

**BOROUGH OF ELMWOOD PARK**

**Financial Statements with  
Supplementary Information  
December 31, 2021**

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

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**BOROUGH OF ELMWOOD PARK**  
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**BOROUGH OF ELMWOOD PARK**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2021**

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**WIELKOTZ & COMPANY** LLC  
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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Borough Council  
Borough of Elmwood Park  
Elmwood Park, NJ 07407

**Report on the Financial Statements**

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

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Elmwood Park, as of December 31, 2021 and 2020, 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 the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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 accompanying financial statements referred to above do not present fairly the financial position of each fund of the Elmwood Park as of December 31, 2021 and 2020, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



Honorable Mayor and  
Members of the Borough Council  
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As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Elmwood 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.

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

As described in Note 12 of the financial statement, the Borough of Elmwood Park participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$630,037 and \$587,404 for 2021 and 2020, 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 effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, for the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2021 and 2020, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2021 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.

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

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

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



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

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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



Honorable Mayor and  
Members of the Borough Council  
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***Other Matters***

***Other Information***

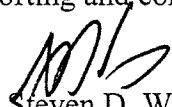
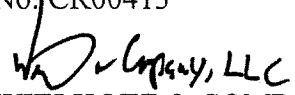
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Elmwood Park's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented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

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary 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 any form of assurance thereon.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2022 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 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. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413  
  
WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

July 11, 2022



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

**Current Fund**

**December 31, 2021 and 2020**

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 13,946,872	11,503,286
Change Fund	A-5	200	200
		13,947,072	11,503,486
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-12	474,649	576,146
Tax Title Liens Receivable	A-9	914	
Property Acquired for Taxes - Assessed Valuation	A-13	23,450	23,450
Due from Federal Agencies	A-14		54,043
Revenue Accounts Receivable	A-15	51,395	80,582
Interfund Accounts Receivable	A-17	30,704	10,711
		581,112	744,932
Deferred Charges:			
Special Emergency Authorizations	A-16	551,323	551,323
		551,323	551,323
		15,079,507	12,799,741
Federal and State Grant Fund:			
Due from Current Fund	A-10	1,268,668	245,117
Due from General Capital Fund	A-11		2,309
Grants Receivable	A-8	21,105	21,105
		1,289,773	268,531
		\$ 16,369,280	13,068,272

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

**Current Fund**

**December 31, 2021 and 2020**

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-18	\$ 809,665	1,649,280
Encumbrances Payable	A-3/A-19	685,120	607,026
Due to Federal and State Grant Fund	A-10	1,268,668	245,117
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	74,736	74,599
Interfunds Payable	A-17	100	
Reserve for Other Expenditures	A-20	1,492,224	1,492,224
Tax Overpayments	A-21	28,180	29,030
Marriage License Fees Payable	A-23	650	1,175
County Taxes Payable	A-24		10,048
Prepaid Taxes	A-25	339,782	377,817
Due to LOSAP - Plan Assets	A-26	102,752	102,752
		<u>4,801,877</u>	<u>4,589,068</u>
Reserve for Receivables	Contra	581,112	744,932
Fund Balance	A-1	9,696,518	7,465,741
		<u>15,079,507</u>	<u>12,799,741</u>
Federal and State Grant Fund:			
Due to Other Trust Fund	A-27	1,800	8,590
Appropriated Reserve for Grants	A-28	179,907	170,591
Encumbrances Payable	A-28		3,024
Unappropriated Reserve for Grants	A-29	1,108,066	86,326
		<u>1,289,773</u>	<u>268,531</u>
		<u>\$ 16,369,280</u>	<u>13,068,272</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues and Other Income:		
Fund Balance Utilized	3,975,000	3,975,000
Miscellaneous Revenue Anticipated	6,440,909	3,941,534
Receipts from Delinquent Taxes	575,984	634,643
Receipts from Current Taxes	62,878,822	61,910,897
Non-Budget Revenue	764,105	691,951
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,606,990	1,104,269
Interfunds/Other Receivables Returned	64,754	37,619
Other Liabilities Cancelled	6,536	
	<hr/>	<hr/>
Total Revenues and Other Income	76,313,100	72,295,913
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	10,079,556	10,887,300
Other Expenses	12,266,831	11,019,947
Capital Improvement Fund	100,000	100,000
Municipal Debt Service	1,657,273	1,580,658
Deferred Charges and Statutory Expenditures -		
Municipal	2,790,959	2,524,328
Local District School Tax	37,075,855	37,030,661
County Taxes Including Added Taxes	6,131,257	5,824,713
Refunds	3,200	2,722
Interfunds Advanced	2,392	54,043
	<hr/>	<hr/>
Total Expenditures	70,107,323	69,024,372
	<hr/>	<hr/>
Excess (Deficit) Revenue Over Expenditures	6,205,777	3,271,541
	<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	6,205,777	3,822,864

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

**Current Fund**

**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Fund Balance, January 1,	<u>7,465,741</u>	<u>7,617,877</u>
	13,671,518	11,440,741
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>3,975,000</u>	<u>3,975,000</u>
Fund Balance, December 31,	<u>\$ 9,696,518</u>	<u>7,465,741</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, 2021

	<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	22,140	140
Other	8,500	27,179	18,679
Fees and Permits	75,000	346,073	271,073
Fines and Costs:			
Municipal Court	550,000	399,999	(150,001)
Interest and Costs on Taxes	110,000	139,619	29,619
Interest on Investments and Deposits	75,000	117,302	42,302
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	98,316	98,316	
Uniform Construction Code Fees	300,000	1,447,559	1,147,559
Uniform Fire Safety Act	58,000	390,344	332,344
Trunk Sewer Revenue	1,009,000	1,013,618	4,618
Utility Operating Surplus	575,000	575,000	
Capital Fund Balance	254,400	254,400	
Recycling Tonnage Grant	41,457	41,457	
Safe and Secure Communities Program	32,400	32,400	
Clean Communities Program	33,887	33,887	
2020 Assistance to Firefighters Grant	3,397	3,397	
FEMA	6,575	6,575	
Alcohol Education and Rehabilitation Fund	7,270	7,270	
Drunk Driving Enforcement Fund	6,960	6,960	
Highway Safety	6,000	6,000	
NJ Workforce Registry Stabilization Grant	4,000	4,000	
Body Armor Fund	3,201	3,201	
Juvenile Justice	2,309	2,309	
	<u>4,744,576</u>	<u>6,440,909</u>	<u>1,696,333</u>
Total Miscellaneous Revenues			
Receipts from Delinquent Taxes	<u>575,000</u>	<u>575,984</u>	<u>984</u>
Subtotal General Revenues	<u>9,294,576</u>	<u>10,991,893</u>	<u>1,697,317</u>
Amount to be raised by taxes for support of municipal purposes	<u>19,833,360</u>	<u>21,871,710</u>	<u>2,038,350</u>
Budget Totals	29,127,936	32,863,603	3,735,667
Non-Budget Revenue		<u>764,105</u>	<u>764,105</u>
	<u>\$ 29,127,936</u>	<u>33,627,708</u>	<u>4,499,772</u>

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

**Statement of Revenues - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2021**

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 62,878,822
Allocated to:	
Local District School Tax	37,075,855
County Taxes	<u>6,131,257</u>
	<u>43,207,112</u>
Balance for Support of Municipal Budget Appropriations	19,671,710
Add : Appropriation - Reserve for Uncollected Taxes	<u>2,200,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 21,871,710</u>
Receipts from Delinquent Taxes:	
Delinquent Taxes	<u>\$ 575,984</u>

Analysis of Non-budget Revenues

Verizon Franchise Fees	\$ 140,755
Cable Franchise Fees	86,732
Hotel Franchise Tax	98,275
Police Outside Duty Admin Fees	116,981
Public Defender Fees	450
FEMA Reimbursements	49,770
CARES Act Reimbursement	33,646
Prior Year Voided Checks	7,093
Polling Reimbursements	200
Passaic Valley Water Commission	5,948
Trust Fund Reserve Balances Cancelled	206,099
Miscellaneous	<u>18,156</u>

Due from Federal and State Grant Fund	12,960
Cash Receipts	<u>751,145</u>
	<u>\$ 764,105</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, 2021

	<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	\$ 230,000	230,000	227,257	2,743	
Other Expenses	80,000	80,000	59,659	20,341	
Grant Consultant	36,000	43,500	39,600	3,900	
Codification	15,000	15,000	5,315	9,685	
Mayor and Council:					
Salaries and Wages	50,500	54,500	53,664	836	
Financial Administration:					
Salaries and Wages	305,000	320,000	314,823	5,177	
Other Expenses	91,200	91,200	86,452	4,748	
Other Expenses - ADS Payroll	55,000	55,000	33,949	21,051	
Audit Services	60,000	60,000	43,650	16,350	
Collection of Taxes:					
Salaries and Wages	190,000	105,000	98,339	6,661	
Other Expenses	40,000	40,000	26,573	13,427	
Postage	40,000	52,000	35,136	16,864	
Assessment of Taxes:					
Salaries and Wages	105,000	95,000	91,044	3,956	
Other Expenses	27,000	27,000	22,014	4,986	
Legal Services and Cost:					
Salaries and Wages	90,000	90,000	80,845	9,155	
Other Expenses	225,000	250,000	244,977	5,023	
Engineering Services and Costs:					
Other Expenses	35,000	110,000	95,524	14,476	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Salaries and Wages	9,600	11,100	9,378	1,722	
Other Expenses	6,000	6,000	5,917	83	
Zoning Board					
Salaries and Wages	10,500	13,000	7,597	5,403	
Other Expenses	12,000	12,000	1,225	10,775	
Council on Affordable Housing					
Other Expenses	45,000	15,000	4,033	10,967	
Town Planner					
Other Expenses	65,000	125,000	110,540	14,460	
Insurance:					
General Liability	577,450	477,450	452,459	24,991	
Workers Compensation	416,900	424,400	420,618	3,782	
Employee Group Health	2,700,000	2,587,500	2,542,268	45,232	
Employee Group Health - Waiver	15,000	15,000	6,298	8,702	
Public Safety:					
Police:					
Salaries and Wages - Regular	6,100,000	5,880,000	5,704,837	175,163	
Salaries and Wages - Crossing Guards	100,000	83,000	81,772	1,228	
Salaries and Wages - Other Police Person	275,000	312,000	311,495	505	
Other Expenses - Regular/Specials	400,000	440,000	426,951	13,049	
Purchase of Police Vehicles	30,000	30,000	30,000		
Police Dispatch/911:					
Salaries and Wages	190,000	170,000	169,087	913	
Emergency Management:					
Other Expenses	12,000	12,000	3,495	8,505	
Fire Department					
Stipend Program	125,000	132,500	127,931	4,569	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Other Expenses - Miscellaneous	155,000	155,000	144,016	10,984	
Other Expenses - Clothing Allowance	58,000	58,000	48,427	9,573	
Other Expenses - Rental of Firehouse	60,000	60,000	60,000		
Uniform Fire Safety Act (Ch. 383, PL 1983)					
Salaries and Wages - Fire Official	80,000	130,000	128,265	1,735	
Other Expenses	6,000	9,000	6,554	2,446	
Municipal Prosecutor:					
Salaries and Wages	25,800	25,800	22,335	3,465	
Municipal Court					
Salaries and Wages	210,000	230,000	216,524	13,476	
Other Expenses	25,000	25,000	14,273	10,727	
Public Defender:					
Salaries and Wages	19,000	19,000	12,822	6,178	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	1,100,000	1,220,000	1,210,335	9,665	
Other Expenses	350,000	370,000	362,867	7,133	
Other Public Works Functions					
Other Expenses - Traffic Lights	50,000	50,000	21,324	28,676	
Shade Tree					
Other Expenses	6,000	21,000	16,500	4,500	
Solid Waste Collection					
Salaries and Wages	97,500	47,500	42,670	4,830	
Other Expenses - Recycling	270,000	320,000	318,851	1,149	
Other Expenses - Solid Waste/Tipping	1,375,000	1,460,000	1,441,927	18,073	
Rent Leveling					
Salaries and Wages	1,600	1,600	1,255	345	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	Budget after Modification and Transfer	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Other Expenses	350	350		350	
Vehicle Maintenance:					
Other Expenses	85,000	60,000	58,110	1,890	
Health and Welfare:					
Public Health Services:					
Salaries and Wages	20,000	20,000	13,329	6,671	
Other Expenses	16,500	16,500	8,559	7,941	
Veterans Service Bureau					
Other Expenses	4,200	4,200		4,200	
Parks and Recreation:					
Recreation Services and Programs:					
Salaries and Wages	400,000	350,000	326,056	23,944	
Other Expenses	125,000	130,000	126,260	3,740	
Maintenance of Parks:					
Other Expenses	30,500	30,500	24,533	5,967	
Celebration of Public Events:					
Other Expenses	50,000	50,000	46,296	3,704	
Senior Citizen's:					
Other Expenses	28,000	28,000	12,424	15,576	
Utility Expenses and Bulk Purchases					
Electric and Gas	230,000	195,000	188,557	6,443	
Street Lighting	320,000	355,000	346,681	8,319	
Telephone	70,000	80,000	75,209	4,791	
Gasoline	110,000	150,000	145,724	4,276	
Compensated Absences					
Salaries and Wages	200,000	200,000	200,000		
Uniform Construction Code:					

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Construction Code Official:					
Salaries and Wages	330,000	330,000	312,477	17,523	
Other Expenses	40,000	40,000	31,112	8,888	
Total Operations within "CAPS"	18,712,600	18,705,600	17,958,994	746,606	
B. Contingent	10,000	10,000		10,000	
Total Operations Including Contingent-within "CAPS"	18,722,600	18,715,600	17,958,994	756,606	
Detail:					
Salaries & Wages	10,139,500	9,937,500	9,636,206	301,294	
Other Expenses (Including Contingent)	8,583,100	8,778,100	8,322,788	455,312	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<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"	452,805	452,805	452,803	2	
(2) STATUTORY EXPENDITURES:	480,000	480,000	447,813	32,187	
Contribution to:	1,858,154	1,858,154	1,858,154		
Public Employees' Retirement System					
Social Security System (O.A.S.I.)					
Police and Firemen's Retirement System of NJ					
<b>Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"</b>	<u>2,790,959</u>	<u>2,790,959</u>	<u>2,758,770</u>	<u>32,189</u>	
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>	<u>21,513,559</u>	<u>21,506,559</u>	<u>20,717,764</u>	<u>788,795</u>	
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	800,960	800,960	800,960		
Recycling Tax	45,000	45,000	41,785	3,215	
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission					
Operating and Maintenance Costs	2,337,715	2,337,715	2,337,715		
<b>Total Other Operations - Excluded from "CAPS"</b>	<u>3,183,675</u>	<u>3,183,675</u>	<u>3,180,460</u>	<u>3,215</u>	



TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Interlocal Municipal Service Agreements:					
Elmwood Park BOE - School Resource Officers	98,316	98,316	98,316		
County of Bergen - Public Health Officer and Animal Control	100,000	100,000	97,345	2,655	
Little Falls Ambulance	90,000	90,000	75,000	15,000	
<b>Total Interlocal Municipal Service Agreements</b>	<b>288,316</b>	<b>288,316</b>	<b>270,661</b>	<b>17,655</b>	
Public and Private Programs Offset by Revenues					
Safe and Secure Communities Act - Police					
State Share	32,400	32,400	32,400		
Local Share	11,340	11,340	11,340		
Recycling Tonnage Grant	24,017	24,017	24,017		
Municipal Court - Alcohol Ed	7,270	7,270	7,270		
Clean Communities Program	33,887	33,887	33,887		
Body Armor Replacement Fund	3,201	3,201	3,201		
DDEF	6,960	6,960	6,960		
Recycling Tonnage Grant	17,439	17,439	17,439		
Highway Safety	6,000	6,000	6,000		
NJ Workforce	4,000	4,000	4,000		
Juvenile Justice	2,309	2,309	2,309		
FEMA	6,575	6,575	6,575		
Assistance to Firefighters	3,398	3,398	3,398		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>158,796</b>	<b>158,796</b>	<b>158,796</b>		

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Operations-Excluded from "CAPS"	3,630,787	3,630,787	3,609,917	20,870	
Detail:					
Salaries and Wages	142,056	142,056	142,056		
Other Expenses	3,488,731	3,488,731	3,467,861	20,870	
Capital Improvements - Excluded from "CAPS"	100,000	100,000	100,000		
Capital Improvement Fund	100,000	100,000	100,000		
Total Capital Improvements Excluded from "CAPS"	100,000	100,000	100,000		
Municipal Debt Service - Excluded from "CAPS"	1,095,000	1,095,000	1,095,000		
Payment of Bond Principal	250,000	250,000	225,719		24,281
Interest on Bonds	75,000	77,500	77,317		183
Interest on Notes					
New Jersey EIT Loans:					
Principal and Interest	255,000	259,500	259,238		262
Total Municipal Debt Service-Excluded from "CAPS"	1,675,000	1,682,000	1,657,274		24,726
Deferred Charges and Statutory Expenditures-					
Municipal excluded from "CAPS"					
(1) DEFERRED CHARGES:					
Emergency - Deficit in Alcohol & Rehabilitation Trust Fund	8,590	8,590			8,590
Total Deferred Charged and Statutory Expenditures-Municipal excluded from "CAPS"	8,590	8,590			8,590

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>5,414,377</u>	<u>5,421,377</u>	<u>5,367,191</u>	<u>20,870</u>	<u>33,316</u>
Subtotal General Appropriations	<u>26,927,936</u>	<u>26,927,936</u>	<u>26,084,955</u>	<u>809,665</u>	<u>33,316</u>
Reserve for Uncollected Taxes	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>		
Total General Appropriations	<u>\$ 29,127,936</u>	<u>\$ 29,127,936</u>	<u>\$ 28,284,955</u>	<u>\$ 809,665</u>	<u>\$ 33,316</u>

Appropriation by 40:A4-87 \$ 81,066  
 Adopted Budget 29,046,870

\$ 29,127,936

Reserve for Uncollected Taxes \$	2,200,000
Federal and State Grants	158,796
Encumbrances	685,120
Cash	<u>25,241,039</u>
	<u>\$ 28,284,955</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, 2021 and 2020

	<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Trust Fund:				
Cash		B-1	\$ <u>21,004</u>	<u>25,439</u>
			<u>21,004</u>	<u>25,439</u>
Other Trust Funds:				
Cash		B-1	1,891,483	1,938,307
Interfund - Federal and State Grant Fund		B-2	<u>1,800</u>	<u>8,590</u>
			<u>1,893,283</u>	<u>1,946,897</u>
Unemployment Compensation Insurance Trust Fund:				
Cash		B-1	<u>189,656</u>	<u>193,447</u>
			<u>189,656</u>	<u>193,447</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):				
Cash in Plan		B-1	536,853	494,220
Plan Assets Receivable		B-9	<u>93,184</u>	<u>93,184</u>
			<u>630,037</u>	<u>587,404</u>
			<u>\$ 2,733,980</u>	<u>2,753,187</u>

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2021 and 2020

<u>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Trust Fund:			
Interfund - Current Fund	B-2	\$ 8,837	7,824
Prepaid Licenses	B-3		2,026
Due to State of New Jersey	B-4		319
Reserve for Animal Trust Fund Expenditures	B-5	<u>12,167</u>	<u>15,270</u>
		<u>21,004</u>	<u>25,439</u>
Other Trust Fund:			
Interfund - Current Fund	B-2	21,865	2,642
Reserve for Various Deposits	B-8	<u>1,871,418</u>	<u>1,944,255</u>
		<u>1,893,283</u>	<u>1,946,897</u>
Unemployment Compensation Insurance Trust Fund:			
Reserve for Expenditures	B-6	189,656	175,327
Due to State of New Jersey	B-7		<u>18,120</u>
		<u>189,656</u>	<u>193,447</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Net Assets Available for Benefits	B-10	<u>630,037</u>	<u>587,404</u>
		<u>\$ 2,733,980</u>	<u>2,753,187</u>

See accompanying notes to financial statements.

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	C-2/C-3	\$ 3,781,031	2,929,606
Grants Receivable:			
State Department of Transportation	C-7	67,240	67,240
Community Development Block Grant	C-8	191,508	526,508
Bergen County Open Space Grant	C-9	323,145	521,070
Green Acres Trust Fund	C-11	250,407	250,407
Infrastructure Loan Receivable	C-10	17,514	17,514
Contributions Receivable	C-12	5,355	123,538
Deferred Charges to Future Taxation:			
Funded	C-5	10,420,530	11,726,099
Unfunded	C-6	11,806,574	9,540,908
		<u>\$ 26,863,304</u>	<u>25,702,890</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-13	\$ 9,050,000	10,145,000
Bond Anticipation Notes Payable	C-14	8,362,000	7,010,000
NJ Infrastructure Trust Loan Payable	C-17	745,000	850,000
NJ Infrastructure Fund Loan Payable	C-18	625,530	731,099
Contracts Payable	C-19	1,611,408	1,094,552
Interfunds Payable	C-4	2	2,554
Reserve for Grants Receivable	C-20	759,155	1,094,155
Improvement Authorizations:			
Funded	C-15	375,563	805,136
Unfunded	C-15	4,806,901	3,622,070
Capital Improvement Fund	C-16	34,404	93,904
Fund Balance	C-1	493,341	254,420
		<u>\$ 26,863,304</u>	<u>25,702,890</u>

There were \$3,444,574 and \$2,530,908 of Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020 respectively (Exhibit C-21).

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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Balance - December 31,	\$ 254,420	568,668
Increased By:		
Cancellation of Funded Improvement Authorizations	493,321	
Liability Cancelled		1
Premium received on Note Sale		35,751
	<u>493,321</u>	<u>35,752</u>
	747,741	604,420
Decreased By:		
Budget Revenue - Due to Current Fund	<u>254,400</u>	<u>350,000</u>
Balance - December 31,	<u>\$ 493,341</u>	<u>254,420</u>

See accompanying notes to the financial statements.



BOROUGH OF ELMWOOD PARK

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ 6,620,555	6,168,450
Interfunds Receivable	D-7	<u>5</u>	<u>711</u>
		<u>6,620,560</u>	<u>6,169,161</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	507,719	969,730
Inventory - Materials and Supplies	D-10	<u>500</u>	<u>500</u>
		<u>508,219</u>	<u>970,230</u>
Total Water Utility Operating Fund		<u>7,128,779</u>	<u>7,139,391</u>
Capital Fund:			
Cash - Treasurer	D-5,D-6	1,872,921	1,884,994
Due from Current Fund	D-8	100	
Fixed Capital	D-11	8,652,408	8,652,408
Fixed Capital Authorized and Uncompleted	D-12	<u>4,785,000</u>	<u>4,785,000</u>
Total Capital Fund		<u>15,310,429</u>	<u>15,322,402</u>
		<u>\$ 22,439,208</u>	<u>22,461,793</u>

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31, 2021 and 2020

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-13	\$ 209,474	16,665
Reserve for Encumbrances	D-23	347,620	146,091
Accrued Interest on Loans	D-14	<u>11,132</u>	<u>13,705</u>
		568,226	176,461
Reserve for Receivables	Contra	507,719	969,730
Reserve for Inventory	Contra	500	500
Fund Balance	D-1	<u>6,052,334</u>	<u>5,992,700</u>
Total Water Utility Operating Fund		<u>7,128,779</u>	<u>7,139,391</u>
Capital Fund:			
Due to Water Utility Operating Fund	D-8	5	711
Bond Anticipation Notes Payable	D-19	1,415,000	1,415,000
Infrastructure Loans Payable	D-20	1,220,482	1,489,925
Improvement authorization:			
Funded	D-17	179,692	179,692
Unfunded	D-17	597,254	612,739
Capital Improvement Fund	D-16	1,618,000	1,318,000
Reserve for:			
Payment of Debt Service	D-18	205,269	205,269
Amortization	D-15	7,249,433	6,979,990
Deferred Reserve for Amortization	D-22	2,684,000	2,684,000
Contracts Payable	D-24		295,782
Downpayments on Improvements	D-21	9,000	9,000
Fund Balance	D-2	<u>132,294</u>	<u>132,294</u>
Total Capital Fund		<u>15,310,429</u>	<u>15,322,402</u>
		<u>\$ 22,439,208</u>	<u>22,461,793</u>

There were \$868,493 and \$868,493 of Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020 respectively (Exhibit D-25).

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue and other income:		
Water Rents	\$ 4,143,639	4,003,709
Miscellaneous Revenue	28,969	57,324
Liabilities Cancelled	2,573	2,223
Unexpended Balance Appropriation Reserve	4,524	217,666
	<hr/>	<hr/>
Total revenue and other income	4,179,705	4,280,922
	<hr/>	<hr/>
Expenditures:		
Operating	2,890,000	2,570,000
Capital improvements	300,000	300,000
Debt Service	305,071	294,320
Deferred Charges and Statutory Expenditures	50,000	30,000
Refunds		9,996
	<hr/>	<hr/>
Total expenditures	3,545,071	3,204,316
	<hr/>	<hr/>
Excess(Deficit) in revenues	634,634	1,076,606
Statutory Excess to Surplus	634,634	1,076,606
Fund Balance, January 1	5,992,700	5,491,094
	<hr/>	<hr/>
	6,627,334	6,567,700
Decreased by:		
Utilized as Current Budgeted Revenue	575,000	575,000
	<hr/>	<hr/>
Balance, December 31	\$ 6,052,334	5,992,700
	<hr/> <hr/>	<hr/> <hr/>

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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Balance - December 31, 2020	\$ 132,294	125,078
Increased by:		
Premium received from Note Sale	<u>                    </u>	<u>7,216</u>
Balance - December 31, 2021	<u>\$ 132,294</u>	<u>132,294</u>

See accompanying notes to financial statements.

**BOROUGH OF ELMWOOD PARK**

**Statement of Revenues - Regulatory Basis**

**Water Utility Operating Fund**

**Year ended December 31, 2021**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Water Rents	\$ 3,554,600	4,143,639	589,039
Miscellaneous		<u>28,969</u>	<u>28,969</u>
	<u>\$ 3,554,600</u>	<u>4,172,608</u>	<u>618,008</u>

Analysis of Realized Revenue

	Rents \$	<u>4,143,639</u>
	Interest on Investments	28,506
	Due from Water Capital Fund - Interest on Investments	5
	Water Permits	<u>458</u>
	\$	<u>28,969</u>

See accompanying notes to financial statements.

## BOROUGH OF ELMWOOD PARK

## Statement of Expenditures - Regulatory Basis

## Water Utility Operating Fund

Year ended December 31, 2021

	<u>Appropriations</u>				
	<u>Budget</u>	Budget after modifi- cation	Paid or charged	<u>Reserved</u>	<u>Canceled</u>
Operating:					
Salaries and Wages	\$ 497,000	490,000	371,734	118,266	
Other Expenses	2,300,000	2,300,000	2,241,941	58,059	
Compensated Absences	100,000	100,000	100,000		
	<u>2,897,000</u>	<u>2,890,000</u>	<u>2,713,675</u>	<u>176,325</u>	
Total Operating					
Capital Improvements:					
Capital Improvement Fund	300,000	300,000	300,000		
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>		
Total Capital Improvements					
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures - Contribution to:					
Social Security System (O.A.S.I.)	50,000	50,000	16,851	33,149	
Total Deferred Charges and Statutory Expenditures	<u>50,000</u>	<u>50,000</u>	<u>16,851</u>	<u>33,149</u>	
Debt Service:					
Interest on Bond Anticipation Notes		7,000	6,933		67
Environmental Infrastructure Principal and Interest	307,600	307,600	298,138		9,462
	<u>307,600</u>	<u>314,600</u>	<u>305,071</u>		<u>9,529</u>
Total Debt Service					
	<u>\$ 3,554,600</u>	<u>3,554,600</u>	<u>3,335,597</u>	<u>209,474</u>	<u>9,529</u>
Adopted Budget		<u>3,554,600</u>			
		<u>\$ 3,554,600</u>			
			Cash Disbursed \$ 2,955,084		
			Reserve for Encumbrances 347,620		
			Accrued Interest on Loans 32,893		
				<u>\$ 3,335,597</u>	

See accompanying notes to financial statements.

BOROUGH OF ELMWOOD PARK

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>General Fixed Assets:</u>		
Land	\$ 13,664,400	13,664,400
Land Improvements	908,305	868,045
Buildings	7,061,971	7,031,078
Machinery and Equipment	<u>14,106,434</u>	<u>13,943,862</u>
	<u>\$ 35,741,110</u>	<u>35,507,385</u>
 Investment in Fixed Assets	 <u>\$ 35,741,110</u>	 <u>35,507,385</u>

See accompanying notes to financial statements.

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**BOROUGH OF ELMWOOD PARK**

**Comparative Balance Sheet-Regulatory Basis**

**Payroll Account**

**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash - Net Payroll	\$ <u>17,661</u>	<u>21,153</u>
<u>Reserves</u>		
Reserve for Net Payroll	\$ <u>17,661</u>	<u>21,153</u>

See accompanying notes to financial statements.

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**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**

**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, 2021 and 2020**  
**(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, 2021 and 2020**  
**(continued)**

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

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

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

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

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

Basis of Accounting

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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, 2021 and 2020**  
**(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, 2021 and 2020, the Governing Body approved additional revenues and appropriations of \$81,066 and \$224,064, respectively, in accordance with N.J.S.A. 40A:4-87. There were no increases to the water utility operating budget in 2021 and 2020. In addition, several budget transfers were approved by the Governing Body in 2021 and 2020.

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, 2021 and 2020**  
**(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, 2021 and 2020**  
**(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, 2021 and 2020**  
**(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

There were no new accounting pronouncements adopted by the Borough in 2021.

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.

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**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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, 2021 and 2020, \$-0- of the Borough's bank balance of \$28,715,995 and \$25,582,246, 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, 2021 and 2020**  
**(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, 2021 and 2020 amounted to \$536,853 and \$494,220, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
American Funds Growth	\$34,214	\$28,363
Delaware VIP SMID Cap Core Services	1,341	46,634
Fixed Account	125,310	127,386
LVIP SSGA S&P 500 Index	232,285	189,536
LVIP T. Rowe Price Mid Cap Growth	62,321	61,509
All Others	<u>81,382</u>	<u>40,792</u>
Total	<u>\$536,853</u>	<u>\$494,220</u>

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2021 and 2020 consisted of the following:

	Balance			Balance	Amounts Due
	Dec. 31, 2020	Additions	Reductions	Dec. 31, 2021	Within One Year
Bonds Payable:					
General Obligation Debt	<u>\$10,145,000</u>	<u>\$</u>	<u>\$1,095,000</u>	<u>\$9,050,000</u>	<u>\$1,125,000</u>
Total Bonds Payable	<u>10,145,000</u>	<u></u>	<u>1,095,000</u>	<u>9,050,000</u>	<u>1,125,000</u>
Other Liabilities:					
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	1,581,099		210,569	1,370,530	213,925
Wastewater Loans - Water Capital	1,489,925		269,443	1,220,482	262,997
Compensated Absences Payable	<u>2,856,433</u>	<u>341,280</u>	<u>346,646</u>	<u>2,851,067</u>	<u></u>
Total Other Liabilities	<u>5,927,457</u>	<u>341,280</u>	<u>826,658</u>	<u>5,442,079</u>	<u>476,922</u>
	<u>\$16,072,457</u>	<u>\$341,280</u>	<u>\$1,921,658</u>	<u>\$14,492,079</u>	<u>\$1,601,922</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$11,220,000	\$ _____	\$1,075,000	\$10,145,000	\$1,095,000
Total Bonds Payable	<u>11,220,000</u>	<u>                    </u>	<u>1,075,000</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	210,569
Wastewater Loans - Water Capital	1,744,546		254,621	1,489,925	259,019
Compensated Absences Payable	<u>2,400,869</u>	<u>1,187,020</u>	<u>731,456</u>	<u>2,856,433</u>	<u>                    </u>
Total Other Liabilities	<u>5,931,825</u>	<u>1,187,020</u>	<u>1,191,388</u>	<u>5,927,457</u>	<u>469,588</u>
	<u>\$17,151,825</u>	<u>\$1,187,020</u>	<u>\$2,266,388</u>	<u>\$16,072,457</u>	<u>\$1,564,588</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 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$18,782,530	\$18,736,099	\$13,006,410
Authorized but not Issued - General -			
Bonds and Notes	3,444,574	2,530,908	5,116,759
Water Utility - Bonds, Notes and Loans	2,635,482	2,904,925	1,744,547
Authorized but not Issued - Water -			
Bonds and Notes	<u>868,493</u>	<u>868,493</u>	<u>2,043,493</u>
Bonds, Notes and Loans Issued and			
Authorized not Issued	<u>25,731,079</u>	<u>25,040,425</u>	<u>21,911,209</u>
Less Deductions:			
Reserve for Payment of Debt	<u>205,269</u>	<u>205,269</u>	<u>205,270</u>
	<u>205,269</u>	<u>205,269</u>	<u>205,270</u>
Net Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$25,525,810</u>	<u>\$24,835,156</u>	<u>\$21,705,939</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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 .931% for 2021.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$19,770,000	\$19,770,000	0
General Debt	22,227,104	-0-	22,227,104
Water Utility	<u>3,503.975</u>	<u>3,503.975</u>	<u>0</u>
	<u>\$45,501.079</u>	<u>\$23,273.975</u>	<u>\$22,227,104</u>

Net debt of \$22,227,104 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,386,867,341 equals .931%.

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 .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%.

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

	<u>2021</u>	<u>2020</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$83,540,357	\$81,950,529
Net Debt	<u>22,227,104</u>	<u>21,267,007</u>
Remaining Borrowing Power	<u>\$61,313,253</u>	<u>\$60,683,522</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

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

	<u>2021</u>	<u>2020</u>
Cash receipts from fees, rents or other charges for year	\$4,172,608	\$4,061,033
Deductions:		
Operating and Maintenance Cost	2,940,000	2,600,000
Debt Service per Water Account	<u>305,071</u>	<u>294,320</u>
Total Deductions	<u>3,245,071</u>	<u>2,894,320</u>
Excess (Deficit) in Revenue - Self-Liquidating	<u>\$927,537</u>	<u>\$1,166,713</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, 2021:

Paid by Current Fund:

<u>General Serial Bonds:</u>	<u>2021</u>	<u>2020</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%	\$2,865,000	\$3,570,000
\$6,950,000, 2020 General Improvement Bonds, due in annual installments of \$375,000 to \$750,000 through August 15, 2031 at 1.50% to 2.00%	<u>6,185,000</u>	<u>6,575,000</u>
Total General Serial Bonds	<u>\$9,050,000</u>	<u>\$10,145,000</u>

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

		<u>General Capital</u>	
<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2022	\$1,328,125	\$1,125,000	\$203,125
2023	1,328,263	1,150,000	178,263
2024	1,309,900	1,160,000	149,900
2025	1,294,500	1,175,000	119,500
2026	788,800	700,000	88,800
2027-2031	<u>3,964,800</u>	<u>3,740,000</u>	<u>224,800</u>
	<u>\$10,014,388</u>	<u>\$9,050,000</u>	<u>\$964,388</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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, 2021 and 2020, the Borough had authorized but not issued debt as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$3,444,574	\$2,530,908
Water Utility Capital Fund	<u>868,493</u>	<u>868,493</u>
	<u>\$4,313,067</u>	<u>\$3,399,401</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>2021</u>	<u>2020</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%	\$745,000	\$850,000
\$2,042,471, 2007 Fund Loan, due in annual installments of \$2,121 to \$101,934 through August 1, 2027, no interest	<u>625,530</u>	<u>731,099</u>
	<u>\$1,370,530</u>	<u>\$1,581,099</u>



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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>2021</u>	<u>2020</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%	\$755,938	\$904,512
\$2,222,699, 2006 Fund Loan, due in annual installments of \$4,868 to \$114,005 through August 1, 2025, no interest	<u>464,544</u>	<u>585,413</u>
	<u>\$1,220,482</u>	<u>\$1,489,925</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>
2022	\$213,925	\$37,306	\$251,231	\$262,997	\$26,716	\$289,713
2023	218,120	31,744	249,864	274,740	21,006	295,746
2024	230,001	26,144	256,145	246,541	14,925	261,466
2025	234,164	20,013	254,177	265,957	13,445	279,402
2026	238,182	13,600	251,782	170,247	6,810	177,057
2027	<u>236,138</u>	<u>6,744</u>	<u>242,882</u>	<u>          </u>	<u>          </u>	<u>0</u>
	<u>\$1,370,530</u>	<u>\$135,551</u>	<u>\$1,506,081</u>	<u>\$1,220,482</u>	<u>\$82,902</u>	<u>\$1,303,384</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, 2021 and 2020**  
**(continued)**

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

On December 31, 2021 and 2020, the Borough had \$8,362,000 and \$7,010,000, respectively, in outstanding General Capital bond anticipation notes. The Borough also had \$1,415,000 and \$1,415,000 of Water Utility Capital Fund bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2021 and 2020:

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
General Capital Notes Payable:				
Spencer Savings Bank	\$7,010,000	\$8,362,000	\$7,010,000	\$8,362,000
Water Capital Notes Payable:				
Spencer Savings Bank	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>
	<u>\$8,425,000</u>	<u>\$9,777,000</u>	<u>\$8,425,000</u>	<u>\$9,777,000</u>
	<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	\$	<u>\$7,010,000</u>
Water Capital Notes Payable:				
Spencer Savings Bank	_____	<u>1,415,000</u>	_____	<u>1,415,000</u>
	<u>\$</u>	<u>\$8,425,000</u>	<u>\$</u>	<u>\$8,425,000</u>

**NOTE 6. PENSION PLANS**

Description of Plans

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

*Public Employees' Retirement System (PERS)*

Plan Description

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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, 2021 and 2020**  
**(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>
2021	\$452,803	\$1,858,154	\$26,531
2020	423,280	1,646,285	17,709
2019	448,508	1,518,058	16,523

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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.

The following pension information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 68 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 statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

**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:

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

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

**Public Employees Retirement System (PERS), (continued)**

	<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>

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.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

**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%

**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.



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

**Mortality Rates**

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

**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, 2021 and 2020**  
**(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 <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <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](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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 01629806683 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, 2021 and 2020**  
**(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, 2021 and 2020**  
**(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-2021.

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, 2021 and 2020**  
**(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, 2021 and 2020**  
**(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 <u>6.00%</u>	Discount Rate <u>7.00%</u>	Increase <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, 2021 and 2020**  
**(continued)**

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

**Pension Plan Fiduciary Net Position**

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

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

In addition to the pension described in Note 6, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

**General Information about the OPEB Plan**

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

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



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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 other postemployment benefit information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. 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, 2020, the Borough had a liability of \$28,935,145 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2020 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, 2020 the Borough's proportion was .161229000 percent which was an increase/(decrease) of .012791000 from its proportion measured as of June 30, 2019.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

For the year ended December 31, 2020, the Borough recognized OPEB expense (Benefit) of \$(132,953). At December 31, 2020, 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	\$762,129	\$5,388,264
Changes of assumptions	4,327,787	6,434,729
Net difference between projected and actual earnings on OPEB plan investments	18,375	
Changes in proportion	<u>2,489,590</u>	<u>3,381,457</u>
Total	<u>\$7,597,881</u>	<u>\$15,204,450</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:	
2021	\$(1,555,408)
2022	(1,556,819)
2023	(1,559,098)
2024	(1,561,181)
2025	(1,064,527)
Thereafter	582,332

**Changes in Proportion**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

**Actual Assumptions and Other Inputs**

The total OPEB 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. 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-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

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

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

**Discount Rate**

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Sensitivity of Net OPEB Liability to Changes in the 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, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Borough's proportionate share of Net OPEB liability	\$21,216,688,254	\$17,946,612,946	\$15,358,051,000

**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, 2020		
	1%	Healthcare Cost	1%
	Decrease	Trend Rate	Increase
Borough's proportionate share of Net OPEB liability	\$14,850,840,718	\$17,946,612,946	\$22,000,569,109

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

**NOTE 8. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2021 and 2020 which has been appropriated as revenue in the 2021 and 2022 budgets is as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	\$4,480,000	\$3,825,000
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, 2021 and 2020:

	Balance <u>Dec. 31, 2020</u>	Additions	Deletions	Balance <u>Dec. 31, 2021</u>
Land	\$13,664,400	\$	\$	\$13,664,400
Land Improvements	868,045	40,260		908,305
Buildings and Improvements	7,031,078	30,893		7,061,971
Machinery and Equipment	<u>13,943,862</u>	<u>371,228</u>	<u>208,656</u>	<u>14,106,434</u>
	<u>\$35,507,385</u>	<u>\$442,381</u>	<u>\$208,656</u>	<u>\$35,741,110</u>

	Balance <u>Dec. 31, 2019</u>	Additions	Deletions	Balance <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>13,943,862</u>
	<u>\$32,667,958</u>	<u>\$2,839,427</u>	<u>\$0</u>	<u>\$35,507,385</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 \$2,851,067 as of December 31, 2021 and the estimated amount at December 31, 2020 was \$2,856,433. 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, 2021 and 2020**  
**(continued)**

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

As of December 31, 2021 and 2020, the Borough has reserved in the Other Trust Fund \$621 and \$234,062, 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, 2021 consist of the following:

\$5	Due to the Water Utility Operating Fund from the Water Utility Capital Fund for interest earned on investments.
100	Due to the Water Utility Capital Fund from the Current Fund to reimburse an insufficient check that cleared from the utility capital fund in error.
1,800	Due to the Other Trust Fund from the Federal and State Grant Fund to reimburse expenditures made in error.
8,837	Due to the Current Fund from the Animal License Trust Fund for the statutory excess calculation and to correct deposit error.
2	Due to the Current Fund from the Capital Fund for the balance in current years interest earned on investments.
496	Due to the Current Fund from the Escrow Trust Fund for interest earned on developer's deposits due to the Borough.
77	Due to the Current Fund from the Other Trust Fund for interest earned on investments.
21,292	Due to the Current Fund from the Fire Prevention Dedicated Penalties Trust for general revenue deposited to Trust in error.
<u>1,268,668</u>	Due to the Federal and State Grant Fund from the current fund for grants received less reimbursement of expenses paid.
<u>\$1,301,277</u>	

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

**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.

**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 2021 and 2020, 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.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

We have reviewed the plan for the year ended December 31, 2021 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 2021 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.



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

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

Members have a contractual obligation to fund any deficit of the insurance fund attributable to a membership year during which they were a member.

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

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>
2021	\$14,730	\$401	\$189,656
2020	13,947	19,585	175,327
2019	14,102	10,910	180,965

**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, 2021</u>	<u>Balance</u> <u>Dec 31, 2020</u>
Prepaid Taxes	<u>\$339,782</u>	<u>\$377.817</u>
Cash Liability for Taxes Collected in Advance	<u>\$339,782</u>	<u>\$377.817</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(continued)**

**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.

**NOTE 15. CONTINGENT LIABILITIES, (continued)**

**Pending Tax Appeals**

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. 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, 2021 and 2020, 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, 2021, 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>2021</u>			
Current Fund:			
Special Emergency - COVID			
Related Revenue Losses	\$551,323	\$110,265	\$441,058
Total Deferred Charges	<u>\$551,323</u>	<u>\$110,265</u>	<u>\$441,058</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>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>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2021 and 2020**  
**(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 2021, 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.

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 \$2,089,812 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment of \$1,044,906 was received in July 2021 and the second installment one year after the receipt of the first installment.

**NOTE 18: SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through July 11, 2022, 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		
Doris Wechtler	Council President		
Lorraine Pelligrine	Councilwoman		
Sandra Balistrieri	Councilwoman		
Denise Ingui - to 1/14/21	Councilwoman		
Chakib Fakhoury - from 1/14/21	Councilman		
Daniel Golabek	Councilman		
Francesco Fasolo	Councilman		
Michael Foligno	Administrator		
Erin Delaney	Borough Clerk		
Salvatore Ingraffia	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 - to 5/28/21	Fire Official		
Steve Kochik - from 5/29/21	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 - to 10/31/21	Deputy Court Administrator	1,000,000	(A)
Enida Ciftja - from 11/1/21	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>2021</u>	<u>2020</u>	<u>2019</u>
Tax rate	\$ <u>3.026</u>	<u>3.002</u>	<u>2.951</u>
Apportionment of tax rate:			
Municipal *	0.953	0.941	0.919
County	0.292	0.280	0.272
Local school	<u>1.781</u>	<u>1.781</u>	<u>1.760</u>

\* Includes Municipal Library

Assessed valuation

2021	\$ 2,082,338,189
2020	2,079,454,389
2019	2,076,266,690

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>
2021	\$ 63,413,276	62,878,822	99.16%
2020	62,533,078	61,910,897	99.01%
2019	61,507,018	60,737,278	98.75%

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>
2021	\$ 914	474,649	475,563	0.75%
2020		576,146	576,146	0.92%
2019		593,449	593,449	0.96%



**BOROUGH OF ELMWOOD PARK**

**Supplementary Data**

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2021 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>
2021	\$	23,450
2020		23,450
2019		23,450

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance.</u> <u>Dec. 31</u>	<u>Utilized in</u> <u>budget of</u> <u>succeeding</u> <u>year</u>
Current Fund:	2021	\$	9,696,518	4,480,000
	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
Water Utility Fund:	2021	\$	6,052,334	
	2020		5,992,700	
	2019		5,491,094	
	2018		4,738,673	
	2017		4,016,702	

Comparison of Water Utility Levies

<u>Year</u>		<u>Water</u> <u>Levy</u>	<u>Cash</u> <u>collection</u>
2021	\$	3,681,628	4,143,639
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

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BOROUGH OF ELMWOOD PARK

Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

Federal Grantor General Capital Fund:	Federal Program	Federal CFDA Number	Grant Year	Grant Amount	Balance 12/31/2020	Receipts	Expended	Adjustment	Deferred Revenue/ (Accounts Receivable) at 12/31/2021	MEMO Cumulative Total Expenditures
(1) Department of Housing and Urban Development	Community Development Block Grant Ord. 20-17 - ADA Sidewalk Imp. - Donor Ave & Echo Pl Ord. 2019-23: Resurfacing of Portions of Miller & Summit Ave., 1st, 2nd, & 3rd Streets Ord. 2015-17 - Resurfacing of Iozia Terrace, Franklin/Court St	14.218	2020 2019 2015	191,508 \$ 185,000 150,000	(168,842) (185,000) (82,732)	185,000		82,732	(168,842)	* 168,842 * 185,000 * 116,566
<i>Total Federal Financial Assistance - General Capital Fund</i>										
Federal and State Grant Fund:										
(2) U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	American Rescue Plan	21.027	3/3/21-12/31/24	2,089,812		1,044,906			1,044,906	* 3,397
U.S. Department of Homeland Security Assistance to Firefighters - COVID-19 Supplemental EMW-2020-FG-04810		97.044	2020			3,397	3,397			* 3,397
(2) U.S. Department of Transportation National Highway Traffic Safety Administration	Non-Motorized Safety Occupant Protection Program - Click it or Ticket Impaired Driving Countermeasures - Drive Sober or Get Pulled Over Distracted Driving - U Drive, U Text, U Pay	20.616	2021 5/24/21-6/6/21 12/4/20-1/1/21 4/1/21-4/30/21 2019	2,200 960 6,000 6,960 5,253		2,200 960 6,000 6,960			2,200 960 380	* 2,200 * 960 * 6,000 * 6,960 * 4,873
U.S. Department of Justice Juvenile Justice and Delinquency Prevention Grant	2016-JF-FX-0059	16.540	2020	9,000	2,309				2,309	* 2,309
<i>Total Federal Financial Assistance - Federal and State Grant Fund</i>										
Current Fund:										
(2) Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Coronavirus Pandemic Tropical Storm Isaias	97.036 97.036	2020 2021	24,996 24,774		24,996 24,774				* 24,996 * 24,774
Department of Justice Public Safety Partnership & Community Policing Grants	Anti-Heroin Task Force	16.710	2021	9,020		9,020				* 9,020
(1) U.S. Department of the Treasury Coronavirus Aid, Relief and Economic Security Act	CARES Act	21.019	2020	54,043	(54,043)	87,689	33,646			* 54,043
<i>Total Federal Financial Assistance - Current Fund</i>										

**BOROUGH OF ELMWOOD PARK**

**Schedule of Expenditures of Federal Awards**

Year ended December 31, 2021

Federal Grantor	Federal Program	Federal CFDA Number	Grant Year	Grant Award Amount	Balance 12/31/2020	Receipts	Expended	Adjustment	Deferred Revenue/ (Accounts Receivable) at 12/31/2021	MEMO Cumulative Total Expenditures
<i>Trust Funds:</i>										
U.S. Department of the Treasury	Equitable Sharing Program	21.016	2021		41,601		42,575		2,026	42,575
U.S. Department of Justice	Equitable Sharing Program	16.922	2021		50,983				50,983	*
					95,584		42,575		53,009	*
	<i>Total Federal Financial Assistance - Trust Funds</i>				<u>\$(392,344)</u>	<u>1,395,902</u>	<u>151,368</u>	<u>82,732</u>	<u>934,922</u>	*

- (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.

BOROUGH OF ELMWOOD PARK

Schedule of Expenditures of State Awards

Year ended December 31, 2021

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	2021	17,439 \$	17,439		*
			2020	24,017			*
			2019	24,017		21,230	
	Clean Communities	4900-765-042-4900-004-V42Y	2021	33,887	33,887		*
			2020	31,832		29,008	31,832
			2019	33,303		5,326	5,326
			2018	31,633		4,983	31,633
				<u>51,326</u>	<u>60,547</u>		
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2021	7,270	7,270		*
			2020	1,417		1,417	1,417
			2019	1,366		1,366	1,366
			2018	2,636		2,636	2,636
			2017	3,303		3,303	3,303
			2016	12,278		7,520	7,520
			2014				
			2009				
						<u>7,270</u>	<u>16,242</u>
Department of Law and Public Safety	Division of Criminal Justice Safe and Secure Grant	19-0211	2021	32,400	32,400	32,400	32,400
			2020	60,000			
			2018	6,627			
			2018	19,952			
	Drunk Driving Enforcement Fund	6400-100-078-6400	2021	3,201	3,201		*
			2020	4,277		1,185	1,185
			2017	3,874		3,874	3,874
				<u>35,601</u>	<u>37,459</u>		
Department of Human Services	Division of Family Development NJ Workforce Registry - Stabilization NJ Workforce Registry - Stabilization	1020-718-066-1020-001-YCIS-6120	2021	4,000	4,000	3,984	3,984
			2020	4,000		(3,024)	(3,024)
			2020	4,000		(3,024)	(3,024)

BOROUGH OF ELMWOOD PARK

Schedule of Expenditures of State Awards

Year ended December 31, 2021

State funding department (Passed through Bergen County)	State program	Grant number	Grant year	Allocation or grant award amount	Revenue Realized/ Receipts	Expended	MEMO Cumulative Total Expenditures
			2013		94,197	111,224	*
<i>Total State Financial Assistance - Federal and State Grant Fund</i>							
General Capital Fund: Department of Transportation Department of Environmental Protection	Imp. Of the Boulevard, Sec. 10, Phase 2 Green Acres	Elmwood Park Marina - Ord 2020-22	2017 2020	155,500 250,407			155,500
<i>Total State Financial Assistance - General Capital Fund</i>							
<i>Total State Financial Assistance</i>							
Other Financial Assistance County of Bergen	Stigma Free Grant Historical Grant for Restoration Census Grant		2018 2019 2020	1,860 1,126 3,508			1,000 3,508
	Open Space Trust Fund Tennis Court Imps. - Ord. 2018-27 ADA Accessible Playground Equipment Rosemont Park Improvement - Ord 2020-04	Cherry Hill Park - Ord. 2019-09	2018 2019 2020	197,925 129,175 250,000	197,925		197,925
<i>Total Other Financial Assistance</i>							
<i>Total State and Other Financial Assistance</i>							
				\$	94,197	111,224	*
				\$	197,925	111,224	*
				\$	292,122	111,224	*

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, 2021

	Current Fund
Balance - December 31, 2020	\$ 11,503,286
Increased by Receipts:	
Petty Cash	1,500
Taxes Receivable	62,987,989
Miscellaneous Revenue Not Anticipated	751,145
Tax Overpayments	40,053
Due from State - Senior Citizen and Veteran Deductions	89,137
Due from Federal Agencies	54,043
Revenue Accounts Receivable	6,288,139
Marriage License Fees Payable	2,550
Interfunds	16,026
Prepaid Taxes	339,782
Grants Receivable	111,354
Due from General Capital - Grant Fund	5,510
Unappropriated Reserves	1,048,066
	<u>71,735,294</u>
Decreased by Disbursements:	
Current Year Budget Appropriations	25,241,039
Petty Cash	1,500
Tax Overpayments	34,367
Appropriation Reserves	649,316
Interfunds	2,292
Refunds	3,200
Local District School Taxes	37,075,855
County Taxes Payable	6,141,305
Marriage License Fees Payable	3,075
Due to Other Trust Fund - Federal and State Grant Fund	8,590
Prior Year Grant Encumbrances Paid	3,024
Appropriated Grant Reserve Disbursements	128,145
	<u>69,291,708</u>
Balance - December 31, 2021	\$ <u>13,946,872</u>

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

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>200</u>
Balance - December 31, 2021	\$ <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, 2021**

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, 2021**

Balance - December 31, 2020		\$	74,599
Decreased by:			
Senior Citizens' Deductions Per Tax Billing	\$	19,250	
Veterans' Deductions Per Tax Billing		<u>69,750</u>	
			<u>89,000</u>
			(14,401)
Increased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash			<u>89,137</u>
Balance - December 31, 2021		\$	<u><u>74,736</u></u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance. Dec. 31. <u>2020</u>	2021 Budget Revenue <u>Realized</u>	<u>Received</u>	<u>Canceled</u>	Balance. Dec. 31. <u>2021</u>
Municipal Alliance on Alcoholism and Recycling Tonnage Grant	\$ 21.105				21.105
Safe and Secure Communities Program		41.457	41.457		
Clean Communities Program		32.400	32.400		
2020 Assistance to Firefighters Grant		33.887	33.887		
FEMA		3,397	3,397		
Alcohol Education and Rehabilitation Fund		6.575		6.575	
Highway Safety Grant - Distracted Driving Enforcement		7.270	7.270		
Highway Safety Grant - Impaired Driving Countermeasures		6.960	6.960		
NJ Workforce Registry Stabilization Grant		6.000	6.000		
Body Armor Fund		4.000	4.000		
Juvenile Justice		3.201	3.201		
	<u>2.309</u>	<u>2.309</u>	<u>2.309</u>		
	<u>\$ 21.105</u>	<u>147.456</u>	<u>140.881</u>	<u>6.575</u>	<u>21.105</u>
Adopted Budget		66.390			
Added by N.J.S.A. 40A:4-87		<u>81.066</u>			
		<u>\$ 147.456</u>			
		Cash Receipts	111.354		
		Due from General Capital	3.201		
		Unappropriated Reserves	<u>26.326</u>		
			<u>\$ 140.881</u>		

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

**Schedule of Municipal Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2021**

Increased by:

Transferred from Taxes Receivable	\$	162
Interest and costs		28
Subsequent Taxes		657
Penalties and Fees		<u>67</u>

Balance - December 31, 2021		\$	<u><u>914</u></u>
-----------------------------	--	----	-------------------

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

**Schedule of Amount Due to/(from) Federal and State Grant Fund**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020		\$	245,117
Increased by:			
Due from General Capital Fund	\$	5,510	
Budget Appropriation - Match		11,340	
Grants Received - Unappropriated Reserves		1,048,066	
Grants Received - Grants Receivable		<u>111,354</u>	
			<u>1,176,270</u>
			1,421,387
Decreased by:			
Appropriated Grants - Expenditures		141,105	
Due to Other Trust Fund		8,590	
Prior Year Encumbrances Paid		<u>3,024</u>	
			<u>152,719</u>
Balance - December 31, 2021		\$	<u><u>1,268,668</u></u>

**Exhibit A-11**

**Schedule of Due from General Capital Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020		\$	2,309
Increased by:			
Deposit errors		<u>3,201</u>	
			5,510
Decreased by:			
Cash Receipts	\$	<u><u>5,510</u></u>	

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2021

Year	Balance, Dec. 31, 2020	Levy	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2021
			2020	2021				
2020	576,146			575,984		162		
	576,146			575,984		162		
2021		63,413,276	377,817	62,412,005	89,000	657	59,148	474,649
	\$ 576,146	63,413,276	377,817	62,987,989	89,000	819	59,148	474,649

Cash 62,987,989

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 63,011,554
Added Tax (R.S. 54:4-63.1 et seq.)	<u>401,722</u>
	\$ 63,413,276

Tax Levy:

Local District School Tax	\$ 37,075,855
County Tax	\$ 5,850,726
County Open Space Preservation	242,194
County Added and Omitted Taxes	<u>38,337</u>
	6,131,257

Local Tax for Municipal Purposes	\$ 19,833,360
Add: Additional Taxes Levied	<u>372,804</u>

Local Tax for Municipal Purposes	<u>20,206,164</u>
	\$ 63,413,276

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

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

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>23,450</u>
Balance - December 31, 2021	\$ <u><u>23,450</u></u>

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

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>54,043</u>
Decreased by: Cash Receipts	\$ <u><u>54,043</u></u>

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

**Schedule of Revenue Accounts Receivable**

**Current Fund**

**Year Ended December 31, 2021**

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Clerk:				
Licenses:				
Alcoholic beverages		22,140	22,140	
Other		27,179	27,179	
Fees and Permits		346,073	346,073	
Municipal Court :				
Fines and Costs	34,011	398,399	399,999	32,411
Interest and Costs on Taxes		139,619	139,619	
Interest on Investments and Deposits		117,302	117,302	
Consolidated Municipal Property Tax Relief Aid		125,987	125,987	
Energy Receipts Tax		1,335,917	1,335,917	
Uniform Construction Code Fees	46,571	1,419,972	1,447,559	18,984
Interlocal Service Agreements				
Board of Education - School Resource Officer		98,316	98,316	
Utility Operating Surplus of Prior Year		575,000	575,000	
Uniform Fire Safety Act - Local		390,344	390,344	
Trunk Sewer Revenue		1,013,618	1,013,618	
Capital Fund Balance		254,400	254,400	
	<u>\$ 80,582</u>	<u>6,264,266</u>	<u>6,293,453</u>	<u>51,395</u>
			Interest on Investments \$ 5,314	
			Cash Collections <u>6,288,139</u>	
			<u>\$ 6,293,453</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, 2021

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2020</u>	<u>Balance, Dec. 31, 2021</u>
12/17/2020	COVID-19 Revenue Losses	\$ 551,323	110,265	\$ 551,323	551,323



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

**Schedule of Interfunds**

**Current Fund**

**Year Ended December 31, 2021**

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Animal Control Trust Fund	7,824	8,837	7,824	8,837
Other Trust Fund				
Other Trust Fund	1,003	77	1,003	77
Escrow	1,639	496	1,639	496
Fire Prevention - Dedicated Penalties		21,292		21,292
General Capital Fund	245	5,317	5,560	2
Water Utility Capital Fund			100	(100)
	<u>10,711</u>	<u>36,019</u>	<u>16,126</u>	<u>30,604</u>
	\$			
			Cash Receipts \$	16,026
			Interfunds Advanced - Reimburse for Expenditures	100
		Cash Disbursements		2,292
		Deposit Errors		24,298
		Interest on Investments		592
		Statutory Excess		8,837
			\$	
		<u>36,019</u>	<u>16,126</u>	

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 126	126		126
Mayor and Council	404	404		404
Financial Administration	6,090	6,090		6,090
Revenue Administration	29,729	29,729		29,729
Assessment of Taxes	11,928	11,928		11,928
Legal Services and Costs	27,094	58,153	14,168	43,985
Planning Board	2,206	2,206		2,206
Zoning Board	3,052	3,052		3,052
Health Benefit Waiver	9,500	9,500		9,500
Police	153,356	153,356		153,356
Crossing Guards	48,636	48,636		48,636
Other Police Personnel	3,916	3,916		3,916
Police Dispatch/911	19,792	19,792		19,792
Fire Department Stipend Program	6,117	6,117		6,117
Uniform Fire Safety	6,355	6,355		6,355
Municipal Prosecutor	5,127	5,127		5,127
Municipal Court	11,194	11,194		11,194
Public Defender	11,022	11,022		11,022
Road Repairs and Maintenance	9,787	9,787		9,787
Solid Waste Collection	52,062	52,062		52,062
Public Health Services	8,105	8,105		8,105
Rent Leveling	820	820		820
Recreation Services and Programs	110,505	110,505		110,505
Construction Code Official	5,848	5,848		5,848
	<u>542,771</u>	<u>573,830</u>	<u>14,168</u>	<u>559,662</u>
Total Salaries and Wages Within "CAPS"				
Other Expenses Within "CAPS":				
Administrative and Executive				
Other Expenses	42,149	42,933	1,232	41,701
Grant Consultant	400	400		400
Financial Administration:				
Other Expenses	21,781	23,611	2,385	21,226
Payroll Service	12,369	20,969	16,183	4,786
Audit Services	26,450	43,450	43,450	
Engineering Services and Costs	5,176	15,259	3,162	12,097
Collection of Taxes	19,333	19,401	110	19,291
Postage	13,328	14,015		14,015
Assessment of Taxes:				
Other Expenses	12,237	15,563	317	15,246
Legal Services and Costs	2,019	13,081	6,948	6,133
Planning Board	5,299	5,389	215	5,174
Zoning Board	9,880	9,880		9,880

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Council on Affordable Housing	40,000	41,355	1,355	40,000
Insurance:				
General Liability	257,938	358,617	96,929	261,688
Group Insurance	73,497	61,303	(9,174)	70,477
Worker's Compensation		103,689	103,689	
Police:				
Other Expenses - Regular	22,192	83,066	76,036	7,030
Purchase of Police Vehicles	4,399	4,399	(7,776)	12,175
Emergency Management Services	7,215	7,215		7,215
Fire Department				
Other Expenses - Miscellaneous	29,155	61,054	37,075	23,979
Other Expenses - Clothing Allowance	7,602	7,602		7,602
Uniform Fire Code	2,761	3,072	396	2,676
Municipal Court	13,230	13,386	155	13,231
Road Repairs and Maintenance	105,862	118,566	35,087	83,479
Traffic Lights	29,425	31,857	2,135	29,722
Shade Tree	6,000	6,000		6,000
Solid Waste Collection - Recycling	20,128	20,128	(18,110)	38,238
Solid Waste Collection - Tipping Fees	23,248	153,248	127,511	25,737
Rent Leveling	350	350		350
Vehicle Maintenance	24,694	46,953	31,901	15,052
Public Health Services	12,927	13,050	168	12,882
Veterans Services Bureau	4,200	4,200		4,200
Recreation	32,047	35,666	3,936	31,730
Maintenance of Parks	16,385	16,385		16,385
Celebration of Public Events				
Other Expenses	23,906	36,736	12,829	23,907
Senior Citizen Expenses	24,171	24,192	21	24,171
Gasoline	43,849	43,849	12,898	30,951
Electric and Gas	42,533	70,768	17,845	52,923
Telephone	5,362	6,930	1,970	4,960
Street Lighting	11,000	32,341	31,139	1,202
Construction Code Official	16,518	17,054	553	16,501
Total Other expenses Within "CAPS"	<u>1,071,015</u>	<u>1,646,982</u>	<u>632,570</u>	<u>1,014,412</u>

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security System (O.A.S.I.)	<u>22,719</u>	<u>22,719</u>	<u>          </u>	<u>22,719</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>22,719</u>	<u>22,719</u>	<u>          </u>	<u>22,719</u>
Other Expenses Excluded From "CAPS":				
Recycling Tax	<u>10,120</u>	<u>10,120</u>	<u>2,578</u>	<u>7,542</u>
Total Other Expenses Excluded from "CAPS"	<u>10,120</u>	<u>10,120</u>	<u>2,578</u>	<u>7,542</u>
Interlocal Municipal Service Agreements				
County of Bergen - Public Health Officer/Animal Control	<u>2,655</u>	<u>2,655</u>	<u>          </u>	<u>2,655</u>
Total Interlocal Municipal Service Agreements	<u>2,655</u>	<u>2,655</u>	<u>          </u>	<u>2,655</u>
 Total Reserves	 <u>\$ 1,649,280</u>	 <u>2,256,306</u>	 <u>649,316</u>	 <u>1,606,990</u>
	Appropriation Reserves	1,649,280		
	Encumbrances	<u>607,026</u>		
		<u>\$ 2,256,306</u>		
		Cash Disbursed	<u>649,316</u>	
			<u>\$ 649,316</u>	

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

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 607,026
Increased by:	
Transferred from Current Year Budget	<u>685,120</u>
	1,292,146
Decreased by:	
Transferred to Appropriation Reserves	<u>607,026</u>
Balance - December 31, 2021	<u><u>\$ 685,120</u></u>

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

**Schedule of Reserve for Other Expenditures**

**Current Fund**

**Year Ended December 31, 2021**

	Pending Tax <u>Appeals</u>	<u>Revaluation</u>	<u>Total</u>
Balance - December 31, 2020	\$ <u>1,455,224</u>	<u>37,000</u>	<u>1,492,224</u>
Balance - December 31, 2021	\$ <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, 2021**

Balance - December 31, 2020		\$	29,030
Increased by:			
Collections			<u>40,053</u>
			69,083
Decreased by:			
Refunds	\$	34,367	
Cancelled to Operations		<u>6,536</u>	
			<u>40,903</u>
Balance - December 31, 2021		\$	<u><u>28,180</u></u>

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

**Schedule of Local School District Tax Payable**

**Current Fund**

**Year Ended December 31, 2021**

Increased by:	
2021 Levy	\$ <u>37,075,855</u>
Decreased by:	
Payments	\$ <u><u>37,075,855</u></u>

**Schedule of Marriage License Fees Payable**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 1,175
Increased by:	
State Marriage License Fees Collected	<u>2,550</u>
	3,725
Decreased by:	
Cash Disbursements	<u>3,075</u>
Balance - December 31, 2021	\$ <u><u>650</u></u>



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

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020		\$	10,048
Increased by:			
2021 Levy	\$	5,850,726	
2021 Open Space		242,194	
2021 Added Assessments		<u>38,337</u>	
			<u>6,131,257</u>
			6,141,305
Decreased by:			
Payments	\$	<u>6,141,305</u>	

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

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 377,817
Increased by:	
Collections	<u>339,782</u>
	717,599
Decreased by:	
Applied to 2021 Taxes Receivable	<u>377,817</u>
Balance - December 31, 2021	<u><u>\$ 339,782</u></u>

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

**Statement of Plan Assets Due to LOSAP**

**Current Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>102,752</u>
Balance - December 31, 2021	\$ <u><u>102,752</u></u>

**Schedule of Due to Other Trust Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 8,590
Increased by:	
Grant expenditures charged to Other Trust Fund in error	<u>1,800</u>
	10,390
Decreased by:	
Cash Disbursed	<u>8,590</u>
Balance - December 31, 2021	\$ <u><u>1,800</u></u>

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, 2020	Transfer From 2021 <u>Budget</u>	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, 2021
Municipal Alliance on Alcohol and Drug Abuse - 2017	\$ 1,201				1,201
Alcohol Education and Rehabilitation	47,302		12,189		35,113
Alcohol Education and Rehabilitation		7,270			7,270
Recycling Tonnage Grant	21,230				21,230
Recycling Tonnage Grant		41,457	21,230		20,227
Safe and Secure Communities		32,400	32,400		
Safe and Secure Communities - Local Match		11,340	11,340		
Body Armor Replacement Fund	8,151		5,059		3,092
Body Armor Replacement Fund		3,201			3,201
FEMA		6,575		6,575	
Assistance to Firefighters Grant - 2020		3,397	3,397		
Highway Safety Grant - Impaired Driving Countermeasure:		6,000	6,000		
Highway Safety Grant - Distracted Driving Enforcement Grant		6,960	6,960		
NJ Workforce Registry Stabilization Grant		4,000	3,984		16
Juvenile Justice Grant		2,309			2,309
Clean Communities		33,887			33,887
Clean Communities	4,983		4,983		
Drunk Driving Enforcement Fund	16,619				16,619
Alcohol Education and Rehabilitation	2,636		2,636		
Childhood Health and Safety	376		(3,024)		3,400
Bergen Co. Stigma Free Grant	1,860				1,860
Click it or Ticket	379				379
Clean Communities	29,008		29,008		
Clean Communities	35,303		5,326		29,977
Alcohol Education and Rehabilitation	1,417		1,417		
Bergen County - Historical Restoration Grant	126				126
	<u>\$ 170,591</u>	<u>158,796</u>	<u>142,905</u>	<u>6,575</u>	<u>179,907</u>
		Budget	66,390		
		Local Match	11,340		
		Appropriated by 40a:4-87	<u>81,066</u>		
		<u>\$ 158,796</u>			
		Due to Current Fund	12,960		
		Due to Other Trust Fund	1,800		
		Cash Disbursements	<u>128,145</u>		
			<u>\$ 142,905</u>		

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

**Schedule of Unappropriated Reserves for Grants**

**Federal and State Grant Fund**

**Year Ended December 31, 2021**

<u>Grant</u>	Balance, Dec. 31, <u>2020</u>	Transfer To 2021 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2021</u>
Safe and Secure Grant	\$ 60,000			60,000
American Rescue Plan			1,044,906	1,044,906
Occupant Protection - Click it or Ticket			960	960
Non-Motorized Safety Enforcement Grant			2,200	2,200
Juvenile Justice & Delinquency Prevention	2,309	2,309		
Recycling Tonnage Grant	<u>24,017</u>	<u>24,017</u>		
	<u>\$ 86,326</u>	<u>26,326</u>	<u>1,048,066</u>	<u>1,108,066</u>
		Cash Receipts	<u>1,048,066</u>	
			<u>\$ 1,048,066</u>	

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## BOROUGH OF ELMWOOD PARK

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2021

	Animal Trust Fund	Other Trust Fund	Unemployment Compensation Trust Fund	Emergency Service LOSAP Fund
Balance - December 31, 2020	\$ 25,439	1,938,307	193,447	494,220
Increase by Receipts:				
Prepaid Dog License Fees Collected				
Dog License Fees Collected	3,194			
Cat License Fees Collected	296			
Other Miscellaneous Fees	340			
Due to the State of New Jersey	661			
Interest on Investments		573		
Interfunds		29,882		
Various Reserves and Deposits		3,065,540		
Employee Payroll Deductions			14,730	
Appreciation in Investment Value				81,752
Total Receipts	<u>4,491</u>	<u>3,095,995</u>	<u>14,730</u>	<u>81,752</u>
	<u>29,930</u>	<u>5,034,302</u>	<u>208,177</u>	<u>575,972</u>
Decreased by Disbursements:				
Due to the State of New Jersey	1,017			
Interfunds	7,824	4,442		
Reserve for Animal Trust Expenditures	85			
Various Reserves and Deposits		3,138,377		
Unemployment Reserve Expenditures			401	
Unemployment Claims Payable			18,120	
Account Charges/Tax				1,738
LOSAP Distributions				37,381
Total Disbursements	<u>8,926</u>	<u>3,142,819</u>	<u>18,521</u>	<u>39,119</u>
Balance - December 31, 2021	<u>\$ 21,004</u>	<u>1,891,483</u>	<u>189,656</u>	<u>536,853</u>

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

**Trust Funds**

**Year Ended December 31, 2021**

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Other Trust Fund				
Federal and State Grant Fund	8,590	8,590	1,800	1,800
Current Fund	\$ <u>(1,003)</u>	<u>21,369</u>	<u>1,003</u>	<u>(21,369)</u>
Total Other Trust Fund	<u>7,587</u>	<u>29,959</u>	<u>2,803</u>	<u>(19,569)</u>
Animal License Trust Fund				
Current Fund	\$ <u>(7,824)</u>	<u>8,837</u>	<u>7,824</u>	<u>(8,837)</u>
Total Animal License Trust Fund	<u>(7,824)</u>	<u>8,837</u>	<u>7,824</u>	<u>(8,837)</u>
Escrow Trust Fund				
Current Fund	\$ <u>(1,639)</u>	<u>496</u>	<u>1,639</u>	<u>(496)</u>
Total Escrow Trust Fund	<u>(1,639)</u>	<u>496</u>	<u>1,639</u>	<u>(496)</u>
	<u>\$ (1,876)</u>	<u>39,292</u>	<u>12,266</u>	<u>(28,902)</u>
		Receipts	29,882	
		Disbursements	12,266	
		Statutory Excess	8,837	
		Interest on Investments	573	
		\$	<u>39,292</u>	<u>12,266</u>



**BOROUGH OF ELMWOOD PARK**

**Schedule of Prepaid Animal Licenses**

**Animal License Trust Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>2,026</u>
Decreased by:	
2020 License Fees Applied	\$ <u><u>2,026</u></u>

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

**Animal License Trust Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 319
Increased by:	
Cancellation of Prior Year Overpayment	\$ 37
State Fees Collected	<u>661</u>
State Fees Collected	<u>698</u>
	1,017
Decreased by:	
Paid to State	\$ <u><u>1,017</u></u>

**BOROUGH OF ELMWOOD PARK**

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

**Trust Funds**

**Year Ended December 31, 2021**

Balance - December 31, 2020		\$	15,270
Increased by:			
Dog License Fees	\$	3,194	
Prepaid Fees Applied - Dog		1,866	
Prepaid Fees Applied - Cat		160	
Cat License Fees		296	
Miscellaneous Revenue:			
Late Fees - Dog		<u>340</u>	
			<u>5,856</u>
			21,126
Decreased by:			
Statutory Excess - Due Current Fund		8,837	
Reserve Expenditures		85	
Adjustment for Prior Year State Overpayment		<u>37</u>	
			<u>8,959</u>
Balance - December 31, 2021		\$	<u><u>12,167</u></u>

Animal License Fees Collected

<u>Year</u>		
2019	\$	6,363
2020		<u>5,804</u>
Maximum Reserve	\$	<u><u>12,167</u></u>

**BOROUGH OF ELMWOOD PARK**

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

**Trust Funds**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 175,327
Increased by:	
Employee Payroll Deductions	<u>14,730</u>
	190,057
Decreased by:	
Cash Disbursements	<u>401</u>
Balance - December 31, 2021	<u><u>\$ 189,656</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Due to State of New Jersey -**  
**Unemployment Compensation Insurance Fund**  
**Trust Funds**  
**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>18,120</u>
Decreased by:	
Unemployment Claims Paid	\$ <u><u>18,120</u></u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Various Reserves and Deposits

## Trust Funds

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2021</u>
Escrow Deposits	\$ 224,437	449,243	116,667	557,013
Multiple Dwelling Emergency Deposits	43,426	11		43,437
Recreation	527,791	379,251	325,708	581,334
Parking Offenses Adjudication Act	9,726	406	2,962	7,170
Lien Redemptions	206,099	373,533	579,632	
Tax Title Lien Premiums	283,200	156,500	238,500	201,200
Accrued Compensated Absences	234,062	306,356	539,797	621
Federal Equitable Sharing Program - Treasury	44,601		42,575	2,026
Federal Equitable Sharing Program - Justice	50,983			50,983
COAH	5,893	378,658		384,551
Fire Prevention - Dedicated Penalties	15,867	4,550	480	19,937
Fire Prevention	234,195	55,976	290,171	
Drunk Driving	197			197
Miscellaneous	1,000			1,000
Police Outside Duty	62,778	961,056	1,001,885	21,949
	<u>\$ 1,944,255</u>	<u>3,065,540</u>	<u>3,138,377</u>	<u>1,871,418</u>
		Cash Receipts \$ 3,065,540		
		Cash Disbursements <u>3,138,377</u>		
		<u>\$ 3,065,540</u>	<u>3,138,377</u>	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Service Award Contributions Receivable**

**Trust Funds**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>93,184</u>
Balance - December 31, 2021	\$ <u><u>93,184</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Net Assets Available for Benefits**

**Trust Funds**

**Year Ended December 31, 2021**

Balance - December 31, 2020		\$	587,404
Increased by:			
Appreciation in Fair Value of Investments			<u>81,752</u>
			669,156
Decreased by:			
Account Charges/Tax	\$	1,738	
Distributions		<u>37,381</u>	
			<u>39,119</u>
Balance - December 31, 2021		\$	<u><u>630,037</u></u>

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**BOROUGH OF ELMWOOD PARK**

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020		\$	2,929,606
Increased by Receipts:			
Bond Anticipation Notes	\$	1,352,000	
Interfund		8,518	
Grants Received		382,925	
Contributions Received		218,183	
Capital Improvement Fund		<u>100,000</u>	
			<u>2,061,626</u>
			4,991,232
Decreased by Disbursements:			
Improvement Authorizations		(149,821)	
Contracts Payable		1,094,552	
Budget Revenue - Fund Balance		254,400	
Interfund		<u>11,070</u>	
			<u>1,210,201</u>
Balance - December 31, 2021		\$	<u><u>3,781,031</u></u>

## BOROUGH OF ELMWOOD PARK

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2021

Fund Balance	\$	493,341
Capital Improvement Fund		34,404
Due to Current Fund		2
Grants Receivable		(832,300)
Contributions Receivable		(5,355)
Environmental Infrastructure Loan Receivable		(17,514)
Contracts Payable		1,611,408
Reserve for Grants Receivable		759,155

## Improvement Authorizations:

<u>Ordinance</u>	<u>Number</u>	<u>Improvement Description</u>	
	2013-21	Streetscape Improvements	(118,977)
	2014-12	Sanitary Sewer Pump Station	(62,692)
	2015-17	Resurfacing of Iozia Terrace, Franklin & Court St.	(108,366)
	2016-12	2016 Road Resurfacing Program	42,737
	2017-13	Improvement of the Boulevard, Sec. 10, Phase 2	(55,242)
	2017-20	UST Removal and Environmental Remediation	(47,653)
	2017-32	Various Improvements to Birchwood Park	455
	2017-33	New Pumper Fire Engine	21,225
2018-05/2018-23		Resurfacing of Franklin, Orchard & Lee Street	(64,043)
	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	15,183
2019-15/2020-34		Various Public Improvements	(47,787)
	2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd and 3rd Streets	(25,218)
	2020-04	Various Public Improvements	384,034
	2020-17	Improvements to Donor Place & Echo Place	(197,143)
	2020-22	Elmwood Park Marina Improvements	948,696
	2020-27	Various Public Improvements	43,943
	2021-09	Improvement of 13th Avenue	14,548
	2021-11	Various Public Improvements	697,592
	2021-23	Improvement of Mola Blvd, Phase 2	12,000

**BOROUGH OF ELMWOOD PARK**

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2021**

2021-25	2021 Curb & Gutter Replacement Program	15,500
2021-27	2021 Road Improvement Program	<u>49,000</u>
		\$ <u><u>3,781,031</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Interfunds**

**General Capital Fund**

**Year ended December 31, 2021**

	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Current Fund	\$ (245)	5,560	5,317	(2)
Federal and State Grant Fund	<u>(2,309)</u>	<u>5,510</u>	<u>3,201</u>	<u>          </u>
	<u><u>(2,554)</u></u>	<u><u>11,070</u></u>	<u><u>8,518</u></u>	<u><u>(2)</u></u>
			Cash Receipts \$ 8,518	
		<u>11,070</u>	<u>          </u>	
		<u><u>\$ 11,070</u></u>	<u><u>8,518</u></u>	

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Deferred Charges to Future**  
**Taxation - Funded**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Balance - December 31, 2020		\$ 11,726,099
Decreased by:		
Current year Budget Appropriations:		
Loan Principal	\$ 210,569	
Serial Bond Principal	<u>1,095,000</u>	
		<u>1,305,569</u>
Balance - December 31, 2021		<u>\$ 10,420,530</u>

BOROUGH OF ELMWOOD PARK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Decreased By	Balance Dec. 31, 2021	Analysis of Balance	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
		\$					
	General Improvements:						
2012-06	Various Public Improvements	11,160		11,160			
2013-16	Various Public Improvements	780		780			
2013-21	Streetscape Improvements	123,400		4,423	118,977	118,977	
2014-12	Sanitary Sewer Pump Station	142,000		79,308	62,692	62,692	
2014-13	2014 Road Resurfacing Program	345,529		345,529			
2014-25	Improvement Boulevard Sec 8 & 9	65,000		65,000			
2015-14	2015 Road Resurfacing Program	26,000		26,000			
2015-17	Resurfacing Iozia Terrace, Franklin & Court St.	142,000		33,634	108,366	108,366	
2015-22	Restoration of Fleischers Brook	99,000		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			
2017-13	Improvement of Blvd. Section 10 Phase 2	89,340		89,340	89,340	55,242	34,098
2017-20	Underground Storage Tank Removal & Environmental Remediation	174,000		174,000	174,000	47,653	126,347
2018-05	Resurfacing of Franklin, Orchard and Lec Streets	103,649		103,649	103,649	64,043	39,606
2018-23	Additional Appropriation: 2018-05	3,550		3,550	3,550		3,550
2019-07	Rehabilitation of Veteran's Park	171,000		171,000	171,000		
2019-11	Acquisition of a new Aerial Tower Fire Truck & Mini Pumper Fire Engine	1,657,000			1,657,000		
2019-15	Various Public Improvements	1,509,000			1,509,000		
2019-23	Resurfacing of Portions of Miller & Summit Avenue, and 1st, 2nd and 3rd Streets	233,000		185,000	48,000	25,218	22,782
2020-04	Various Public Improvements	2,460,000			2,460,000		250,000
2020-17	Improvements to Donor Avenue & Echo Place	290,000			290,000	197,143	92,857
2020-22	Elmwood Park Marina Improvements	1,400,000			1,400,000		250,000

**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Decreased By:	Balance Dec. 31, 2021	Analysis of Balance		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
2020-27	Various Public Improvements	313,000			313,000	313,000		
2020-34	Additional Appropriation: 2019-15	85,500			85,500		47,787	37,713
2021-09	Improvement of 13th Avenue		285,000		285,000			285,000
2021-11	Various Public Improvements		1,352,000		1,352,000	1,352,000		
2021-23	Improvement of Mola Blvd, Phase 2		238,000		238,000			238,000
2021-25	2021 Curb & Gutter Replacement Program		309,500		309,500			309,500
2021-27	2021 Road Improvement Program		971,000		971,000			971,000
		<u>\$ 9,540,908</u>	<u>3,155,500</u>	<u>889,834</u>	<u>11,806,574</u>	<u>8,362,000</u>	<u>727,121</u>	<u>2,717,453</u>

2021 Authorizations \$ 3,155,500

Unappropriated Grant Proceeds Applied - Ord. 2019-23  
 Cancelled via Resolution 704,834  
\$ 185,000  
\$ 889,834

Improvement Authorizations - Unfunded \$ 4,806,901  
 Less: Unexpended proceeds of Bond Anticipation Notes  
 Ordinance:  
 2019-11 15,183  
 2020-04 384,034  
 2020-22 948,696  
 2020-27 43,943  
 2021-11 697,592  
2,089,448  
\$ 2,717,453

**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ <u>67,240</u>
Balance - December 31, 2021	\$ <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, 2021**

Balance - December 31, 2020	\$ 526,508
Decreased by:	
Cancelled	\$ 150,000
Cash Receipts	<u>185,000</u>
	<u>335,000</u>
Balance - December 31, 2021	\$ <u><u>191,508</u></u>
	<u>Analysis</u>
	Ord. 17-2020 <u>191,508</u>
	\$ <u><u>191,508</u></u>



**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 521,070
Decreased by:	
Cash Receipts	<u>197,925</u>
Balance - December 31, 2021	<u>\$ 323,145</u>

<u>Analysis</u>	
Ord. 2019-09	73,145
Ord. 2020-04	<u>250,000</u>
	<u>\$ 323,145</u>

**Schedule of Environmental Infrastructure Loan Receivable**

**General Capital Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	<u>\$ 17,514</u>
Balance - December 31, 2021	<u>\$ 17,514</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, 2021**

Balance - December 31, 2020	\$ <u>250,407</u>
Balance - December 31, 2021	\$ <u><u>250,407</u></u>

**Schedule of Contributions Receivable - Recreation Trust Fund  
and Elmwood Park Board of Education**

**General Capital Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 123,538
Increased by:	
Contribution Pledged - Ord. 2021-11	<u>100,000</u>
	223,538
Decreased by:	
Cash Receipts	<u>218,183</u>
Balance - December 31, 2021	\$ <u><u>5,355</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of General Serial Bonds Payable**

**General Capital Fund**

**Year Ended December 31, 2021**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	8/1/2013	6,830,000	08/01/22	710,000	2.00-3.00%	3,570,000	705,000	2,865,000
			08/01/23	715,000				
			08/01/24	720,000				
			08/01/25	720,000				
General Improvements	August 15, 2019	6,950,000	08/15/22	415,000	1.50%	6,575,000	390,000	6,185,000
			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%						
						\$ 10,145,000	\$ 1,095,000	\$ 9,050,000
						Budget Appropriation \$ 1,095,000		

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Bond Anticipation Notes Payable**  
**General Capital Fund**  
**Year ended December 31, 2021**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of issue of original notes</u>	<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance Dec.31 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec.31, 2021</u>
2019-17	Rehabilitation of Veteran's Park	Dec. 3, 2020	Dec. 3, 2021	Dec. 2, 2022	0.35%	171,000	171,000	171,000	171,000
2019-11	Acquisition of Fire Truck	Dec. 3, 2020	Dec. 3, 2021	Dec. 2, 2022	0.35%	1,657,000	1,657,000	1,657,000	1,657,000
2019-15	Various Public Improvements	Dec. 3, 2020	Dec. 3, 2021	Dec. 2, 2022	0.35%	1,509,000	1,509,000	1,509,000	1,509,000
2020-04	Various Public Improvements	Dec. 3, 2020	Dec. 3, 2021	Dec. 2, 2022	0.35%	2,210,000	2,210,000	2,210,000	2,210,000
2020-22	Elmwood Park Marina Improvements	Dec. 3, 2020	Dec. 3, 2021	Dec. 2, 2022	0.35%	1,150,000	1,150,000	1,150,000	1,150,000
2020-27	Various Public Improvements	Dec. 3, 2020	Dec. 3, 2021	Dec. 2, 2022	0.35%	313,000	313,000	313,000	313,000
2021-11	Various Public Improvements	Dec. 3, 2021	Dec. 3, 2021	Dec. 2, 2022	0.35%		1,352,000		1,352,000
						<u>\$ 7,010,000</u>	<u>8,362,000</u>	<u>7,010,000</u>	<u>8,362,000</u>
						Cash \$	1,352,000		
						Renewed	<u>7,010,000</u>	<u>7,010,000</u>	
						\$	<u>8,362,000</u>	<u>7,010,000</u>	

BOROUGH OF ELMWOOD PARK

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Adoption Date	Ordinance Amount	Balance Dec. 31, 2020		2021 Authorizations	Paid or Charged	Authorization Canceled	Balance Dec. 31, 2021	
				Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>										
2012-06	Various Public Improvements		999,000	41,365	11,160			(52,525)		
2013-04	Emergency Generator		450,000	98,385				(98,385)		
2013-16	Various Public Improvements		873,906	62,480	780			(63,260)		
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	Improvement Boulevard Sec 8 & 9		353,000	55	65,000			(65,055)		
2015-09	Supplemental Handicapped Access Curb Ramps		96,200	33,538				(33,538)		
2015-14	2015 Road Resurfacing Program		510,000	29,790	26,000			(55,790)		
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)		
2016-03	Restoration of Fleischers Brook		135,500	8,923	99,000			(107,923)		
2016-11	Rehabilitation of the Hockey Rink		133,640	30,210				(30,210)		
2016-12	Resurfacing of Franklin, Gall, North & Summit		295,100	60,080				(60,080)		
2016-14	2016 Road Resurfacing Program		480,000	70,037	57,000		27,300		42,737	57,000
2016-18	Building Improvements & Acquisition of Equipment		357,500	12,194	40,000			(52,194)		
2016-19	Various Improvement to Cherry Hill Park		125,000	186				(186)		
2017-13	Acq. Of Self Contained Breathing Apparatus for Fire Dept.		375,498	2,319				(2,319)		
2017-14	Improvement of Blvd Sec 10 Phase 2		186,500	19,148	34,098			(19,148)		34,098
2017-17	2017 Road Resurfacing Program		478,000	14,857				(14,857)		
2017-20	Various Improvements		336,200		132,867					132,867
2017-28	Underground Storage Tank Removal & Environmental Remediation		209,000				6,520			
2017-32	Sewer Jet Vacuum Machine		241,000	3,743				(3,743)		
2017-33	Various Improvements to Birchwood Park		175,000	455					455	
	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	337,500		69,756		26,600			43,156

**BOROUGH OF ELMWOOD PARK**

**Schedule of Improvement Authorizations**

**General Capital Fund**

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Adoption Date	Ordinance Amount	Balance Dec. 31, 2020		2021 Authorizations	Paid or Charged	Authorization Canceled	Balance Dec. 31, 2021	
				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	1,850					1,850	
2018-17	Various Public Imps. & New Additional and/or Replacement Machinery	Jul. 19, 2018	412,000	19,363					19,363	
2018-20	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	10,708					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	131,394					131,394	
2019-15/2020-34	Various Public Improvements	Jun. 20, 2019	1,740,000	54,294			39,111			15,183
		Aug. 15, 2019/Nov. 12, 2020	1,675,000	48,574			10,861			37,713
2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd & 3rd Streets	Sept. 19, 2019	245,000				(22,782)			22,782
2020-04	Various Public Improvements	Mar. 19, 2020	2,585,000	1,126,645			492,611			634,034
2020-17	Improvements to Donor Avenue & Echo Place	Jun. 18, 2020	305,000	92,857						92,857
2020-22	Elmwood Park Marina Improvements	Aug. 13, 2020	1,400,000	1,198,696						1,198,696
2020-27	Various Public Improvements	Sept. 17, 2020	330,000	102,449						43,943
2021-09	Improvement of 13th Avenue	May 20, 2021	300,000		300,000		58,506			285,000
2021-11	Various Public Improvements	Jun. 17, 2021	1,520,000		1,520,000		452			697,592
2021-23	Improvement of Mola Blvd, Phase 2	Oct. 14, 2021	250,000		250,000		822,408			238,000
2021-25	2021 Curb & Gutter Replacement Program	Nov. 10, 2021	325,000		325,000					15,500
2021-27	2021 Road Improvement Program	Nov. 10, 2021	1,020,000		1,020,000					49,000
			\$ 805,136	3,622,070	3,415,000		1,461,587	(1,198,155)	375,563	4,806,901

Capital Improvement Fund \$	159,500
Contributions Receivable	100,000
Deferred Charges - Unfunded	3,155,500
	\$ 3,415,000
Cash \$	(149,821)
Contracts Payable	1,611,408
	\$ 1,461,587
Deferred Charges - Unfunded \$	704,834
Capital Surplus	493,321
	\$ 1,198,155

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Balance - December 31, 2020	\$	93,904
Increased by:		
Budget Appropriation		<u>100,000</u>
		193,904
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>159,500</u>
Balance - December 31, 2021	\$	<u><u>34,404</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of NJ Infrastructure Loan Payable**

**General Capital Fund**

**Year Ended December 31, 2021**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021
			Date	Amount				
Sewer Main Extension De-icing Material Storage Bldg.	November 8, 2007	1,885,000	08/01/22	109,000	5.00%	850,000	105,000	745,000
			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%			
						\$ 850,000	105,000	745,000
							Budget Appropriations \$	105,000



**BOROUGH OF ELMWOOD PARK**

**Schedule of NJ Infrastructure Loan Payable**

**General Capital Fund**

**Year Ended December 31, 2021**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021
			Date	Amount				
Sewer Main Extension	November 8, 2007	2,042,471	08/01/22	104,925	0.00%	731,099	105,569	625,530
De-icing Material Storage Bldg.			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				
						<u>\$ 731,099</u>	<u>105,569</u>	<u>625,530</u>
						Budget Appropriations \$	<u>105,569</u>	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Contracts Payable**

**General Capital Fund**

**Year Ended December 31, 2021**

Balance - December 31, 2020	\$ 1,094,552
Increased by:	
Charges to Improvement Authorizations	<u>1,611,408</u>
	2,705,960
Decreased by:	
Cash Disbursements	<u>1,094,552</u>
Balance - December 31, 2021	\$ <u><u>1,611,408</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2021**

Balance - December 31, 2020	\$	1,094,155
Decreased by:		
Cancelled	\$	150,000
Grant Received - Applied to Authorized Not Issued		<u>185,000</u>
		<u>335,000</u>
Balance - December 31, 2021	\$	<u><u>759,155</u></u>

<u>Analysis</u>		
Ord. 2017-13: Department of Transportation		67,240
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		<u>250,407</u>
	\$	<u><u>759,155</u></u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Decreased	Balance Dec. 31, 2021
2012-06	Various Public Improvements	\$ 11,160		11,160	
2013-16	Various Public Improvements	780		780	
2013-21	Streetscape Improvements	123,400		4,423	118,977
2014-12	Rehabilitation of Sanitary Sewer Pump Station	142,000		79,308	62,692
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		33,634	108,366
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	103,649			103,649
2018-23	Additional Appropriation: 2018-05	3,550			3,550
2019-23	Resurfacing Portions of Miller/Summit/1st/2nd/3rd Ave	233,000		185,000	48,000
2020-04	Various Public Improvements	250,000			250,000
2020-17	Imp Donor Ave/Echo Pl	290,000			290,000
2020-22	Elmwood Park Marina Imp	250,000			250,000
2020-34	Amend 2019-15: Various Public Improvements	85,500			85,500
2021-09	Improvement of 13th Avenue		285,000		285,000
2021-11	Various Public Improvements		1,352,000	1,352,000	
2021-23	Improvement of Mola Blvd, Phase 2		238,000		238,000
2021-25	2021 Curb & Gutter Replacement		309,500		309,500
2021-27	2021 Road Improvement Program		971,000		971,000
		<u>\$ 2,530,908</u>	<u>3,155,500</u>	<u>2,241,834</u>	<u>3,444,574</u>
			2021 Authorizations		
			<u>3,155,500</u>		
			\$ <u>3,155,500</u>		
			Grant Proceeds Received \$	185,000	
			Bond Anticipation Notes Issued	1,352,000	
			Cancelled via Resolution	704,834	
				<u>\$ 2,241,834</u>	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Cash - Treasurer**

**Water Utility Fund**

**Year ended December 31, 2021**

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	\$ <u>6,168,450</u>	<u>1,884,994</u>
Increased by Receipts:		
Water Collector	4,143,639	
Interest on Investments	28,506	57
Other Miscellaneous	458	
Interfunds	1,422	711
Bond Anticipation Notes		1,415,000
Capital Improvement Fund		<u>300,000</u>
	<u>4,174,025</u>	<u>1,715,768</u>
	10,342,475	3,600,762
Decreased by Disbursements:		
2021 Appropriations	2,955,084	
2020 Appropriation Reserves	158,232	
Interfunds	711	1,574
Accrued Interest on Notes	32,893	
Current Fund Revenue	575,000	
Bond Anticipation Notes		1,415,000
Improvement Authorizations		<u>311,267</u>
	<u>3,721,920</u>	<u>1,727,841</u>
Balance - December 31, 2021	\$ <u><u>6,620,555</u></u>	<u><u>1,872,921</u></u>

**BOROUGH OF ELMWOOD PARK**

**Analysis of Cash**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

	Balance, Dec. 31, <u>2021</u>
Fund Balance	\$ 132,294
Down Payments on Improvements	9,000
Reserve for Payment of Debt Service	205,269
Capital Improvement Fund	1,618,000
Interfunds Accounts Payable	(95)

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	(78,623)
2019-24/2019-28	Water Main Replacement - Tuella Avenue	45,159
2020-05	Replacement/Rehabilitation of Water Mains & Lines	<u>240,000</u>
		\$ <u><u>1,872,921</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Due from Water Utility Capital Fund**

**Water Utility Operating Fund**

**Year ended December 31, 2021**

	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Water Utility Capital Fund	\$ <u>711</u>	<u>768</u>	<u>1,474</u>	<u>5</u>
	\$ <u><u>711</u></u>	<u><u>768</u></u>	<u><u>1,474</u></u>	<u><u>5</u></u>
Interest earned on Investments	\$	57	52	
Cash Receipts		711		
Cash Disbursements			<u>1,422</u>	
		\$ <u><u>768</u></u>	<u><u>1,474</u></u>	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Interfunds**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Water Utility Operating Fund	\$ (711)	1,474	768	(5)
Current Fund	<u>          </u>	<u>100</u>	<u>          </u>	<u>100</u>
	<u>\$ (711)</u>	<u>1,574</u>	<u>768</u>	<u>95</u>
Interest earned on Investments	\$		57	
Cash Receipts			711	
Cash Disbursements		<u>1,574</u>	<u>          </u>	
		<u>\$ 1,574</u>	<u>768</u>	



**BOROUGH OF ELMWOOD PARK**

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

**Water Utility Operating Fund**

**Year ended December 31, 2021**

Balance - December 31, 2020	\$ 969,730
Increased by:	
Water Rents Levied	<u>3,681,628</u>
	4,651,358
Decreased by:	
Cash receipts	<u>4,143,639</u>
Balance - December 31, 2021	<u><u>\$ 507,719</u></u>

**Inventory - Material and Supplies**

**Water Utility Operating Fund**

**Year ended December 31, 2021**

Balance - December 31, 2020	<u>\$ 500</u>
Balance - December 31, 2021	<u><u>\$ 500</u></u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year ended December 31, 2021

<u>Account</u>	Balance, Dec. 31, <u>2020</u>	Balance, Dec. 31, <u>2021</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, 2021**

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance</u>		<u>Balance, Dec. 31, 2020</u>	<u>Balance, Dec. 31, 2021</u>
		<u>Date</u>	<u>Amount</u>		
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
				<u>\$ 4,785,000</u>	<u>4,785,000</u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of 2020 Appropriation Reserves**  
**Water Utility Operating Fund**  
**Year ended December 31, 2021**

	Balance, Dec. 31, <u>2020</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 825	825		825
Other Expenses	<u>983</u>	<u>161,074</u>	<u>158,232</u>	<u>2,842</u>
Total Operating	<u>1,808</u>	<u>161,899</u>	<u>158,232</u>	<u>3,667</u>
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to: Social Security System (O.A.S.I.)	<u>14,857</u>	<u>857</u>		<u>857</u>
Total Deferred Charges and Statutory Expenditures	<u>14,857</u>	<u>857</u>		<u>857</u>
Total Operating	<u>\$ 16,665</u>	<u>162,756</u>	<u>158,232</u>	<u>4,524</u>
Appropriation Reserves	\$ 16,665			
Encumbrances		<u>146,091</u>		
		<u>\$ 162,756</u>		

**BOROUGH OF ELMWOOD PARK**

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

**Water Utility Operating Fund**

**Year ended December 31, 2021**

Balance, December 31, 2020		\$	13,705
Increased by:			
Budget Appropriation			<u>32,893</u>
			46,598
Decreased by:			
Payments	\$	32,893	
Liability Canceled		<u>2,573</u>	
			<u>35,466</u>
Balance, December 31, 2021		\$	<u><u>11,132</u></u>

Analysis of Balance

Principal Outstanding <u>Dec. 31, 2021</u>	<u>From</u>	<u>To</u>	<u>Interest Rate</u>	<u>Required Amount</u>
\$ 755,938	8/1/2021	12/31/2021	4.00-5.00%	<u>11,132</u>
				\$ <u><u>11,132</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Reserve for Amortization**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

Balance, December 31, 2020		\$	6,979,990
Increased by:			
Paid by Operating Budget			
NJ EIT Loan Payable	\$	259,019	
Deobligated - Savings Credits		<u>10,424</u>	
			<u>269,443</u>
Balance, December 31, 2021		\$	<u><u>7,249,433</u></u>

**Schedule of Capital Improvement Fund**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

Balance- December 31, 2020		\$	1,318,000
Increased by:			
2021 Budget Appropriation			<u>300,000</u>
Balance- December 31, 2021		\$	<u><u>1,618,000</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Improvement Authorizations**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2020		Balance, Dec. 31, 2021	
				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	73,970
11-17	Various Water Main Improvements	10/20/2012	340,000			46,748	46,748
2017-35/2018-14	Water Tank Replacement	12/21/2017	2,330,000				
		7/19/2018	210,000	102,179	102,179		
2018-15	Replacement of Water Lines	7/19/2018	270,000			217,637	191,377
2019-24/2019-28	Water Main Replacement - Tuella Avenue	9/19/2019	1,050,000				
		11/14/2019	125,000			34,384	45,159
2020-05	Replacement/Rehabilitation of Water Mains & Lines	3/19/2020	240,000			240,000	240,000
				\$ 179,692	\$ 612,739	\$ 179,692	\$ 597,254

Cash Disbursement \$	311,267
Prior Year Contracts Payable Reversed	(295,782)
	\$ 15,485

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Reserve for Payment of Debt**  
**Water Utility Capital Fund**  
**Year ended December 31, 2021**

Balance - December 31, 2020	\$	<u>205,269</u>
Balance - December 31, 2021	\$	<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, 2021**

Ord. No.	Improvement Description	Date of original notes	Date of issue	Date of Maturity	rate	Balance Dec. 31 2020	Increased	Decreased	Balance, Dec. 31, 2021
2019-24	Replacement of Water Main - Tuella Avenue	Dec. 3, 2020	Dec. 2, 2021	Dec. 3, 2022	0.35%	\$ 1,050,000	1,050,000	1,050,000	1,050,000
2019-28	Supplemental Appropriation: 2019-28	Dec. 3, 2020	Dec. 2, 2021	Dec. 3, 2022	0.35%	125,000	125,000	125,000	125,000
2020-05	Replacement/Rehabilitation of Water Mains & Lines	Dec. 3, 2020	Dec. 2, 2021	Dec. 3, 2022	0.35%	240,000	240,000	240,000	240,000
						<u>\$ 1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>
							<u>Renewed 1,415,000</u>	<u>1,415,000</u>	
							<u>\$ 1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Environmental Infrastructure Trust Fund Loans Payable**

Water Utility Capital Fund											
Year ended December 31, 2021											
<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 2020</u>	<u>Decreased</u>	<u>Balance, Dec. 31 2021</u>			
Water System Improvements	11/9/2006	4,523,513	2/1/2022	11,720	4.00-5.00%	1,489,925	269,443	1,220,482			
			8/1/2022	251,277							
			2/1/2023	9,724							
			8/1/2023	265,016							
			2/1/2024	7,530							
			8/1/2024	239,011							
			2/1/2025	4,868							
			8/1/2025	261,090							
			2/1/2026	170,246							
			8/1/2026								
						\$ 1,489,925	269,443	1,220,482			
									Deobligated - Savings Credits	10,424	
									Budget Appropriations	259,019	
									\$	269,443	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Down Payments on Improvements**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

Balance - December 31, 2020	\$ <u>9,000</u>
Balance - December 31, 2021	\$ <u><u>9,000</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Deferred Reserve for Amortization**  
**Water Utility Capital Fund**  
**Year ended December 31, 2021**

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of Ordinance</u>	Balance, Dec. 31, <u>2020</u>	Balance, Dec. 31, <u>2021</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>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Encumbrances Payable**

**Water Utility Operating Fund**

**Year ended December 31, 2021**

Balance - December 31, 2020	\$ <u>146,091</u>
Increased by:	
Transferred from 2021 Budget	<u>347,620</u>
	493,711
Decreased by:	
Transferred to Appropriation Reserves	<u>146,091</u>
Balance - December 31, 2021	\$ <u><u>347,620</u></u>

**Schedule of Contracts Payable**

**Water Utility Capital Fund**

**Year ended December 31, 2021**

Balance - December 31, 2020	\$ <u>295,782</u>
Decreased by:	
Contracts Payable Reversed	\$ <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, 2021**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2021</u>
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
		\$ 868,493	868,493
		868,493	868,493

**BOROUGH OF ELMWOOD PARK**

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**PART II**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2021**

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**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA  
Matthew B. Wielkocz, CPA, 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, 2021 and the related notes to the financial statements, and have issued our report thereon dated July 11, 2022, 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



Honorable Mayor and  
Members of the Borough Council  
Page 2.

deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Elmwood Park's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

### **Purpose of this Report**

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

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

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

July 11, 2022

## 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:

- 2021 Townwide Drainage Improvements
- Mola Boulevard Improvements, Phase II
- Gutters/Curb Replacement
- Basketball Court Improvements

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 on March 18, 2021, adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

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

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on October 19, 2021, 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>
2021	1
2020	0
2019	0

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**BOROUGH OF ELMWOOD PARK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2021**

**COMMENTS**

**Finance/Treasurer/Accounts Payable**

1. \*There are Capital Fund Improvement Authorizations greater than five years old that have unfunded portions outstanding.
2. Employees are being compensated for unused vacation time at year end; this additional compensation results in some employees being paid in excess of their approved salaries either through a collective bargaining agreement or by salary ordinance.
3. Outside Duty/Outside Employment of borough police officers is not being accounted for in accordance with Local Finance Notice 2000-14.
4. Cash receipts/revenues, other than tax collections, are not being recorded through the Borough's accounting software, but are rather being compiled manually through the use of an excel spreadsheet. This makes it difficult to tie out revenues to departments and subsequent postings to the client's manual general ledger.

**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, 2021**

**RECOMMENDATIONS**

**Finance/Treasurer/Accounts Payable:**

1. 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.
2. Salary ordinances and collective bargaining agreements be updated to reflect increased salary ranges to take into account unused vacation buy-backs.
3. Accounting practices be updated to account for the receipt and payment of Off-Duty/Outside employment of police officers to comply with the requirements as set forth in Local Finance Notice 2000-14.
4. All cash receipts/revenue collections be properly recorded within the accounting software to facilitate a more accurate reflection of departmental revenue and subsequent postings to the general ledger.

**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. Outstanding checks greater than 180 days old be voided via resolution in all borough accounts.
2. The Municipal court change fund should be authorized by resolution.

**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 “\*”.

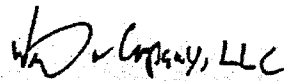
**ACKNOWLEDGMENT**

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 11, 2022

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