S.I.)	440,000	440,000	417,281	22,719	
Police and Firemen's Retirement System of NJ	1,646,285	1,646,285	1,646,285		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	2,510,870	2,510,870	2,488,151	22,719	
Total General Appropriations for Municipal Purposes within "CAPS"	21,659,758	21,656,158	20,019,653	1,636,505	
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	773,888	773,888	773,888		
Recycling Tax	45,000	45,000	34,880	10,120	
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission					
Operating and Maintenance Costs	1,359,745	1,359,745	1,359,745		
Total Other Operations - Excluded from "CAPS"	2,178,633	2,178,633	2,168,513	10,120	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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	82,000	82,000	82,000		
County of Bergen - Public Health Officer and Animal Control	100,000	100,000	97,345	2,655	
Borough of Fair Lawn - Construction Code Services	90,000	90,000	90,000		
Total Interlocal Municipal Service Agreements	272,000	272,000	269,345	2,655	
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		
Health and Safety Childhood	4,000	4,000	4,000		
Stigma Free	1,860	1,860	1,860		
Body Armor Replacement Fund	4,277	4,277	4,277		
Alcohol Rehabilitation	1,417	1,417	1,417		
Census Grant	3,508	3,508	3,508		
Bergen County Historical Restoration Grant	126	126	126		
Coronavirus	183,306	183,306	183,306		
Clean Communities Grant (N.J.S.A. 13:1e-99.2)	31,832	31,832	31,832		
Total Public and Private Programs Offset by Revenues	311,326	311,326	311,326		

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total Operations-Excluded from "CAPS"	<u>2,761,959</u>	<u>2,761,959</u>	<u>2,749,184</u>	<u>12,775</u>	
Detail:					
Salaries and Wages	82,000	82,000	82,000		
Other Expenses	2,679,959	2,679,959	2,667,184	12,775	
Capital Improvements - Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>		
Capital Improvement Fund					
Total Capital Improvements Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>		
Municipal Debt Service - Excluded from "CAPS"	<u>1,075,000</u>	<u>1,075,000</u>	<u>1,075,000</u>		
Payment of Bond Principal	250,000	250,000	247,094		2,906
Interest on Bonds					
New Jersey EIT Loans:					
Principal and Interest	255,000	258,600	258,564		36
Total Municipal Debt Service-Excluded from "CAPS"	<u>1,580,000</u>	<u>1,583,600</u>	<u>1,580,658</u>		<u>2,942</u>
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"					
(1) DEFERRED CHARGES:					
Emergency - Deficit in Alcohol & Rehabilitation Trust Fund	13,458	13,458	13,458		
Total Deferred Charged and Statutory Expenditures-Municipal excluded from "CAPS"	<u>13,458</u>	<u>13,458</u>	<u>13,458</u>		

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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"	4,455,417	4,459,017	4,443,300	12,775	2,942
Subtotal General Appropriations	26,115,175	26,115,175	24,462,953	1,649,280	2,942
Reserve for Uncollected Taxes	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>		
Total General Appropriations	<u>\$ 28,315,175</u>	<u>28,315,175</u>	<u>26,662,953</u>	<u>1,649,280</u>	<u>2,942</u>

Appropriation by 40:A4-87 \$ 224,064
 Adopted Budget 28,091,111

\$ 28,315,175

Reserve for Uncollected Taxes \$	2,200,000
Federal and State Grants	311,326
Encumbrances	607,026
Cash	<u>23,544,601</u>
	<u>\$ 26,662,953</u>

See accompanying notes to the financial statements.

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BOROUGH OF ELMWOOD PARK

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Trust Fund:			
Cash	B-1	\$ <u>25,439</u>	<u>35,254</u>
		<u>25,439</u>	<u>35,254</u>
Other Trust Funds:			
Cash	B-1	1,938,307	1,958,741
Interfund - Federal and State Grant Fund	B-2	<u>8,590</u>	<u> </u>
		<u>1,946,897</u>	<u>1,958,741</u>
Unemployment Compensation Insurance Trust Fund:			
Cash	B-1	<u>193,447</u>	<u>181,162</u>
		<u>193,447</u>	<u>181,162</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Cash in Plan	B-1	494,220	472,845
Plan Assets Receivable	B-9	<u>93,184</u>	<u>93,184</u>
		<u>587,404</u>	<u>566,029</u>
		<u>\$ 2,753,187</u>	<u>2,741,186</u>

BOROUGH OF ELMWOOD PARK

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Trust Fund:			
Interfund - Current Fund	B-2	\$ 7,824	15,383
Prepaid Licenses	B-3	2,026	2,323
Due to State of New Jersey	B-4	319	407
Reserve for Animal Trust Fund Expenditures	B-5	<u>15,270</u>	<u>17,141</u>
		<u>25,439</u>	<u>35,254</u>
Other Trust Fund:			
Interfund - Current Fund	B-2	2,642	13,651
Reserve for Various Deposits	B-8	<u>1,944,255</u>	<u>1,945,090</u>
		<u>1,946,897</u>	<u>1,958,741</u>
Unemployment Compensation Insurance Trust Fund:			
Reserve for Expenditures	B-6	175,327	180,965
Due to State of New Jersey	B-7	<u>18,120</u>	<u>197</u>
		<u>193,447</u>	<u>181,162</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Net Assets Available for Benefits	B-10	<u>587,404</u>	<u>566,029</u>
		<u>\$ 2,753,187</u>	<u>2,741,186</u>

See accompanying notes to financial statements.

BOROUGH OF ELMWOOD PARK

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	C-2/C-3	\$ 2,929,606	617,244
Grants Receivable:			
State Department of Transportation	C-7	67,240	67,240
Community Development Block Grant	C-8	526,508	459,351
Bergen County Open Space Grant	C-9	521,070	327,100
Green Acres Trust Fund	C-11	250,407	
Infrastructure Loan Receivable	C-10	17,514	17,514
Due from Elmwood Park Board of Education	C-12	123,538	123,538
Deferred Charges to Future Taxation:			
Funded	C-5	11,726,099	13,006,410
Unfunded	C-6	9,540,908	5,116,759
		<u>\$ 25,702,890</u>	<u>19,735,156</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-13	\$ 10,145,000	11,220,000
Bond Anticipation Notes Payable	C-14	7,010,000	
NJ Infrastructure Trust Loan Payable	C-18	850,000	950,000
NJ Infrastructure Fund Loan Payable	C-19	731,099	836,410
Contracts Payable	C-20	1,094,552	3,395,921
Interfunds Payable:	C-4	2,554	89
Reserve for Grants Receivable	C-21	1,094,155	526,591
Improvement Authorizations:			
Funded	C-15	805,136	827,319
Unfunded	C-15	3,622,070	1,254,753
Reserve for Payment of Debt Service	C-16		1
Capital Improvement Fund	C-17	93,904	155,404
Fund Balance	C-1	254,420	568,668
		<u>\$ 25,702,890</u>	<u>19,735,156</u>

There were \$2,530,908 and \$5,116,759 of Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019 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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Balance - December 31,	\$ 568,668	779,277
Increased By:		
Liability Cancelled	1	
Premium received on Note Sale	<u>35,751</u>	<u>39,391</u>
	35,752	39,391
	604,420	818,668
Decreased By:		
Budget Revenue - Due to Current Fund	<u>350,000</u>	<u>250,000</u>
Balance - December 31,	<u>\$ 254,420</u>	<u>568,668</u>

See accompanying notes to the financial statements.

BOROUGH OF ELMWOOD PARK

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ 6,168,450	5,888,770
Interfunds Receivable	D-7	<u>711</u>	<u>207</u>
		<u>6,169,161</u>	<u>5,888,977</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-8	969,730	135,866
Inventory - Materials and Supplies	D-9	<u>500</u>	<u>500</u>
		<u>970,230</u>	<u>136,366</u>
Total Water Utility Operating Fund		<u>7,139,391</u>	<u>6,025,343</u>
Capital Fund:			
Cash - Treasurer	D-5,D-6	1,884,994	996,029
Fixed Capital	D-10	8,652,408	8,652,408
Fixed Capital Authorized and Uncompleted	D-11	<u>4,785,000</u>	<u>4,545,000</u>
Total Capital Fund		<u>15,322,402</u>	<u>14,193,437</u>
		<u>\$ 22,461,793</u>	<u>20,218,780</u>

BOROUGH OF ELMWOOD PARK
Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2020 and 2019

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-12	\$ 16,665	197,226
Reserve for Encumbrances	D-22	146,091	184,729
Accrued Interest on Loans	D-13	<u>13,705</u>	<u>15,928</u>
		176,461	397,883
Reserve for Receivables	Contra	969,730	135,866
Reserve for Inventory	Contra	500	500
Fund Balance	D-1	<u>5,992,700</u>	<u>5,491,094</u>
Total Water Utility Operating Fund		<u>7,139,391</u>	<u>6,025,343</u>
Capital Fund:			
Due to Water Utility Operating Fund	D-7	711	207
Bond Anticipation Notes Payable	D-18	1,415,000	
Infrastructure Loans Payable	D-19	1,489,925	1,744,547
Improvement authorization:			
Funded	D-16	179,692	179,692
Unfunded	D-16	612,739	414,691
Capital Improvement Fund	D-15	1,318,000	1,018,000
Reserve for:			
Payment of Debt Service	D-17	205,269	205,269
Amortization	D-14	6,979,990	6,725,368
Deferred Reserve for Amortization	D-21	2,684,000	2,684,000
Contracts Payable	D-23	295,782	1,087,585
Downpayments on Improvements	D-20	9,000	9,000
Fund Balance	D-2	<u>132,294</u>	<u>125,078</u>
Total Capital Fund		<u>15,322,402</u>	<u>14,193,437</u>
		<u>\$ 22,461,793</u>	<u>20,218,780</u>

There were \$868,493 and \$2,043,493 of Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019 respectively (Exhibit D-24).

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and other income:		
Water Rents	\$ 4,003,709	3,883,005
Miscellaneous Revenue	57,324	98,150
Liabilities Cancelled	2,223	6,283
Unexpended Balance Appropriation Reserve	<u>217,666</u>	<u>423,536</u>
Total revenue and other income	<u>4,280,922</u>	<u>4,410,974</u>
Expenditures:		
Operating	2,570,000	2,497,000
Capital improvements	300,000	300,000
Debt Service	294,320	296,553
Deferred Charges and Statutory Expenditures	30,000	50,000
Refunds	<u>9,996</u>	<u> </u>
Total expenditures	<u>3,204,316</u>	<u>3,143,553</u>
Excess(Deficit) in revenues	1,076,606	1,267,421
Statutory Excess to Surplus	1,076,606	1,267,421
Fund Balance, January 1	<u>5,491,094</u>	<u>4,738,673</u>
	6,567,700	6,006,094
Decreased by:		
Utilized as Current Budgeted Revenue	<u>575,000</u>	<u>515,000</u>
Balance, December 31	<u>\$ 5,992,700</u>	<u>5,491,094</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Balance - December 31, 2019	\$ 125,078	335,078
Increased by:		
Premium received from Note Sale	7,216	
	132,294	335,078
Decreased by:		
Appropriated to Finance Improvement Authorizations		210,000
Balance - December 31, 2020	\$ 132,294	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, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Water Rents	\$ 3,195,000	4,003,709	808,709
Miscellaneous	<u> </u>	<u>57,324</u>	<u>57,324</u>
	<u>\$ 3,195,000</u>	<u>4,061,033</u>	<u>866,033</u>

Analysis of Realized Revenue

	Rents \$	<u>4,003,709</u>
		55,777
Interest on Investments		747
Due from Water Capital Fund - Interest on Investments		<u>800</u>
Water Permits		<u>\$ 57,324</u>

See accompanying notes to financial statements.

BOROUGH OF ELMWOOD PARK

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2020

	<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	\$ 450,000	350,000	349,175	825	
Other Expenses	<u>2,100,000</u>	<u>2,220,000</u>	<u>2,219,017</u>	<u>983</u>	
Total Operating	<u>2,550,000</u>	<u>2,570,000</u>	<u>2,568,192</u>	<u>1,808</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>30,000</u>	<u>15,143</u>	<u>14,857</u>	
Total Deferred Charges and Statutory Expenditures	<u>50,000</u>	<u>30,000</u>	<u>15,143</u>	<u>14,857</u>	
Debt Service:					
Environmental Infrastructure Principal and Interest	<u>295,000</u>	<u>295,000</u>	<u>294,320</u>		<u>680</u>
Total Debt Service	<u>295,000</u>	<u>295,000</u>	<u>294,320</u>		<u>680</u>
	<u>\$ 3,195,000</u>	<u>3,195,000</u>	<u>3,177,655</u>	<u>16,665</u>	<u>680</u>
Adopted Budget		<u>3,195,000</u>			
		<u>\$ 3,195,000</u>			
			Cash Disbursed \$ 2,993,337		
			Reserve for Encumbrances 146,091		
			Accrued Interest on Loans <u>38,227</u>		
			<u>\$ 3,177,655</u>		

See accompanying notes to financial statements.

BOROUGH OF ELMWOOD PARK

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>General Fixed Assets:</u>		
Land	\$ 13,664,400	13,664,400
Land Improvements	868,045	653,295
Buildings	7,031,078	7,005,815
Machinery and Equipment	<u>13,943,862</u>	<u>11,344,448</u>
	<u>\$ 35,507,385</u>	<u>32,667,958</u>
Investment in Fixed Assets	<u>\$ 35,507,385</u>	<u>32,667,958</u>

See accompanying notes to financial statements.

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BOROUGH OF ELMWOOD PARK

Comparative Balance Sheet-Regulatory Basis

Payroll Account

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash - Net Payroll	\$ 21,153	10,496
Cash - Payroll Deductions and Withholdings		451
	<u>21,153</u>	<u>10,947</u>
<u>Reserves</u>		
Due to Current Fund - Net Payroll Account	\$	8,496
Reserve for Net Payroll	21,153	2,000
Payroll Deductions and Withholdings		451
	<u>21,153</u>	<u>10,947</u>

See accompanying notes to financial statements.

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BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

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, 2020 and 2019
(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, 2020 and 2019
(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 11th day of the 11th 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, 2020 and 2019
(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, 2020 and 2019
(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, 2020 and 2019, the Governing Body approved additional revenues and appropriations of \$224,064 and \$62,061, respectively, in accordance with N.J.S.A. 40A:4-87. There were no increases to the water utility operating budget in 2020 and 2019. In addition, several budget transfers were approved by the Governing Body in 2020 and 2019.

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, 2020 and 2019
(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, 2020 and 2019
(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, 2020 and 2019
(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, 2020, 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, 2020 and 2019
(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, 2020 and 2019, \$-0- of the Borough's bank balance of \$25,582,246 and \$22,237,747, 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, 2020 and 2019
(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, 2020 and 2019 amounted to \$494,220 and \$472,845, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
American Funds Growth	\$28,363	\$18,688
Delaware VIP SMID Cap Core Services	46,634	42,609
Fixed Account	127,386	140,816
LVIP SSGA S&P 500 Index	189,536	182,060
LVIP T. Rowe Price Mid Cap Growth	61,509	47,385
All Others	<u>40,792</u>	<u>41,287</u>
Total	<u>\$494,220</u>	<u>\$472,845</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

	Balance		Balance	Amounts Due
	<u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Dec. 31, 2020</u>	<u>Within</u>
				<u>One Year</u>
Bonds Payable:				
General Obligation Debt	\$11,220,000	\$	\$10,145,000	\$1,095,000
Total Bonds Payable	<u>11,220,000</u>	<u> </u>	<u>10,145,000</u>	<u>1,095,000</u>
Other Liabilities:				
New Jersey Infrastructure Trust:				
Wastewater Loans - General Capital	1,786,410		205,311	1,581,099
Wastewater Loans - Water Capital	1,744,547		254,622	1,489,925
Compensated Absences Payable	<u>2,400,869</u>	<u>1,187,020</u>	<u>731,456</u>	<u>2,856,433</u>
Total Other Liabilities	<u>5,931,826</u>	<u>1,187,020</u>	<u>1,191,389</u>	<u>5,927,457</u>
	<u>\$17,151,826</u>	<u>\$1,187,020</u>	<u>\$2,266,389</u>	<u>\$16,072,457</u>
			<u>\$16,072,457</u>	<u>\$1,564,588</u>

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

	Balance Dec. 31, 2018	Additions	Reductions	Balance Dec. 31, 2019	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	\$4,970,000	\$6,950,000	\$700,000	\$11,220,000	\$1,075,000
Total Bonds Payable	<u>4,970,000</u>	<u>6,950,000</u>	<u>700,000</u>	<u>11,220,000</u>	<u>1,075,000</u>
Other Liabilities:					
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	1,985,335		198,925	1,786,410	205,311
Wastewater Loans - Water Capital	1,994,669		250,122	1,744,547	254,622
Compensated Absences Payable	<u>2,674,603</u>		<u>273,734</u>	<u>2,400,869</u>	
Total Other Liabilities	<u>6,654,607</u>		<u>722,781</u>	<u>5,931,826</u>	<u>459,933</u>
	<u>\$11,624,607</u>	<u>\$6,950,000</u>	<u>\$1,422,781</u>	<u>\$17,151,826</u>	<u>\$1,534,933</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)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$18,736,099	\$13,006,410	\$12,788,835
Authorized but not Issued - General - Bonds and Notes	2,530,908	5,116,759	2,751,519
Water Utility - Bonds, Notes and Loans	2,904,925	1,744,547	1,994,669
Authorized but not Issued - Water - Bonds and Notes	<u>868,493</u>	<u>2,043,493</u>	<u>998,224</u>
Bonds, Notes and Loans Issued and Authorized not Issued	<u>25,040,425</u>	<u>21,911,209</u>	<u>18,533,247</u>
Less Deductions:			
Reserve for Payment of Debt	<u>205,269</u>	<u>205,270</u>	<u>539,523</u>
	<u>205,269</u>	<u>205,270</u>	<u>539,523</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$24,835,156</u>	<u>\$21,705,939</u>	<u>\$17,993,724</u>

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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 0.908% for 2020.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$21,485,000	\$21,485,000	0
General Debt	21,267,007		21,267,007
Water Utility	<u>3,773,418</u>	<u>3,773,418</u>	<u>0</u>
	<u>\$46,525,425</u>	<u>\$25,258,418</u>	<u>\$21,267,007</u>

Net debt of \$21,267,007 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,341,443,677 equals 0.908%.

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%.

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

	<u>2020</u>	<u>2019</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$81,950,529	\$100,288,936
Net Debt	<u>21,267,007</u>	<u>18,123,168</u>
Remaining Borrowing Power	<u>\$60,683,522</u>	<u>\$82,165,768</u>

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>2020</u>	<u>2019</u>
Cash receipts from fees, rents or other charges for year	\$4,061,033	\$3,981,155
Deductions:		
Operating and Maintenance Cost	2,600,000	2,547,000
Debt Service per Water Account	<u>294,320</u>	<u>296,553</u>
Total Deductions	<u>2,894,320</u>	<u>2,843,553</u>
Excess (Deficit) in Revenue - Self-Liquidating	<u>\$1,166,713</u>	<u>\$1,137,602</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>2020</u>	<u>2019</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%	\$3,570,000	\$4,270,000
\$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>6,575,000</u>	<u>6,950,000</u>
Total General Serial Bonds	<u>\$10,145,000</u>	<u>\$11,220,000</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>	
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	1,175,000	119,500	1,294,500
2026-2030	3,690,000	298,600	3,988,600
2031	<u>750,000</u>	<u>15,000</u>	<u>765,000</u>
	<u>\$10,145,000</u>	<u>\$1,190,107</u>	<u>\$11,335,107</u>

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020 and 2019, the Borough had authorized but not issued debt as follows:

	<u>2020</u>	<u>2019</u>
General Capital Fund	\$2,530,908	\$5,116,759
Water Utility Capital Fund	<u>868,493</u>	<u>2,043,493</u>
	<u>\$3,399,401</u>	<u>\$7,160,252</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>2020</u>	<u>2019</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%	\$850,000	\$950,000
\$2,042,471, 2007 Fund Loan, due in annual installments of \$2,121 to \$101,934 through August 1, 2027, no interest	<u>731,099</u>	<u>836,410</u>
	<u>\$1,581,099</u>	<u>\$1,786,410</u>

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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>2020</u>	<u>2019</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%	\$904,512	\$1,037,876
\$2,222,699, 2006 Fund Loan, due in annual installments of \$4,868 to \$114,005 through August 1, 2025, no interest	<u>585,413</u>	<u>706,671</u>
	<u>\$1,489,925</u>	<u>\$1,744,547</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>
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	234,164	20,012	254,176	265,957	13,445	279,402
2026-2029	<u>474,321</u>	<u>20,344</u>	<u>494,665</u>	<u>170,246</u>	<u>6,810</u>	<u>177,056</u>
	<u>\$1,581,099</u>	<u>\$178,050</u>	<u>\$1,759,149</u>	<u>\$1,489,925</u>	<u>\$117,749</u>	<u>\$1,607,674</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, 2020 and 2019
(continued)

NOTE 5. BOND ANTICIPATION NOTES, (continued)

On December 31, 2020 and 2019, the Borough had \$7,010,000 and \$-0-, respectively, in outstanding General Capital bond anticipation notes. The Borough also had \$1,415,000 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, 2020 and 2019:

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Capital Notes Payable:				
Spencer Savings Bank	\$	\$7,010,000	\$	\$7,010,000
Water Capital Notes Payable:				
Spencer Savings Bank	<u> </u>	<u>1,415,000</u>	<u> </u>	<u>1,415,000</u>
	<u>\$</u>	<u>\$8,425,000</u>	<u>\$</u>	<u>\$8,425,000</u>
	<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>\$</u>	<u>\$5,833,500</u>	<u>\$0</u>
	<u>\$5,833,500</u>	<u>\$</u>	<u>\$5,833,500</u>	<u>\$0</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.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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 1/55th 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 1/60th 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.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020 and 2019
(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>
2020	\$423,280	\$1,646,285	\$17,709
2019	448,508	1,518,058	16,523
2018	394,464	1,362,616	-0-

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020, the Borough had a liability of \$6,656,284 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the Borough's proportion was .0408176039 percent, which was an increase/(decrease) of (.0026979337) percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$423,280. At December 31, 2020, 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	\$121,200	\$23,539
Changes of assumptions	215,937	2,787,049
Net difference between projected and actual earnings on pension plan investments	227,517	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>264,479</u>	<u>774,150</u>
Total	<u>\$829,133</u>	<u>\$3,584,738</u>

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020) 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:	
2021	\$(835,242)
2022	(761,487)
2023	(435,170)
2024	(175,975)
2025	(38,060)

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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 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, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Borough's Proportion	.0408176039%	.0435155376 %

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 6. PENSION PLANS, (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. 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, 2019 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-2020.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 6. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2020, 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, 2020		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$8,392,698	\$6,656,284	\$5,182,888

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.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2020, the Borough had a liability of \$21,491,610 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the Borough's proportion was .1663267524 percent, which was an increase of .1629806683 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$1,646,285. At December 31, 2020, 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	\$216,672	\$77,131
Changes of assumptions	54,084	5,761,772
Net difference between projected and actual earnings on pension plan investments	1,260,154	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,969,668</u>	<u>25,636</u>
Total	<u>\$3,500,578</u>	<u>\$5,864,539</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) 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, 2020 and 2019
(continued)

NOTE 6. PENSION PLANS, (continued)

Year ended June 30:	
2021	\$(2,010,392)
2022	(1,356,771)
2023	(552,351)
2024	(208,659)
2025	(179,821)

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 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 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, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Borough's Proportion	.1663267524%	.1629806683%

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. 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, 2020 and 2019
(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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table:

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 6. PENSION PLANS, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020, 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, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$29,679,413	\$21,491,610	\$14,691,014

Special Funding Situation - PFRS

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

At December 31, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,335,400 and \$3,149,397, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$378,001 and \$365,934, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$256,657 and \$212,204, 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, 2020 and 2019
(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.

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, 2020 and 2019
(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

The following pension information is as of June 30, 2019 which is the latest information available. This information is eighteen months prior to December 31, 2020. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

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.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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>

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.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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.

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.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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.

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:

	June 30, 2019		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<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:

	June 30, 2019		
	1%	Healthcare Cost	1%
	Decrease	Trend Rate	Increase
	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Borough's proportionate share of Net OPEB liability	\$16,968,266	\$20,107,517	\$24,112,160

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 8. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2020 and 2019 which has been appropriated as revenue in the 2020 and 2021 budgets is as follows:

	<u>2020</u>	<u>2019</u>
Current Fund	\$3,825,000	\$3,975,000
Water Utility Operating Fund	-0-	-0-

NOTE 9. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group as of December 31, 2020 and 2019:

	<u>Balance</u> <u>Dec. 31. 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31. 2020</u>
Land	\$13,664,400	\$	\$	\$13,664,400
Land Improvements	653,295	214,750		868,045
Buildings and Improvements	7,005,815	25,263		7,031,078
Machinery and Equipment	<u>11,344,448</u>	<u>2,599,414</u>	<u> </u>	<u>13,943,862</u>
	<u>\$32,667,958</u>	<u>\$2,839,427</u>	<u>\$ </u>	<u>\$35,507,385</u>

	<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> </u>	<u>11,344,448</u>
	<u>\$32,013,567</u>	<u>\$654,391</u>	<u>\$0</u>	<u>\$32,667,958</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 \$2,856,433 as of December 31, 2020 and the estimated amount at December 31, 2019 was \$2,400,869. 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.

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 10. ACCRUED SICK AND VACATION BENEFITS, (continued)

As of December 31, 2020 and 2019, the Borough has reserved in the Other Trust Fund \$234,062 and \$321,761, respectively, to fund compensated absences in accordance with N.J.S.A. 40A:4-39.

NOTE 11. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2020 consist of the following:

\$2,309	Due to the Federal and State Grant Fund from the General Capital Fund for grants deposited in error.
8,590	Due to the Other Trust Fund from the Federal and State Grant Fund to reimburse for expenditures paid.
711	Due to the Water Utility Operating Fund from the Water Utility Capital Fund for interest earned on investments.
7,824	Due to the Current Fund from the Animal License Trust Fund for the statutory excess calculation and deposit errors.
245	Due to the Current Fund from the Capital Fund for interest earned on investments.
1,639	Due to the Current Fund from the Escrow Trust Fund for interest earned on developer's deposits due to the Borough.
1,003	Due to the Current Fund from the Other Trust Fund for interest earned on investments.
<u>245,117</u>	Due to the Federal and State Grant Fund from the current fund for grants received less reimbursement of expenses paid.
<u>\$267,438</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, 2020 and 2019
(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.

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.

The Borough, with the adoption of Ordinance 2016-21, eliminated the Borough's contribution to its established LOSAP program and instead implemented a stipend program based on attendance. These stipends are paid on a quarterly basis to eligible members based on tier 1 or tier 2 attendance to emergency calls and are paid through payroll from direct charges to the current operating budget. Total borough contributions under the original LOSAP plan were \$-0- and \$-0- for 2020 and 2019, respectively. Future activity involving the Length of Service Award Program is limited to investment appreciation and/or depreciation with withdrawals of funds by vested members.

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, 2020 and 2019
(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, 2020 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 2020 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, 2020 and 2019
(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>
2020	\$13,947	\$19,585	\$175,327
2019	14,102	10,910	180,965
2018	12,210	30,721	177,773

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, 2020</u>	<u>Balance</u> <u>Dec 31, 2019</u>
Prepaid Taxes	<u>\$377,817</u>	<u>\$471,998</u>
Cash Liability for Taxes Collected in Advance	<u>\$377,817</u>	<u>\$471,998</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, 2020 and 2019
(continued)

NOTE 15. CONTINGENT LIABILITIES, (continued)

Pending Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2020 and 2019. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2020 and 2019, the Borough reserved \$1,455,224 and \$1,455,224, respectively, in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

NOTE 16. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance</u> <u>Dec. 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Year</u> <u>Budget</u>
<u>2020</u>			
Current Fund:			
Special Emergency - COVID			
Related Revenue Losses	\$551.323	\$ _____	\$551.323
Total Deferred Charges	<u>\$551.323</u>	<u>\$ _____</u>	<u>\$551.323</u>
	<u>Balance</u> <u>Dec. 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Year</u> <u>Budget</u>
<u>2019</u>			
Trust Funds:			
Over-expenditure of Alcohol			
Education and Rehabilitation Trust Fund	\$13.458	\$13.458	\$ _____
Total Deferred Charges	<u>\$13.458</u>	<u>\$13.458</u>	<u>\$ _____</u>

BOROUGH OF ELMWOOD PARK
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 17. OTHER MATTERS

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 State of Emergency and Public Health Emergency remains in effect. 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 possible delays in the collection of real estate taxes, water billings, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs. During 2020, the Borough received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

As allowed by New Jersey Statutes, the Borough adopted a Special Emergency appropriation in 2020 in the amount of \$551,323 for projected loss of revenues to help mitigate the financial effects on the Borough. In addition, the Borough will continue to monitor the situation closely.

NOTE 18: SUBSEQUENT EVENTS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Elmwood Park is \$1,961,304 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

The Borough has evaluated subsequent events through July 13, 2021, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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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>
Robert Colleti	Mayor		
Sandra Balistrieri	Council President		
Lorraine Pelligrine	Councilwoman		
Doris Wechtler	Councilwoman		
Denise Ingui	Councilwoman		
Daniel Golabek	Councilman		
Francesco Fasolo	Councilman		
Michael Foligno	Administrator		
Erin Delaney	Borough Clerk		
Salvatore Ingrassia	Attorney		
Roy Riggitano	Chief Finance Officer/Treasurer/Utility Collector		
Lori Sproviero	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>2020</u>	<u>2019</u>	<u>2018</u>
Tax rate	\$ <u>3.002</u>	<u>2.951</u>	<u>2.923</u>
Apportionment of tax rate:			
Municipal *	0.941	0.919	0.920
County	0.280	0.272	0.273
Local school	<u>1.781</u>	<u>1.760</u>	<u>1.730</u>

* Includes Municipal Library

Assessed valuation

2020	\$ 2,079,454,389
2019	2,076,266,690
2018	2,075,093,390

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>
2020	\$ 62,533,078	61,910,897	99.01%
2019	61,507,018	60,737,278	98.75%
2018	60,779,776	60,009,331	98.73%

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>
2020	\$	576,146	576,146	0.92%
2019		593,449	593,449	0.96%
2018	581,442	593,231	1,174,673	1.93%

BOROUGH OF ELMWOOD PARK

Supplementary Data

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2020 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>
2020	\$	23,450
2019		23,450
2018		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:	2020	\$	7,465,741	3,825,000
	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
Water Utility Fund:	2020	\$	5,992,700	
	2019		5,491,094	
	2018		4,738,673	
	2017		4,016,702	
	2016		3,489,972	

Comparison of Water Utility Levies

<u>Year</u>		<u>Water Levy</u>	<u>Cash collection</u>
2020	\$	4,837,574	4,003,709
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

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BOROUGH OF ELMWOOD PARK

Schedule of Expenditures of Federal Awards

Year ended December 31, 2020

Federal Grantor General Capital Fund: (1) Department of Housing and Urban Development	Federal Program	Federal CFDA Number	Grant Year	Grant Amount	Receipts	Expended	MEMO Cumulative Total Expenditures
	Community Development Block Grant Ord 20-17 - ADA Sidewalk Imp. - Donor Ave & Echo Pl	14.218	2020	191,508		168,842	168,842
	Ord. 2019-23: Resurfacing of Portions of Miller & Summit Ave., 1st, 2nd, & 3rd Streets		2019	185,000 \$			185,000
	Ord. 2018-05: Resurfacing of Franklin, Orchard and Lee		2018	124,351	124,351		124,351
	Ord. 2015-17 - Resurfacing of Iozia Terrace, Franklin/Court St		2015	150,000			116,366
	Total Federal Financial Assistance - General Capital Fund				124,351	168,842	377,333
	Federal and State Grant Fund:						
(2) U.S. Department of Transportation National Highway Traffic Safety Administration	Safety Restraints Program - Click it or Ticket	20.600	2019	5,253			4,873
U.S. Department of Justice Juvenile Justice and Delinquency Prevention Grant	2016-JF-FX-0039	16.540	2020	9,000	2,309		2,309
(1) U.S. Department of the Treasury Coronavirus Aid, Relief and Economic Security Act	CARES Act	21.019	2020	183,306	183,306	183,306	183,306
	Total Federal Financial Assistance - Federal and State Grant Fund				185,615	183,306	
	Current Fund:						
(1) U.S. Department of the Treasury Coronavirus Aid, Relief and Economic Security Act	CARES Act	21.019	2020	54,043		54,043	54,043
	Total Federal Financial Assistance - Current Fund					54,043	
	Trust Funds:						
U.S. Department of the Treasury Equitable Sharing Program	Equitable Sharing Program	21.000	2018			19,751	42,154
U.S. Department of Justice Equitable Sharing Program	Equitable Sharing Program	16.922	2018			19,751	
	Total Federal Financial Assistance - Trust Funds					19,751	
				\$ 309,966		425,942	

(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, 2020

State funding department Federal and State Grant Fund:	State program	Grant number	Grant year	Allocation or grant award amount	Revenue Realized/ Receipts	Expended	MEMO Cumulative Total Expenditures
Department of Environmental Protection Agency	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	2020	24,017 \$	24,017	2,787	2,787
			2019	24,017		7,788	17,439
			2018	17,439		13,268	27,244
			2017	27,244			
			2020	31,832		2,824	2,824
			2019	35,303			
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2020	1,417	1,417		
			2019	1,366			
			2018	2,636			
			2017	3,303			
			2016	12,278			
Department of Law and Public Safety	Division of Criminal Justice Safe and Secure Grant	19-0211	2020	60,000	60,000		
			2019	60,000		60,000	60,000
			2018	6,627			
			2018	19,952			
Department of Human Services	Division of Criminal Justice Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2020	4,277	4,277		
			2017	3,874			
						64,277	60,000
Department of Human Services	Division of Family Development NJ Workforce Registry - Stabilization		2020	4,000	4,000	3,624	3,624
						4,000	3,624

BOROUGH OF ELMWOOD PARK

Schedule of Expenditures of State Awards

Year ended December 31, 2020

<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>
Municipal Alliance for Alcohol & Drug Abuse (Passed through Bergen County)			2013				*
<i>Total State Financial Assistance - Federal and State Grant Fund</i>					125,543	142,509	*
<u>General Capital Fund:</u>							*
Department of Transportation	Imp. Of the Boulevard, Sec. 10, Phase 2		2017	155,500			155,500
Department of Environmental Protection	Green Acres	Elmwood Park Marina - Ord 2020-22	2020	250,407			*
<i>Total State Financial Assistance - General Capital Fund</i>							*
<i>Total State Financial Assistance</i>					\$ 125,543	142,509	*
<u>Other Financial Assistance</u>							*
County of Bergen	Stigma Free Grant		2018	1,860			1,000
	Historical Grant for Restoration		2019	1,126			3,508
	Census Grant		2020	3,508	3,508	3,508	*
	Open Space Trust Fund						*
	Tennis Court Imps. - Ord. 2018-27		2018	197,925			197,925
	ADA Accessible Playground Equipment	Cherry Hill Park - Ord. 2019-09	2019	129,175	56,030		*
	Rosemont Park Improvement - Ord 2020-04		2020	250,000		250,000	*
<i>Total Other Financial Assistance</i>					59,538	253,508	271,070
<i>Total State and Other Financial Assistance</i>					\$ 185,081	396,017	*

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, 2020

	Current <u>Fund</u>
Balance - December 31, 2019	\$ 11,851,364
Increased by Receipts:	
Petty Cash	1,500
Taxes Receivable	61,979,292
Miscellaneous Revenue Not Anticipated	691,951
Tax Overpayments	70,823
Due from State - Senior Citizen and Veteran Deductions	95,204
Revenue Accounts Receivable	3,651,208
Marriage License Fees Payable	3,025
Interfunds	37,619
Prepaid Taxes	377,817
Grants Receivable	228,340
Unappropriated Reserves	84,017
	<u>67,220,796</u>
Decreased by Disbursements:	
Current Year Budget Appropriations	23,544,601
Petty Cash	1,500
Tax Overpayments	51,104
Appropriation Reserves	717,189
Due from Federal Agencies	54,043
Refunds	2,722
Local District School Taxes	37,030,661
County Taxes Payable	5,814,665
Marriage License Fees Payable	2,900
Prior Year Grant Encumbrances Paid	10,780
Appropriated Grant Reserve Disbursements	338,709
	<u>67,568,874</u>
Balance - December 31, 2020	\$ <u><u>11,503,286</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>200</u>
Balance - December 31, 2020	\$ <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, 2020

Increased by:	
Disbursed	\$ <u>1,500</u>
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, 2020

Balance - December 31, 2019		\$	73,645
Decreased by:			
Senior Citizens' Deductions Per Tax Billing	\$	20,000	
Veterans' Deductions Per Tax Billing		72,750	
Senior Citizen's and Veteran's Allowed - 2020		<u>1,500</u>	
			<u>94,250</u>
			(20,605)
Increased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash			<u>95,204</u>
Balance - December 31, 2020		\$	<u><u>74,599</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, <u>2019</u>	2020 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2020</u>
Municipal Alliance on Alcoholism and Safe and Secure Communities Grant	\$ 21,105	60,000	60,000	21,105
Body Armor Grant		4,277	4,277	
Clean Communities		31,832	31,832	
Childhood Health & Safety Grant		4,000	4,000	
Alcohol Education and Rehabilitation		1,417	1,417	
Census Grant		3,508	3,508	
Coronavirus Aid, Relief & Economic Security Act		183,306	183,306	
Bergen County - Stigma Free Grant		1,860	1,860	
Bergen County - Historical Restoration Grant		126	126	
	<u>\$ 21,105</u>	<u>290,326</u>	<u>290,326</u>	<u>21,105</u>
		Adopted Budget 66,262		
		Added by N.J.S.A. 40A:4-87 <u>224,064</u>		
		<u>\$ 290,326</u>		
		Cash Receipts 228,340		
		Unappropriated Reserves <u>61,986</u>		
		<u>\$ 290,326</u>		

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Amount Due to/(from) Current Fund

Federal and State Grant Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	(261,249)
Increased by:			
Budget Appropriation - Match	\$	21,000	
Cash Receipts - Unappropriated Reserves		84,017	
Cash Receipts - Grants Receivable		<u>228,340</u>	
			<u>333,357</u>
			(594,606)
Decreased by:			
Cash Disbursements	\$	338,709	
Prior Year Encumbrances Paid		<u>10,780</u>	
			<u>349,489</u>
Balance - December 31, 2020		\$	<u><u>(245,117)</u></u>

Exhibit A-10

Schedule of Due from General Capital Fund

Federal and State Grant Fund

Year Ended December 31, 2020

Increased by:			
Unappropriated Grant Received	\$	<u>2,309</u>	
Balance - December 31, 2020	\$	<u><u>2,309</u></u>	

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2020

Year	Balance, Dec. 31, 2019	Levy	Collected		Senior Citizen and Veteran Deductions	Canceled	Balance, Dec. 31, 2020
			2019	2020			
2019	593,449	41,194		634,643			
	593,449	41,194		634,643			
2020		62,533,078	471,998	61,344,649	94,250	46,035	576,146
	\$ 593,449	62,574,272	471,998	61,979,292	94,250	46,035	576,146

Cash 61,979,292

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 62,425,218
Added Tax (R.S. 54:4-63.1 et seq.)	<u>107,860</u>
	\$ 62,533,078

Tax Levy:

Local District School Tax	\$ 37,030,661
County Tax	\$ 5,580,556
County Open Space Preservation	234,109
County Added and Omitted Taxes	<u>10,048</u>
	5,824,713

Local Tax for Municipal Purposes	\$ 19,564,203
Add: Additional Taxes Levied	<u>113,501</u>

Local Tax for Municipal Purposes	<u>19,677,704</u>
	\$ 62,533,078

BOROUGH OF ELMWOOD PARK, N.J.

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

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>23,450</u>
Balance - December 31, 2020	\$ <u><u>23,450</u></u>

**Schedule of Amount Due from Federal Agencies -
COVID Expenses**

Current Fund

Year Ended December 31, 2020

Increased by:	
COVID expenses incurred in excess of reimbursement	\$ <u>54,043</u>
Balance - December 31, 2020	\$ <u><u>54,043</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Clerk:				
Licenses:				
Alcoholic beverages		22,310	22,310	
Other		9,621	9,621	
Fees and Permits		92,324	92,324	
Municipal Court :				
Fines and Costs	58,516	389,902	414,407	34,011
Interest and Costs on Taxes		140,567	140,567	
Interest on Investments and Deposits		94,235	94,235	
Consolidated Municipal Property Tax Relief Aid		125,987	125,987	
Energy Receipts Tax		1,335,917	1,335,917	
Uniform Construction Code Fees		294,985	248,414	46,571
Interlocal Service Agreements				
Board of Education - School Resource Officer		89,050	89,050	
Utility Operating Surplus of Prior Year		575,000	575,000	
Uniform Fire Safety Act - Local		58,216	58,216	
Trunk Sewer Revenue		95,160	95,160	
Capital Fund Balance		350,000	350,000	
	<u>\$ 58,516</u>	<u>3,673,274</u>	<u>3,651,208</u>	<u>80,582</u>
			Cash Collections \$ <u>3,651,208</u>	
			\$ <u>3,651,208</u>	

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-53 Special Emergency

Current Fund

Year Ended December 31, 2020

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Authorized</u>	<u>in 2020</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>Authorized</u>	<u>in 2020</u>	<u>Dec. 31,</u>
12/17/2020	COVID-19 Revenue Losses	\$ 551,323	110,265	551,323	551,323	551,323

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2020

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Animal Control Trust Fund	15,383	7,824	15,383	7,824
Other Trust Fund	3,690	1,003	3,690	1,003
Other Trust Fund - Escrow	9,961	1,639	9,961	1,639
General Capital Fund	89	245	89	245
Net Payroll	<u>8,496</u>		<u>8,496</u>	
	<u>\$ 37,619</u>	<u>10,711</u>	<u>37,619</u>	<u>10,711</u>
			Cash Receipts \$ 37,619	
		Deposit Errors 149		
		Interest on Investments 2,887		
		Statutory Excess <u>7,675</u>		
		<u>\$ 10,711</u>	<u>37,619</u>	

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 8,980	8,980		8,980
Mayor and Council	1,231	1,231		1,231
Financial Administration	18,180	18,180		18,180
Revenue Administration	15,101	15,101		15,101
Assessment of Taxes	6,760	6,760		6,760
Legal Services and Costs	3,448	3,448		3,448
Planning Board	2,061	2,376	371	2,005
Zoning Board	2,975	3,264	359	2,905
Health Benefit Waiver	5,855	5,855		5,855
Police	219,367	219,368		219,368
Crossing Guards	14,058	14,058		14,058
Other Police Personnel	9,170	9,170		9,170
Police Dispatch/911	5,085	5,085		5,085
Ambulance Stipend	310	310		310
Fire Department Stipend Program	4,264	4,264		4,264
Municipal Prosecutor	5,282	5,282		5,282
Municipal Court	6,126	6,126		6,126
Public Defender	7,773	7,773		7,773
Road Repairs and Maintenance	26,998	26,998		26,998
Solid Waste Collection	19,241	19,241		19,241
Public Health Services	7,121	7,121		7,121
Rent Leveling	293	293		293
Marcal Fire	368	368		368
Total Salaries and Wages Within "CAPS"	390,047	390,652	730	389,922
Other Expenses Within "CAPS":				
Administrative and Executive				
Other Expenses	29,929	32,135	2,414	29,721
Codification of Ordinances		8,600	8,595	5
Financial Administration:				
Other Expenses	33,875	35,848	2,748	33,100
Payroll Service	15,897	17,212	8,859	8,353
Audit Services	7,050	34,050	30,250	3,800
Engineering Services and Costs	18,899	18,899	7,416	11,483
Collection of Taxes	17,546	17,581	198	17,383
Postage	12,062	12,307	687	11,620
Assessment of Taxes:				
Other Expenses	9,385	10,655	1,354	9,301
Legal Services and Costs	29,132	71,418	57,040	14,378
Planning Board	335	685	466	219

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Zoning Board	2,339	2,339	370	1,969
Council on Affordable Housing	3,500	6,943	3,000	3,943
Insurance:				
General Liability	88,241	182,991	91,945	91,046
Group Insurance	106,445	17,032	682	16,350
Worker's Compensation	63	102,047	101,984	63
Police:				
Other Expenses - Regular	24,249	76,435	64,584	11,851
Emergency Management Services	5,859	5,859		5,859
Fire Department				
Other Expenses - Miscellaneous	36,243	61,804	20,940	40,864
Other Expenses - Clothing Allowance	8,140	8,140		8,140
LOSAP		1,500	1,462	38
Uniform Fire Code	978	1,982	1,427	555
Municipal Court	7,115	7,371	812	6,559
Road Repairs and Maintenance	17,753	49,954	26,362	23,592
Traffic Lights	10,614	15,110	3,507	11,603
Shade Tree	1,850	1,850		1,850
Solid Waste Collection - Recycling	2,313	37,459	5,049	32,410
Solid Waste Collection - Tipping Fees	18,381	154,815	109,877	44,938
Vehicle Maintenance	5,221	29,307	15,941	13,366
Public Health Services	9,324	9,390	125	9,265
Veterans Services Bureau	4,200	4,200		4,200
Recreation	10,577	16,044	14,347	1,697
Maintenance of Parks	13,099	13,099	475	12,624
Celebration of Public Events				
Other Expenses	3,752	6,686	3,684	3,002
Senior Citizen Expenses	7,086	7,086	5,061	2,025
Gasoline		25,592	23,983	1,609
Electric and Gas	9,049	38,783	30,361	8,422
Telephone	4,792	5,806	1,790	4,016
Street Lighting	910	61,726	61,478	248
Rent Leveling	350	350		350
Marcal Fire	24,909	43,197		43,197
Ransomeware Emergency	47,770	47,770		47,770
Construction Code Official	3,494	8,931	5,444	3,487
Total Other expenses Within "CAPS"	<u>652,726</u>	<u>1,310,988</u>	<u>714,717</u>	<u>596,271</u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System	5,413	5,413		5,413
Police and Firemen's Retirement System of NJ	768	768		768
Social Security System (O.A.S.I.)	<u>15,909</u>	<u>15,909</u>		<u>15,909</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>22,090</u>	<u>22,090</u>		<u>22,090</u>
Other Expenses Excluded From "CAPS":				
Recycling Tax	7	2,304	1,742	562
Sewerage Processing and Disposal: Passaic Valley Sewer Commission Operating and Maintenance Cost	<u>1</u>	<u>1</u>		<u>1</u>
Total Other Expenses Excluded from "CAPS"	<u>8</u>	<u>2,305</u>	<u>1,742</u>	<u>563</u>
Interlocal Municipal Service Agreements				
Elmwood Park BOE - School Resource Officers	62,527	62,527		62,527
County of Bergen - Public Health Officer/Animal Control	3	3		3
Borough of Fair Lawn - Construction Code	<u>1,260</u>	<u>1,260</u>		<u>1,260</u>
Total Interlocal Municipal Service Agreements	<u>63,790</u>	<u>63,790</u>		<u>63,790</u>
Public and Private Programs offset by Revenues: Excluded from "CAPS"				
Clean Communities	<u>31,633</u>	<u>31,633</u>		<u>31,633</u>
Total Public and Private Programs offset by Revenues: Excluded from "CAPS"	<u>31,633</u>	<u>31,633</u>		<u>31,633</u>
Total Reserves	<u>\$ 1,160,294</u>	<u>1,821,458</u>	<u>717,189</u>	<u>1,104,269</u>
Appropriation Reserves		1,160,294		
Encumbrances		<u>661,164</u>		
		<u>\$ 1,821,458</u>		
		Cash Disbursed	<u>717,189</u>	
			<u>\$ 717,189</u>	

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 661,164
Increased by:	
Transferred from Current Year Budget	<u>607,026</u>
	1,268,190
Decreased by:	
Transferred to Appropriation Reserves	<u>661,164</u>
Balance - December 31, 2020	<u><u>\$ 607,026</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Reserve for Other Expenditures

Current Fund

Year Ended December 31, 2020

	Pending Tax <u>Appeals</u>	<u>Revaluation</u>	<u>Total</u>
Balance - December 31, 2019	\$ <u>1,455,224</u>	<u>37,000</u>	<u>1,492,224</u>
Balance - December 31, 2020	\$ <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, 2020

Balance - December 31, 2019	\$ 9,311
Increased by:	
Collections	<u>70,823</u>
	80,134
Decreased by:	
Refunds	<u>51,104</u>
Balance - December 31, 2020	<u><u>\$ 29,030</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Local School District Tax Payable

Current Fund

Year Ended December 31, 2020

Increased by:		
2020 Levy	\$	<u>37,030,661</u>
Decreased by:		
Payments	\$	<u><u>37,030,661</u></u>

Schedule of Marriage License Fees Payable

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	1,050
Increased by:		
State Marriage License Fees Collected		<u>3,025</u>
		4,075
Decreased by:		
Cash Disbursements		<u>2,900</u>
Balance - December 31, 2020	\$	<u><u>1,175</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2020

Increased by:		
2020 Levy	\$ 5,580,556	
2020 Open Space	234,109	
2020 Added Assessments	<u>10,048</u>	
		<u>5,824,713</u>
		5,824,713
Decreased by:		
Payments		<u>5,814,665</u>
Balance - December 31, 2020		\$ <u><u>10,048</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 471,998
Increased by:	
Collections	<u>377,817</u>
	849,815
Decreased by:	
Applied to 2020 Taxes Receivable	<u>471,998</u>
Balance - December 31, 2020	<u><u>\$ 377,817</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Statement of Plan Assets Due to LOSAP

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>102,752</u>
Balance - December 31, 2020	\$ <u><u>102,752</u></u>

Schedule of Due to Other Trust Fund

Federal and State Grant Fund

Year Ended December 31, 2020

Increased by:	
Grant expenditures charged to	
Other Trust Fund in error	\$ <u>8,590</u>
Balance - December 31, 2020	\$ <u><u>8,590</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, <u>2019</u>	Transfer From 2020 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2020</u>
Municipal Alliance on Alcohol and Drug Abuse - 2017	\$ 1,201			1,201
Alcohol Education and Rehabilitation	55,892		8,590	47,302
Recycling Tonnage Grant	45,073		23,843	21,230
Safe and Secure Communities		60,000	60,000	
Safe and Secure Communities - Match		21,000	21,000	
Body Armor Replacement Fund	3,874	4,277		8,151
Clean Communities	40,443		40,443	
Clean Communities	8,168		3,185	4,983
Drunk Driving Enforcement Fund	16,619			16,619
Alcohol Education and Rehabilitation	2,636			2,636
Childhood Health and Safety		4,000	3,624	376
Bergen Co. Stigma Free Grant		1,860		1,860
Click it or Ticket	379			379
Clean Communities		31,832	2,824	29,008
Clean Communities	35,303			35,303
Alcohol Education and Rehabilitation		1,417		1,417
Census Grant		3,508	3,508	
Coronavirus Aid, Relief & Economic Security Act		183,306	183,306	
Bergen County - Historical Restoration Grant		126		126
	<u>\$ 209,588</u>	<u>311,326</u>	<u>350,323</u>	<u>170,591</u>
		Budget 87,262		
		Appropriated by 40a:4-87 <u>224,064</u>		
		<u>\$ 311,326</u>		
		Encumbrances Payable 3,024		
		Due to Other Trust Fund 8,590		
		Cash Disbursements <u>338,709</u>		
			<u>\$ 350,323</u>	

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, <u>2019</u>	Transfer To 2020 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2020</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		
Juvenile Justice & Delinquency Prevention			2,309	2,309
Recycling Tonnage Grant			24,017	24,017
	<u>\$ 61,986</u>	<u>61,986</u>	<u>86,326</u>	<u>86,326</u>
		Due from General Capital	2,309	
		Cash Receipts	<u>84,017</u>	
			<u>\$ 86,326</u>	

BOROUGH OF ELMWOOD PARK

Schedule of Cash

Trust Funds

Year Ended December 31, 2020

	Animal Trust <u>Fund</u>	Other Trust <u>Fund</u>	Unemployment Compensation Trust <u>Fund</u>	Emergency Service LOSAP <u>Fund</u>
Balance - December 31, 2019	\$ 35,254	1,958,741	181,162	472,845
Increase by Receipts:				
Prepaid Dog License Fees Collected	2,026			
Dog License Fees Collected	3,018			
Cat License Fees Collected	440			
Other Miscellaneous Fees	23			
Due to the State of New Jersey	916			
Interest on Investments		2,642		
Various Reserves and Deposits		2,135,460		
Employee Payroll Deductions			13,947	
Deposit Errors	149			
Appreciation in Investment Value				61,702
Total Receipts	<u>6,572</u>	<u>2,138,102</u>	<u>13,947</u>	<u>61,702</u>
	<u>41,826</u>	<u>4,096,843</u>	<u>195,109</u>	<u>534,547</u>
Decreased by Disbursements:				
Due to the State of New Jersey	1,004			
Interfunds	15,383	22,241		
Various Reserves and Deposits		2,136,295		
Unemployment Claims Payable			1,662	
Account Charges/Tax				1,991
LOSAP Distributions				38,336
Total Disbursements	<u>16,387</u>	<u>2,158,536</u>	<u>1,662</u>	<u>40,327</u>
Balance - December 31, 2020	<u>\$ 25,439</u>	<u>1,938,307</u>	<u>193,447</u>	<u>494,220</u>

BOROUGH OF ELMWOOD PARK
Schedule of Interfunds Receivable/(Payable)

Trust Funds

Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Other Trust Fund				
Federal and State Grant Fund			8,590	8,590
Current Fund	\$ (3,690)	1,003	3,690	(1,003)
Total Other Trust Fund	<u>(3,690)</u>	<u>1,003</u>	<u>12,280</u>	<u>7,587</u>
Animal License Trust Fund				
Current Fund	\$ (15,383)	7,824	15,383	(7,824)
Total Animal License Trust Fund	<u>(15,383)</u>	<u>7,824</u>	<u>15,383</u>	<u>(7,824)</u>
Escrow Trust Fund				
Current Fund	\$ (9,961)	1,639	9,961	(1,639)
Total Escrow Trust Fund	<u>(9,961)</u>	<u>1,639</u>	<u>9,961</u>	<u>(1,639)</u>
	<u>\$ (29,034)</u>	<u>10,466</u>	<u>37,624</u>	<u>(1,876)</u>
		Receipts	149	
		Disbursements	37,624	
		Statutory Excess	7,675	
		Interest on Investments	2,642	
		\$	<u>10,466</u>	<u>37,624</u>

BOROUGH OF ELMWOOD PARK

Schedule of Prepaid Animal Licenses

Animal License Trust Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	2,323
Increased by:			
Collections - Cat Licenses	\$	160	
Collections - Dog Licenses		<u>1,866</u>	
			<u>2,026</u>
			4,349
Decreased by:			
2020 License Fees Applied			<u>2,323</u>
Balance - December 31, 2020		\$	<u><u>2,026</u></u>

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

Animal License Trust Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	407
Increased by:			
State Fees Collected			<u>916</u>
			1,323
Decreased by:			
Paid to State			<u>1,004</u>
Balance - December 31, 2020		\$	<u><u>319</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019		\$	17,141
Increased by:			
Dog License Fees	\$	3,018	
Prepaid Fees Applied		2,323	
Cat License Fees		440	
Miscellaneous Revenue:			
Replacement Fees		3	
Late Fees - Dog		<u>20</u>	
			<u>5,804</u>
			22,945
Decreased by:			
Statutory Excess - Due Current Fund			<u>7,675</u>
Balance - December 31, 2020		\$	<u><u>15,270</u></u>

Animal License Fees Collected

	<u>Year</u>		
	2018	\$	8,907
	2019		<u>6,363</u>
Maximum Reserve \$			<u><u>15,270</u></u>

BOROUGH OF ELMWOOD PARK

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

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 180,965
Increased by:	
Employee Payroll Deductions	<u>13,947</u>
	194,912
Decreased by:	
Unemployment Claims Payable	<u>19,585</u>
Balance - December 31, 2020	<u><u>\$ 175,327</u></u>

BOROUGH OF ELMWOOD PARK

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

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$	197
Increased by:		
Unemployment Claims Payable		<u>19,585</u>
		19,782
Decreased by:		
Unemployment Claims Paid		<u>1,662</u>
Balance - December 31, 2020	\$	<u><u>18,120</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Various Reserves and Deposits

Trust Funds

Year Ended December 31, 2020

	Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2020</u>
Escrow Deposits	\$ 208,576	190,449	174,588	224,437
Multiple Dwelling Emergency Deposits	43,401	25		43,426
Recreation	514,728	187,554	174,491	527,791
Parking Offenses Adjudication Act	11,386	1,180	2,840	9,726
Lien Redemptions	219,223	103,457	116,581	206,099
Tax Title Lien Premiums	303,800	110,500	131,100	283,200
Accrued Compensated Absences	321,761	330,248	417,947	234,062
Federal Equitable Sharing Program - Treasury	64,352		19,751	44,601
Federal Equitable Sharing Program - Justice COAH	50,983	5,893		5,893
Veterans Memorial		10,000	10,000	
Fire Prevention - Dedicated Penalties	21,801	4,309	10,243	15,867
Fire Prevention	156,723	97,869	20,397	234,195
Drunk Driving	197			197
Band Shelter	3,204	2,500	5,704	
Miscellaneous	1,000			1,000
Alcohol Education & Rehabilitation	(13,458)	13,458		
Police Outside Duty	37,413	1,078,018	1,052,653	62,778
	<u>\$ 1,945,090</u>	<u>2,135,460</u>	<u>2,136,295</u>	<u>1,944,255</u>
		Cash Receipts \$ 2,135,460		
		Cash Disbursements	<u>2,136,295</u>	
		<u>\$ 2,135,460</u>	<u>2,136,295</u>	

BOROUGH OF ELMWOOD PARK

Schedule of Service Award Contributions Receivable

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>93,184</u>
Balance - December 31, 2020	\$ <u><u>93,184</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Net Assets Available for Benefits

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019		\$	566,029
Increased by:			
Appreciation in Fair Value of Investments			<u>61,702</u>
			627,731
Decreased by:			
Account Charges/Tax	\$	1,991	
Distributions		<u>38,336</u>	
			<u>40,327</u>
Balance - December 31, 2020		\$	<u><u>587,404</u></u>

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BOROUGH OF ELMWOOD PARK

Schedule of Cash

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	617,244
Increased by Receipts:			
Bond Sale Proceeds	\$	7,010,000	
Premium on Bond Sale		35,751	
Interfund		2,554	
Grants Received		180,381	
Capital Improvement Fund		<u>100,000</u>	
			<u>7,328,686</u>
			7,945,930
Decreased by Disbursements:			
Improvement Authorizations		1,270,314	
Contracts Payable		3,395,921	
Budget Revenue - Fund Balance		350,000	
Interfund		<u>89</u>	
			<u>5,016,324</u>
Balance - December 31, 2020		\$	<u><u>2,929,606</u></u>

BOROUGH OF ELMWOOD PARK

Analysis of Cash

General Capital Fund

Year Ended December 31, 2020

Fund Balance	\$ 254,420
Capital Improvement Fund	93,904
Due to Current Fund	245
Due to Federal and State Grant Fund	2,309
Grants Receivable	(1,365,225)
Contributions Receivable	(123,538)
Environmental Infrastructure Loan Receivable	(17,514)
Contracts Payable	1,094,552
Reserve for Grants Receivable	1,094,155

Improvement Authorizations:

Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
2012-06	Various Public Improvements	41,365
2013-04	Emergency Generator	98,385
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	14,857
2017-20	UST Removal and Environmental Remediation	(41,133)
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, 2020

2018-05/2018-23	Resurfacing of Franklin, Orchard & Lee Street	(37,443)
2018-09	Various Imps. To the Intersection of Market and Mola Blvd	298
2018-16	Replacement of Sewer Lines & Ejector Pumps	1,850
2018-17	Various Public Imps. & New Additional and/or Replacement Machin	19,363
2018-20	2018 Road Resurfacing Program	37,078
2018-21	Various Equipment & Machinery for the Fire Department	19,407
2018-27/2019-14	Imps. to Tennis Courts at the High School	10,708
2019-09	ADA Accessible Playground Equipment at Cherry Hill Park	131,394
2019-11	Acquisition of a new Aerial Tower Fire Truck & Mini Pumper Fire Engine	54,294
2019-15/2020-34	Various Public Improvements	(36,926)
2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd and 3rd Streets	(233,000)
2020-04	Various Public Improvements	876,645
2020-17	Improvements to Donor Place & Echo Place	(197,143)
2020-22	Elmwood Park Marina Improvements	948,696
2020-27	Various Public Improvements	102,449
		<u>\$ 2,929,606</u>

BOROUGH OF ELMWOOD PARK

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2020

	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$ (89)	89	245	(245)
Federal and State Grant Fund	<u> </u>	<u> </u>	<u>2,309</u>	<u>(2,309)</u>
	<u>(89)</u>	<u>89</u>	<u>2,554</u>	<u>(2,554)</u>
	Cash Receipts \$		2,554	
	Cash Disbursements	<u>89</u>	<u> </u>	
		<u>\$ 89</u>	<u>2,554</u>	

BOROUGH OF ELMWOOD PARK

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

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$ 13,006,410
Decreased by:		
Current year Budget Appropriations:		
Loan Principal	\$ 205,311	
Serial Bond Principal	<u>1,075,000</u>	
		<u>1,280,311</u>
Balance - December 31, 2020		\$ <u><u>11,726,099</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance		Decreased By:	Balance Dec. 31, 2020	Analysis of Balance	
		Dec. 31, 2019	2020 Authorizations			Expenditures	Unexpended Improvement Authorization
		\$					
	General Improvements:						
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	142,000			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	26,000			26,000		26,000
2015-17	Resurfacing Iozia Terrace, Franklin & Court St.	142,000			142,000		33,634
2015-22	Restoration of Fleischers Brook	99,000			99,000	108,366	99,000
2016-12	2016 Road Resurfacing Program	57,000			57,000		57,000
2016-14	Building Improvements & Acq. Of Equipment	40,000			40,000		40,000
2017-13	Improvement of Blvd. Section 10 Phase 2	89,340			89,340	55,242	34,098
2017-20	Underground Storage Tank Removal & Environmental Remediation	174,000			174,000	41,133	132,867
2018-05	Resurfacing of Franklin, Orchard and Lee Streets	228,000		124,351	103,649	37,443	66,206
2018-23	Additional Appropriation: 2018-05	3,550			3,550		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						
2019-15	Various Public Improvements	1,657,000			1,657,000		
2019-23	Resurfacing of Portions of Miller & Summit Avenue, and 1st, 2nd and 3rd Streets	1,509,000			1,509,000		
2020-04	Various Public Improvements	233,000	2,460,000		233,000	233,000	250,000
2020-17	Improvements to Donor Avenue & Echo Place		290,000		2,460,000		92,857
2020-22	Elmwood Park Marina Improvements		1,400,000		290,000	197,143	250,000
					1,400,000		

BOROUGH OF ELMWOOD PARK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Analysis of Balance					
		Balance Dec. 31, 2019	2020 Authorizations	Decreased By:	Balance Dec. 31, 2020	Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
2020-27	Various Public Improvements Additional Appropriation: 2019-15		313,000		313,000		
2020-34		85,500			85,500	36,926	48,574
		<u>\$ 5,116,759</u>	<u>4,548,500</u>	<u>124,351</u>	<u>9,540,908</u>	<u>7,010,000</u>	<u>1,639,986</u>

2020 Authorizations \$ 4,548,500

Unappropriated Grant Proceeds Applied - Ord. 2018-05 124,351

Improvement Authorizations - Unfunded \$	
Less: Unexpended proceeds of Bond Anticipation Notes	3,622,070
Ordinance:	
2019-11	54,294
2020-04	876,645
2020-22	948,696
2020-27	102,449
	<u>1,982,084</u>
	<u>\$ 1,639,986</u>

BOROUGH OF ELMWOOD PARK

Schedule of Grants Receivable - State Department of Transportation

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>67,240</u>
Balance - December 31, 2020	\$ <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, 2020

Balance - December 31, 2019	\$ 459,351
Increased by:	
Grants Awards	<u>191,508</u>
	650,859
Decreased by:	
Cash Receipts	<u>124,351</u>
Balance - December 31, 2020	\$ <u><u>526,508</u></u>
	<u>Analysis</u>
	Ord. 17-2015 150,000
	Ord. 23-2019 185,000
	Ord. 17-2020 <u>191,508</u>
	\$ <u><u>526,508</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Grants Receivable - Bergen County Open Space Grant

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	327,100
Increased by:		
Grant Awards		<u>250,000</u>
		577,100
Decreased by:		
Cash Receipts		<u>56,030</u>
Balance - December 31, 2020	\$	<u><u>521,070</u></u>

Analysis

Ord. 2018-27	197,925
Ord. 2019-09	73,145
Ord. 2020-04	<u>250,000</u>
\$	<u><u>521,070</u></u>

Schedule of Environmental Infrastructure Loan Receivable

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	<u>17,514</u>
Balance - December 31, 2020	\$	<u><u>17,514</u></u>

BOROUGH OF ELMWOOD PARK

**Schedule of Grants Receivable - Green Acres Trust Fund
Ord. 2020-22 - Elmwood Park Marina Improvements**

General Capital Fund

Year Ended December 31, 2020

Increased by:	
Grant Award - Ord. 2020-22	\$ <u>250,407</u>
Balance - December 31, 2020	\$ <u><u>250,407</u></u>

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

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>123,538</u>
Balance - December 31, 2020	\$ <u><u>123,538</u></u>

BOROUGH OF ELMWOOD PARK
Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2020

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	8/1/2013	6,830,000	08/01/21	705,000	2.00-3.00%	4,270,000	700,000	3,570,000
			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	08/15/21	390,000	1.50%	6,950,000	375,000	6,575,000
			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%				
						\$ 11,220,000	1,075,000	10,145,000
						Budget Appropriation \$ 1,075,000		

BOROUGH OF ELMWOOD PARK

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended December 31, 2020

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest rate	Increased	Balance, Dec.31, 2020
2019-17	Rehabilitation of Veteran's Park	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	171,000	171,000
2019-11	Acquisition of Fire Truck	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	1,657,000	1,657,000
2019-15	Various Public Improvements	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	1,509,000	1,509,000
2020-04	Various Public Improvements	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	2,210,000	2,210,000
2020-22	Elmwood Park Marina Improvements	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	1,150,000	1,150,000
2020-27	Various Public Improvements	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	313,000	313,000
						<u>\$ 7,010,000</u>	<u>7,010,000</u>
	Cash					<u>\$ 7,010,000</u>	

BOROUGH OF ELMWOOD PARK

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Adoption Date	Ordinance Amount	Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Balance Dec. 31, 2020	
				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	96,755			(1,630)	98,385	
2013-16	Various Public Improvements		873,906	62,480	780			62,480	780
2013-21	Streetscape Improvements		687,000		4,423				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		79,308				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	Supplemental Handicapped Access Curb Ramps		353,000	55	65,000			55	65,000
2015-09	2015 Road Resurfacing Program		96,200	33,538				33,538	
2015-14	2015 Road Resurfacing Program		510,000	29,790	26,000			29,790	26,000
2015-17	Resurfacing Iozia Terrace, Franklin & Court St.		150,000		33,634				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	8,923	99,000			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	70,037	57,000			70,037	57,000
2016-14	Building Improvements & Acquisition of Equipment		357,500	12,194	40,000			12,194	40,000
2016-18	Various Improvements 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		34,098				34,098
2017-14	2017 Road Resurfacing Program		478,000	19,148				19,148	
2017-17	Various Improvements		336,200	13,517	139,437		(1,340)	14,857	132,867
2017-20	Underground Storage Tank Removal & Environmental Remediation		209,000				6,570		
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		69,756				69,756

BOROUGH OF ELMWOOD PARK

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Adoption Date	Ordinance Amount	Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded			Funded	Unfunded
2018-09	Various Imps. to the Intersection of Market St. and Mola Boulevard	May 17, 2018	173,400	298				298	
2018-16	Replacement of Sewer Lines & Ejector Pumps	Jul. 19, 2018	290,000	21,387		19,537		1,850	
2018-17	Various Public Imps. & New Additional and/or Replacement Machinery	Jul. 19, 2018	412,000	19,363				19,363	
20-2018	2018 Road Resurfacing Program	Aug. 2, 2018	1,130,000			(37,078)		37,078	
2018-21	Various Equipment & Machinery for the Fire Department	Aug. 2, 2018	72,000	19,407				19,407	
2018-27/2019-14	Imps. To Tennis Courts at the High School	Nov. 8, 2018	445,000	8,600		(2,108)		10,708	
2019-09	ADA Accessible Playground Equipment at Cherry Hill Park	Aug. 15, 2019	115,000						
2019-11	Acquisition of new Aerial Tower Fire Truck & Mini-Pumper Fire Engine	May 16, 2019	308,350	176,196		44,802		131,394	
2019-15/2020-34	Various Public Improvements	Jun. 20, 2019	1,740,000		107,415				54,294
		Aug. 15, 2019/Nov. 12, 2020	1,675,000		134,379				
2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd & 3rd Streets	Sept. 19, 2019	245,000	7,834				7,834	
2020-04	Various Public Improvements	Mar. 19, 2020	2,585,000					1,458,355	1,126,645
2020-17	Improvements to Donor Avenue & Echo Place	Jun. 18, 2020	305,000					212,143	92,857
2020-22	Elmwood Park Marina Improvements	Aug. 13, 2020	1,400,000					1,400,000	1,198,696
2020-27	Various Public Improvements	Sept. 17, 2020	330,000					330,000	102,449
			\$ 827,319	1,254,753	4,710,000	2,364,866		805,136	3,622,070

Capital Improvement Fund \$ 161,500

Deferred Charges - Unfunded 4,548,500

\$ 4,710,000

Cash \$ 1,270,314

Contracts Payable 1,094,552

\$ 2,364,866

BOROUGH OF ELMWOOD PARK

Schedule of Reserve for Payment of Debt Service

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u> 1</u>
Decreased by:	
Cancelled to Fund Balance	\$ <u> 1</u>

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 155,404
Increased by:	
Budget Appropriation	<u>100,000</u>
	255,404
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>161,500</u>
Balance - December 31, 2020	\$ <u> 93,904</u>

BOROUGH OF ELMWOOD PARK
Schedule of NJ Infrastructure Loan Payable

General Capital Fund

Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
Sewer Main Extension De-icing Material Storage Bldg.	November 8, 2007	1,885,000	08/01/21	105,000	5.00%	950,000	100,000	850,000
			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%			
						\$ 950,000	100,000	850,000
							Budget Appropriations \$	100,000

BOROUGH OF ELMWOOD PARK

Schedule of NJ Infrastructure Loan Payable

General Capital Fund

Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
Sewer Main Extention De-icing Material Storage Bldg.	November 8, 2007	2,042,471	08/01/21	105,569	0.00%	836,410	105,311	731,099
			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				
						\$ 836,410	105,311	731,099
						Budget Appropriations \$		105,311

BOROUGH OF ELMWOOD PARK

Schedule of Contracts Payable

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 3,395,921
Increased by:	
Charges to Improvement Authorizations	<u>1,094,552</u>
	4,490,473
Decreased by:	
Cash Disbursements	<u>3,395,921</u>
Balance - December 31, 2020	<u><u>\$ 1,094,552</u></u>

BOROUGH OF ELMWOOD PARK
Schedule of Reserve for Grants Receivable
General Capital Fund
Year Ended December 31, 2020

Balance - December 31, 2019	\$	526,591
Increased by:		
Grant Awards		691,915
		1,218,506
Decreased by:		
Grant Received - Applied to Authorized Not Issued		124,351
Balance - December 31, 2020	\$	1,094,155

<u>Analysis</u>		
Ord. 2017-13: Department of Transportation		67,240
Ord. 2019-23: Community Development Trust Fund		185,000
Ord. 2015-17: Community Development Block Grant		150,000
Ord. 2020-17: Community Development Block Grant		191,508
Ord. 2020-04: Bergen County Open Space		250,000
Ord. 2020-22: Green Acres Trust Fund		250,407
	\$	1,094,155

BOROUGH OF ELMWOOD PARK

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Decreased	Balance Dec. 31, 2020
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	89,340			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		124,351	103,649
2018-23	Additional Appropriation: 2018-05	3,550			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	
2019-23	Resurfacing Portions of Miller/Summit/1st/2nd/3rd Ave	233,000			233,000
2019-15	Various Public Improvements	1,509,000		1,509,000	
2020-04	Various Public Improvements		2,460,000	2,210,000	250,000
2020-17	Imp Donor Ave/Echo Pl		290,000		290,000
2020-22	Elmwood Park Marina Imp		1,400,000	1,150,000	250,000
2020-27	Various Public Improvements		313,000	313,000	
2020-34	Amend 2019-15: Various Public Improvements		85,500		85,500
		<u>\$ 5,116,759</u>	<u>4,548,500</u>	<u>7,134,351</u>	<u>2,530,908</u>
		2020 Authorizations	<u>4,548,500</u>		
			<u>\$ 4,548,500</u>		
			Grant Proceeds Received \$	124,351	
			Bond Anticipation Notes Issued	<u>7,010,000</u>	
				<u>\$ 7,134,351</u>	

BOROUGH OF ELMWOOD PARK

Schedule of Cash - Treasurer

Water Utility Fund

Year ended December 31, 2020

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2019	\$ <u>5,888,770</u>	<u>996,029</u>
Increased by Receipts:		
Water Collector	4,003,709	
Interest on Investments	55,777	747
Other Miscellaneous	800	
Interfunds	949	706
Bond Anticipation Notes		1,415,000
Premium on Sale of Notes		7,216
Capital Improvement Fund		<u>300,000</u>
	<u>4,061,235</u>	<u>1,723,669</u>
	9,950,005	2,719,698
Decreased by Disbursements:		
2020 Appropriations	2,993,337	
2019 Appropriation Reserves	164,289	
Interfunds	706	949
Accrued Interest on Notes	38,227	
Current Fund Revenue	575,000	
Refund	9,996	
Improvement Authorizations		<u>833,755</u>
	<u>3,781,555</u>	<u>834,704</u>
Balance - December 31, 2020	\$ <u><u>6,168,450</u></u>	<u><u>1,884,994</u></u>

BOROUGH OF ELMWOOD PARK

Analysis of Cash

Water Utility Capital Fund

Year ended December 31, 2020

	Balance, Dec. 31, <u>2020</u>
Fund Balance	\$ 132,294
Down Payments on Improvements	9,000
Reserve for Payment of Debt Service	205,269
Capital Improvement Fund	1,318,000
Interfunds Accounts Payable	711
Contracts Payable	295,782

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	(52,363)
2019-24/2019-28	Water Main Replacement - Tuella Avenue	34,384
2020-05	Replacement/Rehabilitation of Water Mains & Lines	<u>240,000</u>
		<u>\$ 1,884,994</u>

BOROUGH OF ELMWOOD PARK

Schedule of Interfunds

Water Utility Operating Fund

Year ended December 31, 2020

	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Water Utility Capital Fund	\$ <u>207</u>	<u>1,453</u>	<u>949</u>	<u>711</u>
	\$ <u><u>207</u></u>	<u><u>1,453</u></u>	<u><u>949</u></u>	<u><u>711</u></u>
Interest earned on Investments	\$	747		
Cash Receipts		706		
Cash Disbursements			<u>949</u>	
		<u>\$ 1,453</u>	<u>949</u>	

BOROUGH OF ELMWOOD PARK

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

Water Utility Operating Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ 135,866
Increased by:	
Water Rents Levied	<u>4,837,573</u>
	4,973,439
Decreased by:	
Cash receipts	<u>4,003,709</u>
Balance - December 31, 2020	<u><u>\$ 969,730</u></u>

Inventory - Material and Supplies

Water Utility Operating Fund

Year ended December 31, 2020

Balance - December 31, 2019	<u>\$ 500</u>
Balance - December 31, 2020	<u><u>\$ 500</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2020

<u>Account</u>	Balance, Dec. 31, <u>2019</u>	Balance, Dec. 31, <u>2020</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, 2020

Ordinance number	Improvement description	Ordinance		Balance, Dec. 31, 2019	2020 Authorizations	Balance, Dec. 31, 2020
		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 Avenue	09/20/19	1,050,000	1,050,000		1,050,000
2019-28	Water Main Replacement at Tuella Avenue	11/15/2019	125,000	125,000		125,000
2020-05	Rehabilitation/Replacement of Water Mains & Lines	3/19/2020	240,000		240,000	240,000
				\$ 4,545,000	240,000	4,785,000

BOROUGH OF ELMWOOD PARK

Schedule of 2019 Appropriation Reserves

Water Utility Operating Fund

Year ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 67,136	67,138		67,138
Other Expenses	<u>94,939</u>	<u>279,666</u>	<u>164,289</u>	<u>115,377</u>
Total Operating	<u>162,075</u>	<u>346,804</u>	<u>164,289</u>	<u>182,515</u>
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to: Social Security System (O.A.S.I.)	<u>35,151</u>	<u>35,151</u>		<u>35,151</u>
Total Deferred Charges and Statutory Expenditures	<u>35,151</u>	<u>35,151</u>		<u>35,151</u>
Total Operating	<u>\$ 197,226</u>	<u>381,955</u>	<u>164,289</u>	<u>217,666</u>
Appropriation Reserves	\$ 197,226			
Encumbrances		<u>184,729</u>		
		<u>\$ 381,955</u>		

BOROUGH OF ELMWOOD PARK

Schedule of Accrued Interest on Bonds and Loans

Water Utility Operating Fund

Year ended December 31, 2020

Balance, December 31, 2019		\$	15,928
Increased by:			
Budget Appropriation			<u>38,227</u>
			54,155
Decreased by:			
Payments	\$	38,227	
Liability Canceled		<u>2,223</u>	
			<u>40,450</u>
Balance, December 31, 2020		\$	<u><u>13,705</u></u>

Analysis of Balance

Principal Outstanding <u>Dec. 31, 2020</u>	<u>From</u>	<u>To</u>	Interest <u>Rate</u>	Required <u>Amount</u>
\$ 904,512	8/1/2020	12/31/2020	4.00-5.00%	<u>13,705</u>
				\$ <u><u>13,705</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year ended December 31, 2020

Balance, December 31, 2019	\$ 6,725,368
Increased by:	
Paid by Operating Budget	
NJ EIT Loan Payable	<u>254,622</u>
Balance, December 31, 2020	<u><u>\$ 6,979,990</u></u>

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year ended December 31, 2020

Balance- December 31, 2019	\$ 1,018,000
Increased by:	
2020 Budget Appropriation	<u>300,000</u>
Balance- December 31, 2020	<u><u>\$ 1,318,000</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year ended December 31, 2020

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2019		2020 Authorizations	Expended	Balance, Dec. 31, 2020	
				Funded	Unfunded			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
11-17	Various Water Main Improvements	10/20/2012	340,000						46,748
2017-35/2018-14	Water Tank Replacement	12/21/2017	2,330,000						
		7/19/2018	210,000	102,179				102,179	
2018-15	Replacement of Water Lines	7/19/2018	270,000				41,471		217,637
2019-24/2019-28	Water Main Replacement - Tuella Avenue	9/19/2019	1,050,000						
		11/14/2019	125,000				481		34,384
2020-05	Replacement/Rehabilitation of Water Mains & Lines	3/19/2020	240,000			240,000			240,000
				\$ 179,692	414,691	240,000	41,952	179,692	612,739

Authorized Not Issued \$ 240,000

\$ 240,000

Cash Disbursement \$ 833,755

Prior Year Contracts Payable Reversed (1,087,585)

Current Year Contracts Payable 295,782

\$ 41,952

BOROUGH OF ELMWOOD PARK
Schedule of Reserve for Payment of Debt
Water Utility Capital Fund
Year ended December 31, 2020

Balance - December 31, 2019	\$ <u>205,269</u>
Balance - December 31, 2020	\$ <u><u>205,269</u></u>
<u>Analysis of Balance</u>	
Ord. 2005-12	<u>205,269</u>
	\$ <u><u>205,269</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year ended December 31, 2020

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	rate	Increased	Balance, Dec.31, 2020
2019-24	Replacement of Water Main - Tucilla Avenue	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	\$ 1,050,000	1,050,000
2019-28	Supplemental Appropriation: 2019-28	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	125,000	125,000
2020-05	Replacement/Rehabilitation of Water Mains & Lines	Dec. 3, 2020	Dec. 3, 2020	Dec. 3, 2021	1.00%	240,000	240,000
						\$ 1,415,000	1,415,000
						Cash \$ 1,415,000	

BOROUGH OF ELMWOOD PARK

Schedule of Environmental Infrastructure Trust Fund Loans Payable

Water Utility Capital Fund

Year ended December 31, 2020

<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 2019</u>	<u>Decreased</u>	<u>Balance, Dec. 31 2020</u>
Water System Improvements	11/9/2006	4,523,513	2/1/2021	13,650	4.00-5.00%	1,744,547	254,622	1,489,925
			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>\$ 1,744,547</u>	<u>254,622</u>	<u>1,489,925</u>
						<u>Budget Appropriations</u>	<u>254,622</u>	

BOROUGH OF ELMWOOD PARK

Schedule of Down Payments on Improvements

Water Utility Capital Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ <u>9,000</u>
Balance - December 31, 2020	\$ <u><u>9,000</u></u>

BOROUGH OF ELMWOOD PARK
Schedule of Deferred Reserve for Amortization
Water Utility Capital Fund
Year ended December 31, 2020

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of Ordinance</u>	Balance, Dec. 31, <u>2019</u>	Balance, Dec. 31, <u>2020</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-22

BOROUGH OF ELMWOOD PARK

Schedule of Encumbrances Payable

Water Utility Operating Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ <u>184,729</u>
Increased by:	
Transferred from 2020 Budget	<u>146,091</u>
	330,820
Decreased by:	
Transferred to Appropriation Reserves	<u>184,729</u>
Balance - December 31, 2020	\$ <u><u>146,091</u></u>

Exhibit D-23

Schedule of Contracts Payable

Water Utility Capital Fund

Year ended December 31, 2020

Balance - December 31, 2019	\$ 1,087,585
Increased by:	
Charges to Improvement Authorizations	<u>295,782</u>
	1,383,367
Decreased by:	
Contracts Payable Reversed	<u>1,087,585</u>
Balance - December 31, 2020	\$ <u><u>295,782</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

Year ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31. 2019	Increased	Decreased	Balance Dec. 31. 2020
05-30	Water Main Replacement	15,027			15,027
06-07	Water Improvements	76,000			76,000
06-29	Water Improvements	167,466			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	
2020-05	Rehabilitation/Replacement of Water Mains & Lines		240,000	240,000	
		<u>\$ 2,043,493</u>	<u>240,000</u>	<u>1,415,000</u>	<u>868,493</u>
	2020 Authorizations		<u>240,000</u>		
			<u>\$ 240,000</u>		
	Bond Anticipation Notes Issued			<u>1,415,000</u>	

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BOROUGH OF ELMWOOD PARK

PART II

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

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

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WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable 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, 2020 and the related notes to the financial statements, and have issued our report thereon dated July 13, 2021, 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.

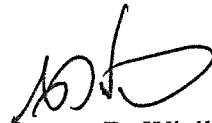
Compliance and Other Matters

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. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



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

July 13, 2021



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, 2020, the threshold with a qualified purchasing agent was increased to \$44,000.

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:

- Vegetative Waste Recycling
- Solid Waste Collection
- FY2018 NJDOT Municipal Aid Program Mola Boulevard
- Curbside Recycling
- FY2020 NJDOT - Improvements to Gilbert Avenue
- FY2019/2020 CDBG - Improvements to Donor Avenue/ Echo Place

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.

The governing body failed to adopt 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 1st, May 1st, August 1st, and November 1st 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 above.

Delinquent Taxes and Tax Title Liens

A tax sale was held on October 28, 2020, 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>
2020	0
2019	0
2018	6

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**BOROUGH OF ELMWOOD PARK
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2020**

COMMENTS

Finance/Treasurer/Accounts Payable:

1. *Goods and services are being ordered prior to the issuance of a purchase
2. *Reserve balances in the Other Trust Fund for Tax Title Lien Redemptions are not in agreement with supporting documentation.
3. *There are Capital Fund Improvement Authorizations greater than five years old that have unfunded portions outstanding.
4. The Borough's sick leave supplemental compensation policies do not comply with N.J.S.A. 40A:9-10.4

Administration/Clerk

1. Monthly dog licenses reports are not always in agreement with actual licenses issued in a particular month.

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, 2020**

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. Adjustments be made to bring the reserve balances for Tax Title Lien Premiums and Redemptions in agreement with tax collector reports.
3. 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.
4. Borough sick leave supplemental payment policies be amended and brought into compliance with State Law, N.J.S.A. 40A:9-10.4.

Administration/Clerk

1. Monthly dog reports be prepared based on licenses issued and collected in each month to ensure they are in agreement with the financial records.

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

Suggestions to Management:

1. A second authorizing signature be added to the following borough accounts:
 - a. Health Department Revenue Account
 - b. Municipal Court Bail Account
2. Outstanding checks greater than 180 days old be voided via resolution in all borough accounts.
3. The Municipal court change fund should be authorized by resolution.
4. The Fire Prevention account should be closed and all future fee collections posted to the Current Fund as general revenue.

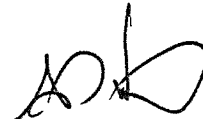
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

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

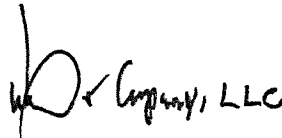
ACKNOWLEDGMENT

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

July 13, 2021

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