

**BOROUGH OF ELMWOOD PARK**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**



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**BOROUGH OF ELMWOOD PARK**

**BERGEN COUNTY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2012**





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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Elmwood Park, as of December 31, 2012 and 2011, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements.

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

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

### *Auditor's Responsibility*

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

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

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

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

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

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

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

In our opinion, because of the significance of the requirement that the Borough of Elmwood Park prepare and present its financial statements on the regulatory basis of accounting as discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph above, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Elmwood Park as of December 31, 2012 and 2011, or changes in financial position, or, where applicable, cash flows for the years then ended.

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

As discussed in Note 14 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2012 and 2011. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 12 percent and 13 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2012 and 2011.

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

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Elmwood Park as of December 31, 2012 and 2011, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2012 in accordance with the basis of financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## *Other Matters*

### *Required Supplementary Information*

The Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

### *Other Information*

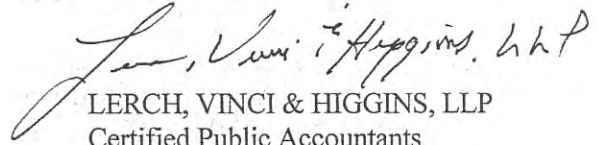
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Elmwood Park as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, schedule of expenditures of state financial assistance as required by NJ OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Elmwood Park.

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

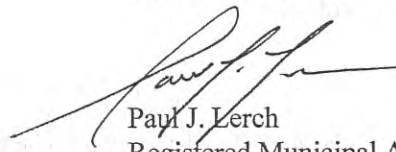
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with Government Auditing Standards, we have also issued our report dated July 23, 2013 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.



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



Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
July 23, 2013

**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>			
Cash	A-4	\$ 7,009,684	\$ 6,868,815
Cash - Change Funds	A-5	850	850
Grants Receivable	A-7	<u>19,888</u>	<u>28,548</u>
		<u>7,030,422</u>	<u>6,898,213</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	725,088	746,426
Tax Title Liens Receivable	A-9	568,102	566,040
Property Acquired for Taxes - Assessed Valuation	A-10	23,450	23,450
Revenue Accounts Receivable	A-11	53,882	53,882
Due From Library	A-12	-	6,521
Due From General Capital Fund	C-9	2,478	2
Due From Animal Control Fund	B-18	8,177	
Due From Other Trust Fund- Escrow	B-6	244	101
Due From Other Trust Fund- Tax Title Lien	B-7		144
Due From Other Trust Fund- Payroll	B-8	<u>1,333</u>	<u>1,233</u>
		<u>1,382,754</u>	<u>1,397,799</u>
<b>Total Assets</b>		<u>\$ 8,413,176</u>	<u>\$ 8,296,012</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	A-3,A-13	\$ 1,658,249	\$ 1,369,801
Encumbrances Payable	A-14	625,839	303,956
Due to LOSAP	B	35,400	33,000
Due to State of New Jersey- Senior Citizens' and Veterans' Deductions	A-6	74,540	59,725
Due to Other Trust Fund - Reserve for Accumulated Absences	B-16	270,000	345,000
Prepaid Taxes	A-15	148,467	288,978
Tax Overpayments Payable	A-16		67,921
Due County for Added Taxes	A-19		2,018
Miscellaneous Reserves	A-20	1,064,166	745,048
Appropriated Grant Reserves	A-21	12,926	211,018
Unappropriated Grant Reserves	A-22	<u>151,302</u>	<u>118,619</u>
		4,040,889	3,545,084
Reserve for Receivables	A	1,382,754	1,397,799
Fund Balance	A-1	<u>2,989,533</u>	<u>3,353,129</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 8,413,176</u>	<u>\$ 8,296,012</u>

**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 2,540,000	\$ 2,140,000
Miscellaneous Revenue Anticipated	A-2	6,172,083	7,524,428
Receipts from Delinquent Taxes	A-2	625,284	710,325
Receipts from Current Taxes	A-2	51,892,954	49,765,528
Non-Budget Revenues	A-2	649,813	440,505
Other Credits to Income:			
Interfunds Returned	A		5,416
Statutory Excess in Animal Control Fund	B-2, B-18	8,177	
Cancel Appropriated Reserve Balances	A-21	198,092	
Prior Year Library Receivable Returned	A-12	6,521	
Unexpended Balance of Appropriation Reserves	A-13	759,619	1,100,553
		<u>62,852,543</u>	<u>61,686,755</u>
Total Income			
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	8,787,019	8,261,400
Other Expenses	A-3	12,094,926	12,331,593
Capital Improvements	A-3	100,000	100,000
Municipal Debt Service	A-3	1,832,139	1,851,926
Deferred Charges and Statutory Expenditures	A-3	2,051,289	2,184,215
County Taxes	A-18	5,019,898	4,849,850
Amount Due County for Added and Omitted Taxes	A-19	7,590	2,019
Local District School Tax	A-17	30,745,422	29,579,763
Prior Year Senior and Veteran's Deductions Disallowed	A-6	16,790	9,136
Prior Year Interfunds Advanced	A	10,752	
Cancel Grant Receivable Balance	A-7	10,314	
Due from Municipal Library Receivable	A-1	-	6,521
		<u>60,676,139</u>	<u>59,176,423</u>
Total Expenditures			
Excess in Revenue		2,176,404	2,510,332
Fund Balance, January 1	A	<u>3,353,129</u>	<u>2,982,797</u>
		5,529,533	5,493,129
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>2,540,000</u>	<u>2,140,000</u>
Fund Balance, December 31	A	<u>\$ 2,989,533</u>	<u>\$ 3,353,129</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Special Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 2,540,000	-	\$ 2,540,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	24,000		22,924	\$ (1,076)
Other	A-11	10,000		17,676	7,676
Fees and Permits	A-2	100,000		101,448	1,448
Fines and Costs					
Municipal Court	A-11	750,000		685,509	(64,491)
Interest and Costs on Taxes	A-11	75,000		131,799	56,799
Interest on Investments and Deposits	A-2	20,000		42,620	22,620
Energy Receipts Tax	A-11	1,215,542		1,215,542	-
Consolidated Municipal Property Tax Relief Act	A-11	246,362		246,362	
Uniform Construction Code Fees	A-11	325,000		367,851	42,851
Uniform Fire Safety Act	A-11	41,282		44,311	3,029
Trunk Sewer Revenue	A-11	2,936,118		2,936,027	(91)
Alcohol Education and Rehabilitation Fund	A-22	13,214		13,214	
Municipal Alliance on Alcoholism and Drug Abuse	A-7		\$ 12,157	12,157	
Safe and Secure Communities Program	A-22	51,809		51,809	
Highway Safety Grant- Reserve	A-22	4,400		4,400	
Body Armor Fund	A-22	3,908		3,908	
Clean Communities Program - Reserve	A-22	25,863		25,863	
Recycling Tonnage Grant - Reserve	A-22	19,425		19,425	
Utility Operating Surplus of Prior Year	D-1	200,000		200,000	
Reserve for Payment of Debt Service	C-10	29,238	-	29,238	-
Total Miscellaneous Revenues	A-1	<u>6,091,161</u>	<u>12,157</u>	<u>6,172,083</u>	<u>\$ 68,765</u>
Receipts from Delinquent Taxes	A-2,A-1	<u>600,000</u>	-	<u>625,284</u>	<u>25,284</u>
Amount to be Raised by Taxes for Support of Municipal Budget					
Local Tax for Municipal Purposes	A-2	16,577,985		17,058,079	480,094
Minimum Library Tax	A-2	761,965	-	761,965	-
Budget Totals	A-3	<u>\$ 26,571,111</u>	<u>\$ 12,157</u>	27,157,411	<u>\$ 574,143</u>
Non-Budget Revenues	A-2,A-1			<u>649,813</u>	
				<u>\$ 27,807,224</u>	

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(Continued)**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-8	\$ 52,292,954
Less: Transfer to Reserve for Tax Appeals	A-20	<u>400,000</u>
	A-1	\$ 51,892,954
Less: Allocated to School and County Taxes	A-19,A-17,A-18	<u>35,772,910</u>
		16,120,044
Add: Reserve for Uncollected Taxes	A-3	<u>1,700,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 17,820,044</u>
<b>Fees and Permits - Other:</b>		
Borough Clerk	A-11	\$ 21,432
Planning/Zoning	A-11	7,425
Police	A-11	10,144
Tax Collector	A-11	1,347
Department of Public Works	A-11	4,400
Board of Health and Registrar of Vital Statistics	A-11	<u>56,700</u>
	A-2	<u>\$ 101,448</u>
<b>Interest on Investments and Deposits</b>		
Cash Receipts	A-11	\$ 41,303
Due from General Capital Fund	C-9	20
Due from Other Trust Fund- Escrow	B-6	1,197
Due from Other Trust Fund- Payroll	B-8	<u>100</u>
	A-2	<u>\$ 42,620</u>



BOROUGH OF ELMWOOD PARK  
STATEMENT OF REVENUES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(Continued)

	<u>Reference</u>	
ANALYSIS OF NON-BUDGET REVENUES		
Verizon Franchise Fees		\$ 61,055
Cable Franchise Fees		165,931
Hotel Franchise Tax		66,483
FEMA		198,699
Car Auction		19,725
Division of Motor Vehicles		18,980
Bus Shelter		13,500
Other		<u>105,440</u>
	A-2, A-4	<u>\$ 649,813</u>

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

GENERAL APPROPRIATIONS OPERATIONS - WITHIN "CAPS"	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>GENERAL GOVERNMENT</b>					
General Administration					
Salaries and Wages	\$ 204,000	\$ 217,300	\$ 217,289	\$ 11	
Other Expenses	80,000	80,000	77,568	2,432	
Mayor and Council					
Salaries and Wages	37,000	37,000	35,500	1,500	
Financial Administration					
Salaries and Wages	192,689	192,689	151,838	40,851	
Other Expenses	34,000	34,000	27,871	6,129	
Other Expenses - ADP Payroll Service	34,500	34,500	23,591	10,909	
Audit Services					
Other Expenses	45,000	45,000	22,348	22,652	
Revenue Administration (Tax Collection)					
Salaries and Wages	214,200	214,200	170,541	43,659	
Other Expenses	35,000	35,000	14,917	20,083	
Postage	30,000	30,000	28,376	1,624	
Tax Assessment Administration					
Salaries and Wages	60,000	60,000	47,393	12,607	
Other Expenses	20,000	27,500	20,000	7,500	
Legal Services and Costs					
Salaries and Wages	62,000	62,000	53,841	8,159	
Other Expenses	20,000	20,000	7,559	12,441	
Engineering Services and Costs					
Other Expenses	39,000	49,000	25,838	23,162	
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Salaries and Wages	8,000	9,000	7,847	1,153	
Other Expenses	8,000	8,000	4,809	3,191	
Master Plan	10,000	10,000	75	9,925	
Zoning Board of Adjustment					
Salaries and Wages	8,000	8,000	6,357	1,643	
Other Expenses	5,000	5,000	3,082	1,918	
Council on Affordable Housing					
Other Expenses	20,000	20,000		20,000	
Municipal Court					
Salaries and Wages	215,000	215,000	198,166	16,834	
Other Expenses	25,000	25,000	16,904	8,096	
Public Defender					
Salaries and Wages	16,000	16,000	10,576	5,424	
<b>INSURANCE</b>					
General Liability	381,779	721,779	717,470	4,309	
Workers Compensation	395,800	41,854		41,854	
Group Insurance Plan for Employees	2,267,720	2,222,720	2,209,082	13,638	

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS					
OPERATIONS WITHIN "CAPS" (Cont'd.)					
PUBLIC SAFETY FUNCTIONS					
Department of Police					
Salaries and Wages-Regular	\$ 4,304,300	\$ 4,304,300	\$ 4,116,751	\$ 187,549	
Salaries and Wages-Crossing Guards	91,500	91,500	62,544	28,956	
Salaries and Wages-Other Police Pers.	66,000	66,500	66,387	113	
Salaries and Wages-Police and Fire Surgeons				-	
Other Expenses - Regular	225,000	225,000	182,835	42,165	
Other Expenses - Clothing Allowance	38,000	38,000	25,575	12,425	
Other Expenses - Police Specials					
Purchase of Police Vehicles	30,000	30,000	28,134	1,866	
Police Dispatch/911					
Salaries and Wages	52,020	67,020	48,788	18,232	
Office of Emergency Management					
Other Expenses	4,700			-	
Aid to Volunteer Ambulance Companies					
First Aid Organization-Contribution	34,000	34,000	34,000		
Ambulance Stipend	9,000	9,000	3,980	5,020	
Fire Department					
Salaries and Wages-Exempt Firemen	13,000	13,250	13,250	-	
Other Expenses-Miscellaneous	90,000	95,500	90,826	4,674	
Other Expenses-Clothing Allowance	49,000	49,000	42,875	6,125	
Other Expenses-Rental of Firehouse	50,000	50,000	50,000	-	
Uniform Fire Safety (Ch. 383, P.L. 1983)					
Salaries and Wages - Fire Official	48,000	59,000	58,950	50	
Other Expenses	7,500	37,500	50	37,450	
Municipal Prosecutor					
Prosecutor - Contractual	24,000	24,000	18,747	5,253	
PUBLIC WORKS FUNCTION					
Streets and Roads Maintenance					
Salaries and Wages	1,344,000	1,348,700	1,121,544	227,156	
Other Expenses	330,000	330,000	303,087	26,913	
Other Public Works Functions					
Other Expenses - Traffic Lights	65,000	65,000	22,018	42,982	
Shade Tree					
Other Expenses	6,000	6,000		6,000	
Solid Waste Collection					
Salaries and Wages	80,000	80,000	51,651	28,349	
Contract - Collections -Recycling	255,000	255,000	189,747	65,253	
Contract - Collections - Solid Waste/Tipping Fees	875,000	795,000	751,529	43,471	
Vehicle Maintenance					
Other Expense - Police	118,000	118,000	23,970	94,030	
HEALTH AND HUMAN SERVICES					
FUNCTIONS					
Board of Health					
Salaries and Wages	150,960	150,960	147,465	3,495	
Other Expenses	62,500	62,500	43,494	19,006	

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS (Cont'd.) OPERATIONS WITHIN "CAPS" (Cont'd.)					
<b>HEALTH AND HUMAN SERVICES</b>					
FUNCTIONS (Continued)					
Animal Control Services					
Other Expenses	\$ 39,000	\$ 39,000	\$ 31,433	\$ 7,567	
Veterans Services Bureau					
Other Expenses	4,200	4,200	4,200	-	
<b>PARKS AND RECREATION FUNCTIONS</b>					
Recreation Commission RS 40:12-1					
Salaries and Wages	325,000	325,000	310,593	14,407	
Other Expenses	66,500	119,000	106,800	12,200	
Senior Citizen Committee					
Other Expenses	28,000	28,000	20,005	7,995	
Maintenance of Parks					
Other Expenses	27,000	27,000	10,293	16,707	
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Celebration of Public Events					
Other Expenses	12,000	12,000	12,000	-	
Reserve for Terminal Leave	1,000,000	1,000,000	1,000,000	-	
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries and Wages	204,000	224,000	223,424	576	
Other Expenses	73,000	73,000	70,608	2,392	
Rent Leveling					
Salaries and Wages	1,600	1,600	1,116	484	
Other Expenses	350	350		350	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity and Gas	390,000	341,950	239,123	102,827	
Street Lighting	350,000	350,000	255,784	94,216	
Telephone/Communications	61,000	61,000	50,229	10,771	
Gasoline	200,000	200,000	162,944	37,056	-
Total Operations Within "CAPS"	15,671,818	15,651,372	14,095,587	1,555,785	-
Contingent	10,000	10,000	-	10,000	-
Total Operations including Contingent-Within "CAPS"	15,681,818	15,661,372	14,095,587	1,565,785	-
Detail:					
Salaries and Wages	8,721,269	8,787,019	8,140,558	646,461	-
Other Expenses	6,960,549	6,874,353	5,955,029	919,324	-

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Balances <u>Cancelled</u>
GENERAL APPROPRIATIONS (Cont'd.)					
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Charges					
Social Security System (O.A.S.I.)	\$ 375,000	\$ 375,000	\$ 313,187	\$ 61,813	
Police and Firemen's Retirement System	1,106,975	1,106,975	1,106,975	-	
Public Employees Retirement System	365,963	365,976	365,976	-	-
	<u>1,847,938</u>	<u>1,847,951</u>	<u>1,786,138</u>	<u>61,813</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"					
	<u>1,847,938</u>	<u>1,847,951</u>	<u>1,786,138</u>	<u>61,813</u>	<u>-</u>
Total General Appropriation for Municipal Purposes within "CAPS"	<u>17,529,756</u>	<u>17,509,323</u>	<u>15,881,725</u>	<u>1,627,598</u>	<u>-</u>
OPERATIONS EXCLUDED FROM "CAPS"					
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission					
Operating and Maintenance Costs	3,415,870	3,415,870	3,414,786	1,084	
Debt Service	685,307	685,307	685,307	-	
Landfill/Solid Waste Disposal Costs					
Recycling Tax	20,000	20,000	18,818	1,182	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library					
Other Expenses	761,965	761,965	761,965	-	
PUBLIC SAFETY FUNCTIONS					
LOSAP	60,000	60,000	34,600	25,400	
INSURANCE					
Group Insurance Plan for Employees	117,280	117,280	117,280	-	-
Total Other Operations Excluded from "CAPS"	<u>5,060,422</u>	<u>5,060,422</u>	<u>5,032,756</u>	<u>27,666</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Alliance Program					
State Share		12,157	9,172	2,985	
Local Share	3,375	3,375	3,375	-	
Safe and Secure Communities Act-Police					
State Share	51,809	51,809	51,809	-	
Local Share	26,000	26,000	26,000	-	
Recycling Tonnage Grant	19,425	19,425	19,425	-	
Alcohol Rehab - Reserve	13,214	13,214	13,214	-	
Clean Communities Grant - Reserve	25,863	25,863	25,863	-	
Body Armor Replacement	3,908	3,908	3,908	-	

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	Balances <u>Cancelled</u>
GENERAL APPROPRIATIONS (Cont'd.)					
OPERATIONS EXCLUDED FROM "CAPS" (Cont'd.)					
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES (Cont'd.)					
Highway Safety- Reserve	\$ 4,400	\$ 4,400	\$ 4,400	-	-
Total Public and Private Programs Offset by Revenues	<u>147,994</u>	<u>160,151</u>	<u>157,166</u>	<u>\$ 2,985</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>5,208,416</u>	<u>5,220,573</u>	<u>5,189,922</u>	<u>30,651</u>	<u>-</u>
Detail:					
Salaries and Wages					
Other Expenses	<u>5,208,416</u>	<u>5,220,573</u>	<u>5,189,922</u>	<u>30,651</u>	<u>-</u>
CAPITAL IMPROVEMENTS -					
EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvement Fund -					
Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -					
EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,070,000	1,070,000	1,070,000	-	
Payment of Capital Notes	218,300	218,300	218,300	-	
Interest on Bonds	237,248	237,773	237,773	-	
Interest on Notes	38,764	58,672	58,672	-	
Loan Repayments for Principal and					
Interest - EIT Loan	<u>265,289</u>	<u>265,289</u>	<u>247,394</u>	<u>-</u>	<u>\$ 17,895</u>
Total Municipal Debt Service -					
Excluded from "CAPS"	<u>1,829,601</u>	<u>1,850,034</u>	<u>1,832,139</u>	<u>-</u>	<u>17,895</u>
DEFERRED CHARGES MUNICIPAL-					
EXCLUDED FROM "CAPS"					
General Capital Unfunded Grants - DOT Ord. 08-7	1,400	1,400	1,400	-	
General Capital Unfunded					
Ordinance #05-07	25,772	25,772	25,772	-	
Ordinance #05-11	110,768	110,768	110,768	-	
Ordinance #04-08/05-38	21,174	21,174	21,174	-	
Ordinance #06-09	<u>44,224</u>	<u>44,224</u>	<u>44,224</u>	<u>-</u>	<u>-</u>
Total Deferred Charges Municipal -					
Excluded from "CAPS"	<u>203,338</u>	<u>203,338</u>	<u>203,338</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal					
Purposes Excluded from "CAPS"	<u>7,341,355</u>	<u>7,373,945</u>	<u>7,325,399</u>	<u>30,651</u>	<u>17,895</u>
Subtotal General Appropriations	24,871,111	24,883,268	23,207,124	1,658,249	17,895
Reserve for Uncollected Taxes	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$26,571,111</u>	<u>\$ 26,583,268</u>	<u>\$ 24,907,124</u>	<u>\$ 1,658,249</u>	<u>\$ 17,895</u>
	<u>Reference</u>	A-2		A	A-23

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(Continued)**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Expended Paid or Charged</u>
Budget as Adopted	A-3	\$ 26,571,111	
Added by N.J.S.A. 40A:4-87	A-2	<u>12,157</u>	
		<u>\$ 26,583,268</u>	
Cash Disbursements	A-4		\$ 22,545,885
Reserve for Uncollected Taxes	A-2		1,700,000
Encumbrances Payable	A-14		625,839
Due to LOSAP	B		<u>35,400</u>
			<u>\$ 24,907,124</u>

**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-1	\$ 24,652	\$ 16,192
Due from State of New Jersey	B-3	<u>296</u>	<u>296</u>
		<u>24,948</u>	<u>16,488</u>
<b>OTHER TRUST FUND</b>			
Cash	B-1	2,290,711	1,822,968
Due from Current Fund - Reserve for Accumulated Absences	B-16	270,000	345,000
Due from Water Operating - Reserve for Accumulated Absences	B-17	<u>230,000</u>	<u>125,000</u>
		<u>2,790,711</u>	<u>2,292,968</u>
<b>UNEMPLOYMENT TRUST FUND</b>			
Cash	B-1	<u>168,870</u>	<u>167,071</u>
		<u>168,870</u>	<u>167,071</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B-1	366,506	328,880
Due from Current Fund- LOSAP	A	<u>35,400</u>	<u>33,000</u>
		<u>401,906</u>	<u>361,880</u>
<b>Total Assets</b>		<u>\$ 3,386,435</u>	<u>\$ 2,838,407</u>



**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Due to Current Fund	B-18	\$ 8,177	
Reserve for Animal Control Expenditures	B-2	<u>16,771</u>	<u>\$ 16,488</u>
		<u>24,948</u>	<u>16,488</u>
<b>OTHER TRUST FUND</b>			
Multiple Dwelling Emergency Deposits	B-9	43,250	43,226
Other Deposits	B-10	1,893,748	1,384,032
Reserve for Recreation Expenditures	B-11	285,538	275,645
Reserve for Fire Prevention Expenditures	B-14	143,077	112,166
Reserve for Developer's Escrow Deposits	B-15	423,151	467,326
Reserve for Payroll Deductions Payable	B-12	219	7,611
Reserve for Payroll Salary and Wages Payable	B-13	151	1,484
Due to Current Fund- Escrow	B-6	244	101
Due to Current Fund- Tax Title Lien	B-7		144
Due to Current Fund- Payroll	B-8	<u>1,333</u>	<u>1,233</u>
		<u>2,790,711</u>	<u>2,292,968</u>
<b>UNEMPLOYMENT TRUST FUND</b>			
Due to the State of New Jersey	B-5	2,676	1,413
Reserve for Unemployment Compensation Insurance	B-4	<u>166,194</u>	<u>165,658</u>
		<u>168,870</u>	<u>167,071</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Net Assets Available for Benefits	B	<u>401,906</u>	<u>361,880</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 3,386,435</u>	<u>\$ 2,838,407</u>

**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 1,540,969	\$ 1,973,844
Grants Receivable	C-6	1,709,851	1,513,916
Infrastructure Loan Receivable	C-5	23,431	23,431
Deferred Charges to Future Taxation:			
Funded	C-4	8,730,024	9,983,941
Unfunded	C-7	<u>6,000,357</u>	<u>5,873,459</u>
 Total Assets		 <u>\$ 18,004,632</u>	 <u>\$ 19,368,591</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-14	\$ 5,396,000	\$ 6,466,000
NJ Infrastructure Loan Payable	C-15	3,334,024	3,517,941
Bond Anticipation Notes Payable	C-16	6,300,000	5,900,000
Due to Current Fund	C-9	2,478	2
Reserve for Payment of Debt	C-10		29,238
Contracts Payable	C-11	381,932	556,719
Reserve for Grants Receivable	C-6	551,500	279,433
Improvement Authorizations:			
Funded	C-13	564,667	609,653
Unfunded	C-13	378,350	1,000,008
Capital Improvement Fund	C-8	369,230	317,230
Fund Balance	C-1	<u>726,451</u>	<u>692,367</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 18,004,632</u>	 <u>\$ 19,368,591</u>

There were bonds and notes authorized but not issued of \$53,718 and \$415,353 at December 31, 2012 and 2011, respectively (Exhibit C-17).

**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	C	\$ 692,367	\$ 471,907
Increased by:			
Premium on Sale of Notes	C-2	34,084	20,119
Cancellation of Funded Improvement Authorizations	C-1	<u>          -</u>	<u>200,341</u>
		<u>34,084</u>	<u>220,460</u>
Balance, December 31	C	<u>\$ 726,451</u>	<u>\$ 692,367</u>

**BOROUGH OF ELMWOOD PARK  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
WATER UTILITY OPERATING FUND  
AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>			
Cash	D-5	\$ 2,206,711	\$ 1,788,025
Due from Water Capital Fund	D-9	<u>77</u>	<u>2</u>
		<u>2,206,788</u>	<u>1,788,027</u>
Receivables and Inventory			
Consumer Accounts Receivable	D-7	470,614	703,307
Inventory	D-10	<u>500</u>	<u>500</u>
		<u>471,114</u>	<u>703,807</u>
<b>Total Assets</b>		<u>\$ 2,677,902</u>	<u>\$ 2,491,834</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	D-4/D-13	\$ 416,715	\$ 678,691
Encumbrances Payable	D-19	154,959	102,534
Due to Other Trust Fund - Reserve for Accumulated Absences	B-17	230,000	125,000
Accrued Interest on Bonds and Loans	D-14	<u>37,334</u>	<u>39,961</u>
		839,008	946,186
Reserve for Receivables	D	470,614	703,307
Reserve for Inventory	D	500	500
Fund Balance	D-1	<u>1,367,780</u>	<u>841,841</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 2,677,902</u>	<u>\$ 2,491,834</u>

**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**AS OF DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>			
Cash	D-5,D-6	\$ 1,691,746	\$ 1,692,128
Infrastructure Trust Loans Receivable	D-8	41,974	41,974
Fixed Capital	D-11	6,889,503	6,889,503
Fixed Capital Authorized and Uncompleted	D-24	<u>3,095,994</u>	<u>3,095,994</u>
 Total Assets		 <u>\$ 11,719,217</u>	 <u>\$ 11,719,599</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Serial Bonds Payable	D-20	\$ 455,000	\$ 600,000
Infrastructure Loans Payable	D-21	3,500,951	3,723,885
Due to Water Operating Fund	D-9	77	2
Reserve for Amortization	D-18	4,474,323	4,106,389
Deferred Reserve for Amortization	D-12	836,000	836,000
Reserve for Payment of Debt	D-22	335,000	335,000
Improvement Authorizations:			
Funded	D-15	838,117	838,117
Unfunded	D-15	427,787	428,244
Capital Improvement Fund	D-16	818,000	818,000
Downpayments on Improvements	D-17	9,000	9,000
Fund Balance	D-2	<u>24,962</u>	<u>24,962</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 11,719,217</u>	 <u>\$ 11,719,599</u>

There were bonds and notes authorized but not issued of \$719,223 and \$719,223 at December 31, 2012 and 2011, respectively (Exhibit D-23).

**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - WATER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

REVENUE REALIZED	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Rents	D-3	\$ 2,947,221	\$ 2,753,706
Non-Budget Revenues	D-3	19,628	9,480
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	D-13	<u>466,159</u>	<u>163,311</u>
		<u>3,433,008</u>	<u>2,926,497</u>
<b>EXPENDITURES</b>			
Budget Expenditures:			
Operations			
Salaries and Wages	D-4	530,000	530,000
Other Expenses	D-4	1,658,980	1,657,612
Debt Service	D-4	468,089	463,811
Deferred Charges and Statutory Expenditures	D-4	<u>50,000</u>	<u>50,000</u>
		<u>2,707,069</u>	<u>2,701,423</u>
Excess in Revenue		725,939	225,074
Fund Balance, January 1	D	<u>841,841</u>	<u>916,767</u>
		1,567,780	1,141,841
Decreased by:			
Anticipated Revenue in Current Fund Budget	A-2	<u>200,000</u>	<u>300,000</u>
		<u>200,000</u>	<u>300,000</u>
Fund Balance, December 31	D	<u>\$ 1,367,780</u>	<u>\$ 841,841</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	D	\$ 24,962	\$ 24,962
Balance, December 31	D	<u>\$ 24,962</u>	<u>\$ 24,962</u>

EXHIBIT D-3

**STATEMENT OF REVENUES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Reference</u>	<u>Anticipated</u>	<u>Revenues Realized</u>	<u>Excess or (Deficit)</u>
Rents		\$ 2,710,741	\$ 2,947,221	\$ 236,480
	D-1	<u>\$ 2,710,741</u>	2,947,221	<u>\$ 236,480</u>
Non-Budget Revenues	D-1,D-3		<u>19,628</u>	
			<u>\$ 2,966,849</u>	
<b>ANALYSIS OF NON-BUDGET REVENUES</b>				
Interest on Investments	D-3		\$ 11,699	
Miscellaneous-Cash Receipts	D-5		<u>7,929</u>	
	D-1		<u>\$ 19,628</u>	
<b>ANALYSIS OF INTEREST ON INVESTMENTS</b>				
Due From Water Capital Fund	D-9		\$ 75	
Cash Receipts	D-5		<u>11,624</u>	
	D-3		<u>\$ 11,699</u>	

See Accompanying Notes to Financial Statements

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
WATER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriations</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Operating					
Salaries and Wages	\$ 530,000	\$ 530,000	\$ 279,539	\$ 250,461	
Other Expenses	<u>1,658,980</u>	<u>1,658,980</u>	<u>1,530,154</u>	<u>128,826</u>	<u>-</u>
Total Operating	<u>2,188,980</u>	<u>2,188,980</u>	<u>1,809,693</u>	<u>379,287</u>	<u>-</u>
Debt Service					
Payment of Bond Principal	145,000	145,000	145,000		
Interest on Bonds	15,300	15,300	14,756		\$ 544
Environmental Infrastructure Principal and Interest	<u>311,461</u>	<u>311,461</u>	<u>308,333</u>	<u>-</u>	<u>3,128</u>
Total Debt Service	<u>471,761</u>	<u>471,761</u>	<u>468,089</u>	<u>-</u>	<u>3,672</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>50,000</u>	<u>50,000</u>	<u>12,572</u>	<u>37,428</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>50,000</u>	<u>50,000</u>	<u>12,572</u>	<u>37,428</u>	<u>-</u>
	<u>\$ 2,710,741</u>	<u>\$ 2,710,741</u>	<u>\$ 2,290,354</u>	<u>\$ 416,715</u>	<u>\$ 3,672</u>
	<u>Reference</u>	D-3		D	D
Cash Disbursed	D-5		\$ 2,037,868		
Encumbrances Payable	D-19		154,959		
Accrued Interest	D-14		<u>97,527</u>		
			<u>\$ 2,290,354</u>		



**BOROUGH OF ELMWOOD PARK**  
**COMPARATIVE BALANCE SHEETS - GENERAL FIXED ASSETS ACCOUNT GROUP**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Land	\$ 12,705,246	\$ 12,705,246
Buildings and Improvements	7,606,879	7,593,338
Vehicles and Equipment	<u>8,301,968</u>	<u>8,062,961</u>
	<u>\$ 28,614,093</u>	<u>\$ 28,361,545</u>
 <b>LIABILITIES</b>		
Investment in General Fixed Assets	<u>\$ 28,614,093</u>	<u>\$ 28,361,545</u>

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**NOTES TO FINANCIAL STATEMENTS**



**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Regulatory Basis of Accounting**

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

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

**B. Reporting Entity**

The Borough of Elmwood Park (the "Borough") was incorporated in 1916 and operates under an elected 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 requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**C. Measurement Focus, Basis of Accounting and Financial Statement 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. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Borough has the following funds and account group:

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

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

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

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

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

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

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

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the water utility fund. The Borough's infrastructure is not reported in the account group.

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

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

**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. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of 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 April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**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. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

**Utility Rents** - Utility charges are levied quarterly based upon consumption. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's water utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

**Grant and Similar Award 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 as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

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

Trust Funds  
General Capital Fund  
Water Utility Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012 and 2011 the Borough Council increased the original budget by \$12,157 and \$72,430. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2012 and 2011.

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

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



**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

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

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

**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 for interfunds and, therefore, does not recognize income in the year liquidated.

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

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

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Elmwood Park has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$1,000 and an estimated useful life in excess of two years.

**BOROUGH OF ELMWOOD PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

**General Fixed Assets (Continued)**

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

Fixed Assets purchased after December 31, 2003 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to December 31, 2003 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the water utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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

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

**Reclassifications** - Certain reclassifications have been made to the December 31, 2011 balances to conform to the December 31, 2012 presentation.

**BOROUGH OF ELMWOOD PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

**D. Financial Statements – Regulatory Basis**

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

**NOTE 2 DEPOSITS AND INVESTMENTS**

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

**Deposits**

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

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2012 and 2011, the book value of the Borough's deposits were \$14,934,193 and \$14,329,893 and bank and brokerage firm balances of the Borough's deposits amounted to \$15,151,702 and \$14,543,837, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2012</u>	<u>2011</u>
Insured	\$ 14,620,527	\$ 14,189,639
Uninsured and Collateralized	<u>532,175</u>	<u>354,198</u>
	<u>\$ 15,152,702</u>	<u>\$ 14,543,837</u>

**BOROUGH OF ELMWOOD PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2012 and 2011, the Borough’s bank balances of \$532,175 and \$354,198 were exposed to custodial credit risk as follows:

	<u>2012</u>	<u>2011</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Borough's name	\$ 532,175	\$ 354,198

**Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2012 and 2011, the Borough had the following investments:

	<u>2012</u>	<u>Fair Value</u>	<u>2011</u>
Investment:			
Length of Service Award Program (Unaudited)	\$ 366,506		\$ 328,880

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2012 and 2011, \$366,506 and \$328,880 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2012</u>	<u>Fair Value</u>	<u>2011</u>
Uninsured and Collateralized:			
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 366,506		\$ 328,880

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

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

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

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

The fair value of the above-listed investments were based on quoted market prices.

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

**NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE**

Receivables at December 31, 2012 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<b><u>2012</u></b>			
Property Taxes	\$ 725,088		\$ 725,088
Tax Title Liens	568,102		568,102
Utility Rents	<u>-</u>	<u>\$ 470,614</u>	<u>470,614</u>
	<u>\$ 1,293,190</u>	<u>\$ 470,614</u>	<u>\$ 1,763,804</u>

In 2012, the Borough collected \$625,284 and \$703,307 from delinquent taxes and utility rents, which represented 48% and 100% of the delinquent tax and water charges receivable at December 31, 2011.

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE (Continued)**

Receivables at December 31, 2011 consisted of the following:

	<u>Current</u>	Water <u>Utility</u>	<u>Total</u>
<b><u>2011</u></b>			
Property Taxes	\$ 746,726		\$ 746,726
Tax Title Liens	566,040		566,040
Utility Rents	<u>-</u>	<u>\$ 703,307</u>	<u>703,307</u>
	<u>\$ 1,312,766</u>	<u>\$ 703,307</u>	<u>\$ 2,016,073</u>

In 2011, the Borough collected \$710,325 and \$614,495 from delinquent taxes and utility rents, which represented 54% and 100% of the delinquent tax and water charges receivable at December 31, 2010.

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects. 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 four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2012</u>	<u>2011</u>
Issued		
General		
Bonds, Notes and Loans	\$ 15,030,024	\$ 15,883,941
Water Utility		
Bonds, Notes and Loans	3,955,951	4,323,885
Less Funds Temporarily Held to Pay Bonds and Notes	<u>(1,218,360)</u>	<u>(1,436,132)</u>
Net Debt Issued	17,767,615	18,771,694
Authorized But Not Issued		
General		
Bonds and Notes	53,718	415,353
Water Utility		
Bonds and Notes	<u>719,223</u>	<u>719,223</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 18,540,556</u>	<u>\$ 19,906,270</u>

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .61% and .62% at December 31, 2012 and 2011, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2012</u></b>			
General Debt	\$ 15,083,741	\$ 1,218,360	\$ 13,865,381
School Debt	25,532,000	25,532,000	-
Water Utility Debt	<u>4,675,174</u>	<u>4,675,174</u>	<u>-</u>
Total	<u>\$ 45,290,915</u>	<u>\$ 31,425,534</u>	<u>\$ 13,865,381</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2011</u></b>			
General Debt	\$ 16,299,294	\$ 1,436,132	\$ 14,863,162
School Debt	26,532,000	26,532,000	-
Water Utility Debt	<u>5,043,108</u>	<u>5,043,108</u>	<u>-</u>
Total	<u>\$ 47,874,402</u>	<u>\$ 33,011,240</u>	<u>\$ 14,863,162</u>

**Statutory Borrowing Power**

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

	<u>2012</u>	<u>2011</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 79,252,873	\$ 83,233,159
Net Debt	<u>13,865,381</u>	<u>14,863,162</u>
Remaining Borrowing Power	<u>\$ 65,387,492</u>	<u>\$ 68,369,997</u>



**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2012</u>	<u>2011</u>
\$2,175,000, 2000 Bonds, due in annual installments of \$275,000 through June, 2012, interest at 5.38%		\$ 275,000
\$1,465,000, 2003 Taxable Pension Refunding Bonds, due in annual installments of \$100,000 to \$180,000 through March 15, 2018, interest at 4.85%	\$ 865,000	965,000
\$2,950,000, 2003 Bonds, due in annual installments of \$270,000 to \$280,000 through March 15, 2015, interest at 3.00%	831,000	1,101,000
\$5,385,000, 2006 General Improvement Bonds, due in annual installments of \$425,000 to \$810,000 through February 18, 2018, interest at 4.00%	<u>3,700,000</u>	<u>4,125,000</u>
	<u>\$ 5,396,000</u>	<u>\$ 6,466,000</u>

**General Intergovernmental Loans Payable**

The Borough has entered into loan agreements with the New Jersey Department of Environmental Protection Agency for the financing relating to the removal of underground storage tanks in the Borough and New Jersey Environmental Infrastructure Trust for the financing related to a 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>2012</u>	<u>2011</u>
\$4,108,388 2007 EIT Loan, due in semi-annual installments of \$183,917 to \$259,055 through August 8, 2027, interest at 3%-5%	\$ <u>3,334,024</u>	\$ <u>3,517,941</u>
	<u>\$ 3,334,024</u>	<u>\$ 3,517,941</u>

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Water Utility Bonds**

The Borough pledges revenue from operations to pay debt service on utility bonds issued. The water utility bonds outstanding at December 31 are as follows:

	<u>2012</u>	<u>2011</u>
\$1,580,000, 2003 Bonds, due in annual installments of \$145,000 to \$150,000 through March 15, 2015, interest at 3.00%	\$ 455,000	\$ 600,000

**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:

**Water Utility**

	<u>2012</u>	<u>2011</u>
\$4,711,076, 2006 Loans, due in semi-annual installments of \$180,000 to \$286,535 through August 1, 2026, interest rate at 4%-5%	\$ 3,500,951	\$ 3,723,885
	<u>\$ 3,500,951</u>	<u>\$ 3,723,885</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2012 is as follows:

Calendar Year	General Bonds		General Loans		Water Bonds		Water Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$ 815,000	\$ 199,515	\$ 190,385	\$ 78,652	\$ 150,000	\$ 11,400	\$ 219,708	\$ 85,506	\$ 1,750,166
2014	850,000	243,695	196,689	75,578	155,000	6,825	224,708	80,506	1,833,001
2015	881,000	135,047	194,602	72,438	150,000	2,250	237,774	75,256	1,748,367
2016	910,000	99,370	199,924	67,938	-	-	242,289	69,506	1,589,027
2017	950,000	60,831	205,086	63,188	-	-	246,644	63,506	1,589,255
2018-2022	990,000	20,565	1,100,815	241,540	-	-	1,305,521	238,348	3,896,789
2023-2027	-	-	1,246,523	97,636	-	-	1,024,307	76,214	2,444,680
2028-2032	-	-	-	-	-	-	-	-	-
Total	<u>\$ 5,396,000</u>	<u>\$ 759,023</u>	<u>\$ 3,334,024</u>	<u>\$ 696,970</u>	<u>\$ 455,000</u>	<u>\$ 20,475</u>	<u>\$ 3,500,951</u>	<u>\$ 688,842</u>	<u>\$ 14,851,285</u>

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2012 and 2011 were as follows:

	Balance, January 1, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2012</u>	Due Within <u>One Year</u>
<b><u>2012</u></b>					
General Capital Fund					
Bonds Payable	\$ 6,466,000	\$ -	\$ 1,070,000	\$ 5,396,000	\$ 815,000
Intergovernmental Loans Payable	<u>3,517,941</u>	<u>-</u>	<u>183,917</u>	<u>3,334,024</u>	<u>190,385</u>
General Capital Fund Long-Term Liabilities	<u>\$ 9,983,941</u>	<u>\$ -</u>	<u>\$ 1,253,917</u>	<u>\$ 8,730,024</u>	<u>\$ 1,005,385</u>
Water Utility Capital Fund					
Bonds Payable	\$ 600,000	\$ -	\$ 145,000	\$ 455,000	\$ 150,000
Intergovernmental Loans	<u>3,723,885</u>	<u>-</u>	<u>222,934</u>	<u>3,500,951</u>	<u>219,708</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 4,323,885</u>	<u>\$ -</u>	<u>\$ 367,934</u>	<u>\$ 3,955,951</u>	<u>\$ 369,708</u>
	Balance, January 1, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>	Due Within <u>One Year</u>
<b><u>2011</u></b>					
General Capital Fund					
Bonds Payable	\$ 7,496,000		\$ 1,030,000	\$ 6,466,000	\$ 1,070,000
Intergovernmental Loans Payable	<u>3,704,434</u>	<u>-</u>	<u>186,493</u>	<u>3,517,941</u>	<u>183,917</u>
General Capital Fund Long-Term Liabilities	<u>\$ 11,200,434</u>	<u>\$ -</u>	<u>\$ 1,216,493</u>	<u>\$ 9,983,941</u>	<u>\$ 1,253,917</u>
Water Utility Capital Fund					
Bonds Payable	\$ 740,000		\$ 140,000	\$ 600,000	\$ 145,000
Intergovernmental Loans	<u>3,941,658</u>	<u>-</u>	<u>217,773</u>	<u>3,723,885</u>	<u>222,934</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 4,681,658</u>	<u>\$ -</u>	<u>\$ 357,773</u>	<u>\$ 4,323,885</u>	<u>\$ 367,934</u>

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2012 and 2011 was as follows:

**Bond Anticipation Notes**

<u>2012</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>January 1,</u> <u>2012</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2012</u>
General Capital Fund						
<u>Purpose</u>						
Various Public Improvements	1%	8/9/2013	\$ 914,505	\$ 2,094,301	\$ 914,505	\$ 2,094,301
Road Programs	1%	8/9/2013	1,964,051	1,847,456	1,964,051	1,847,456
Ambulance Acquisition	0.66% -	8/10/2012 -	191,656	50,649	191,656	50,649
	1%	8/9/2013				
Property Acquisition	1%	8/9/2013	784,699	723,276	784,699	723,276
Improvements to Kipp Avenue	1%	8/9/2013	369,601	364,336	369,601	364,336
Acquisition of Fire Emergency Vehicle	0.66%	8/10/2012	173,772	-	173,772	-
Acquisition of Machinery	0.66%	8/10/2012	21,169	-	21,169	-
Improvements to Boulevard	1%	8/9/2013	52,574	52,614	52,574	52,614
Security Related Improvements	0.66%	8/10/2012	44,224	-	44,224	-
Improvements to Palsa Avenue	1%	8/9/2013	270,384	178,230	270,384	178,230
Improvements to Washington Avenue	1%	8/9/2013	225,320	179,555	225,320	179,555
Market Street Streetscape	1%	8/9/2013	222,104	207,884	222,104	207,884
Acquisition of Boiler System	1%	8/9/2013	100,000	96,631	100,000	96,631
Rehabilitation of Sewer Pump and Station	1%	8/9/2013	138,892	137,088	138,892	137,088
Sanitary Sewer Rehab at Elmwood Terr.	1%	8/9/2013	178,610	176,320	178,610	176,320
Resurfacing to Portion of Martha Av.	1%	8/9/2013	35,700	23,821	35,700	23,821
Improvement of Portion of Molnar Drive	1%	8/9/2013	160,239	115,339	160,239	115,339
Installation of Playground Equipment	1%	8/9/2013	52,500	52,500	52,500	52,500
Total Bond Anticipation Notes Payable			<u>\$ 5,900,000</u>	<u>\$ 6,300,000</u>	<u>\$ 5,900,000</u>	<u>\$ 6,300,000</u>

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

<u>2011</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>January 1,</u> <u>2011</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2011</u>
General Capital Fund						
<u>Purpose</u>						
Various Public Improvements	0.66% - 1.50%	8/12/2011 - 8/10/2012	\$ 591,272	\$ 914,505	\$ 591,272	\$ 914,505
Road Programs	0.66% - 1.50%	8/12/2011 - 8/10/2012	1,477,500	1,964,051	1,477,500	1,964,051
Ambulance Acquisition	0.66% - 1.50%	8/12/2011 - 8/10/2012	97,250	191,656	97,250	191,656
Property Acquisition	1.50%	8/12/2011	794,837	784,699	794,837	784,699
Improvements to Kipp Avenue	0.66% - 1.50%	8/12/2011 - 8/10/2012	135,018	369,601	135,018	369,601
Acquisition of Fire Emergency Vehicle	0.66%	8/10/2012	-	173,772	-	173,772
Acquisition of Machinery	0.66%	8/10/2012	24,823	21,169	24,823	21,169
Improvements to Boulevard	1.50%	8/12/2011	107,838	52,574	107,838	52,574
Security Related Improvements	1.50%	8/12/2011	45,862	44,224	45,862	44,224
Improvements to Palsa Avenue	1.50%	8/12/2011	277,692	270,384	277,692	270,384
Improvements to Washington Avenue	1.50%	8/12/2011	231,410	225,320	231,410	225,320
Market Street Streetscape	1.50%	8/12/2011	143,052	222,104	143,052	222,104
Acquisition of Boiler System	0.66%	8/12/2011	-	100,000	-	100,000
Rehabilitation of Sewer Pump and Station	1.50%	8/12/2011	140,696	138,892	140,696	138,892
Sanitary Sewer Rehab at Elmwood Terrace	2%	8/12/2011	180,900	178,610	180,900	178,610
Resurfacing to Portion of Martha Avenue	2%	8/12/2011	35,700	35,700	35,700	35,700
Improvement of Portion of Molnar Drive	2%	8/12/2011	290,000	160,239	290,000	160,239
Installation of Playground Equipment	1%	8/10/2012	-	52,500	-	52,500
Total Bond Anticipation Notes Payable			<u>\$ 4,573,850</u>	<u>\$ 5,900,000</u>	<u>\$ 4,573,850</u>	<u>\$ 5,900,000</u>

The purpose of these short-time borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund. There are no short-time borrowings in the Borough's Water Utility Fund.

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

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

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund. As of December 31, 2012 and 2011 there was no outstanding debt recorded in the Current Fund.

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2012 and 2011.

	Balance January 1, <u>2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2012</u>
<b><u>2012</u></b>					
Land	\$ 12,705,246				\$ 12,705,246
Buildings and Building Improvements	7,593,338	\$ 13,541			7,606,879
Machinery and Equipment	8,062,961	239,007	-	-	8,301,968
	<u>\$ 28,361,545</u>	<u>\$ 252,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,614,093</u>
	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2011</u>
<b><u>2011</u></b>					
Land	\$ 12,567,746			\$ 137,500	\$ 12,705,246
Buildings and Building Improvements	6,769,502	\$ 6,136		817,700	7,593,338
Machinery and Equipment	8,008,570	243,225	188,834	-	8,062,961
	<u>\$ 27,345,818</u>	<u>\$ 249,361</u>	<u>\$ 188,834</u>	<u>\$ 955,200</u>	<u>\$ 28,361,545</u>

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 5 FIXED ASSETS (Continued)**

**Water Utility Fund Fixed Assets**

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2012 and 2011.

	Balance, January 1, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u>
<b><u>2012</u></b>				
Fixed Capital				
Water System Improvements and Equipment	\$ 6,889,503	\$ -	-	\$ 6,889,503
Total	<u>\$ 6,889,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,889,503</u>

	Balance, January 1, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2011</u>
<b><u>2011</u></b>				
Fixed Capital				
Water System Improvements and Equipment	\$ 6,889,503	-	-	\$ 6,889,503
Total	<u>\$ 6,889,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,889,503</u>

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 6 DUE TO/FROM OTHER FUNDS**

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2012</u>		<u>2011</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 12,232	\$ 305,400	\$ 1,480	\$ 378,000
Trust Fund:				
Other Trust- Reserve for Accumulated Absences	500,000		470,000	
Other Trust-Escrow		244		101
Other Trust- Tax Title Lien				144
Other Trust- Payroll		1,333		1,233
LOSAP	35,400		33,000	
General Capital Fund		2,478		2
Animal Control Fund		8,177		
Water Utility Fund:				
Operating	77	230,000	2	125,000
Capital	-	77	-	2
Total	<u>\$ 547,709</u>	<u>\$ 547,709</u>	<u>\$ 504,482</u>	<u>\$ 504,482</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and revenues earned in one fund due to another fund.

The Borough expects all interfund balances to be liquidated within one year.



**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 7 FUND BALANCES APPROPRIATED**

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

	Fund Balance December 31, <u>2012</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2011</u>	Utilized in Subsequent <u>Year's Budget</u>
<b>Current Fund</b>				
Cash Surplus	\$ 2,969,645	\$ 2,145,000	\$ 3,324,581	\$ 2,540,000
Non-Cash Surplus	<u>19,888</u>	<u>-</u>	<u>28,548</u>	<u>-</u>
	<u>\$ 2,989,533</u>	<u>\$ 2,145,000</u>	<u>\$ 3,353,129</u>	<u>\$ 2,540,000</u>
<b>Water Utility Operating Fund</b>				
Cash Surplus	\$ 1,367,780	\$ 300,000	\$ 841,841	\$ -
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,367,780</u>	<u>\$ 300,000</u>	<u>\$ 841,841</u>	<u>\$ -</u>

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 8 COMPENSATED ABSENCES**

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$1,931,085 and \$2,283,832 at December 31, 2012 and 2011, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2012 and 2011, the Borough has reserved in the Other Trust Fund \$1,250,607 and \$954,733, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS**

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

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Significant Legislation**

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Significant Legislation (Continued)**

- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.5 percent and \$11.6 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**BOROUGH OF ELMWOOD PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Actuarial Methods and Assumptions**

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included: (a) a revised investment rate of return for all the retirement systems from 8.25 percent to 7.95 percent; and (b) revised projected salary increases which vary by fund (6.32% for PFRS and 4.52% for PERS).

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS and 10.0% for PFRS of employees' annual compensation.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2012 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made.

During the years ended December 31, 2012, 2011 and 2010, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions, early retirement incentive program contributions, deferred pension obligation contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2012	\$ 1,106,975	\$ 365,976
2011	1,189,367	376,048
2010	1,074,772	302,136

**NOTE 10 POST-RETIREMENT MEDICAL BENEFITS**

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

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 10 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 566 state and local participating employers and contributing entities for Fiscal Year 2012.

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

**Health Benefits Program Fund (HBPF) – Local Government** (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

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

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

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

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 10 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$18.0 billion for state active and retired members and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**Post-Retirement Medical Benefits Contribution**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661 retirees receiving post-retirement medical benefits, and the State contributed \$958.9 million on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$112.6 million for 8,810 eligible retired members for Fiscal Year 2012. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$36.6 million in Fiscal Year 2012 to provide benefits under Chapter 330 to qualified retirees.

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 10 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution (Continued)**

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2012, 2011 and 2010 were \$884,183, \$690,178 and \$648,895, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2012, 2011 and 2010 were \$65,441, \$64,285 and \$63,003, respectively.

**NOTE 11 RISK MANAGEMENT**

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

The Borough of 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 funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The SBJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and 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 funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

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



**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 11 RISK MANAGEMENT (Continued)**

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>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2012		\$ 9,571	\$ 9,035	\$ 166,194
2011		1,183	32,363	165,658
2010			35,847	196,194

**NOTE 12 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012 and 2011. 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, 2012 and 2011, the Borough reserved \$1,013,528 and \$694,410, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2012 and 2011, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 13 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2012 and 2011, the Borough had no estimated arbitrage earnings due to the IRS.

**NOTE 14 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

The Borough of Elmwood Park Length of Service Award 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 October 7, 2000.

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

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

The Borough of Elmwood Park has contributed \$600 and \$600 for 2012 and 2011, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$600 and \$600 for 2012 and 2011, respectively for each eligible volunteer first aid squad members into the Plan.

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.

AIG (VALIC) 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.

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

**NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<b><u>2012</u></b>		
Road Resurfacing Program	<u>\$ 123,138</u>	2013
<b><u>2011</u></b>		
Road Resurfacing Program	<u>\$ 133,982</u>	2012

**BOROUGH OF ELMWOOD PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

**NOTE 17 HURRICANE SANDY**

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2012. As of July 23, 2013, the Borough has not received any FEMA reimbursements relating to Hurricane Sandy.

**NOTE 18 SUBSEQUENT EVENTS**

**Debt Authorized**

On February 7, 2013 the Borough adopted a Bond Ordinance authorizing the issuance of \$428,000 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On April 18, 2013 the Borough adopted a Bond Ordinance authorizing the issuance of \$566,500 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On April 18, 2013 the Borough adopted a Bond Ordinance authorizing the issuance of \$428,500 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On May 16, 2013 the Borough adopted a Bond Ordinance authorizing the issuance of \$832,280 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**CURRENT FUND**

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF CASH - COLLECTOR/TREASURER**

Balance, January 1, 2012		\$ 6,868,815
Increased by Receipts:		
Taxes Receivable	\$ 52,438,010	
Prepaid Taxes	148,467	
Revenue Accounts Receivable	5,810,752	
Due from State of NJ Senior Citizens' and Veterans Deductions	189,275	
Due from General Capital Fund- Anticipated Revenue	29,238	
Due from Water Utility Operating Fund- Anticipated Revenue	200,000	
Due from Other Trust- Tax Title Lien	144	
Receipts from Municipal Library	6,521	
Due from Other Trust - Escrow	1,054	
Miscellaneous Revenue Not Anticipated	649,813	
Grants Receivable	8,047	
Unappropriated Grant Reserves	<u>151,302</u>	
		<u>59,632,623</u>
		66,501,438
Decreased by Disbursements:		
2012 Appropriations	22,545,885	
2011 Appropriation Reserves	677,138	
County Taxes	5,019,898	
Local District School Taxes	30,745,422	
Due County for Added Taxes	9,608	
Payments Made to Other Trust- Reserve for Compensated Absences	345,000	
Various Reserves	80,882	
Tax Overpayments	<u>67,921</u>	
		<u>59,491,754</u>
Balance, December 31, 2012		<u>\$ 7,009,684</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, January 1, <u>2012</u>	Balance, December 31, <u>2012</u>
Collector/Treasurer	\$ 500	\$ 500
Magistrate's Office - Court	175	175
Magistrate's Office - Violations Clerk	<u>175</u>	<u>175</u>
	<u>\$ 850</u>	<u>\$ 850</u>

EXHIBIT A-6

**STATEMENT OF AMOUNT DUE TO STATE OF NEW JERSEY -  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, January 1, 2012		\$ 59,725
Increased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	\$ 189,275	
Deductions Disallowed by Tax Collector - 2012	17,750	
Deductions Disallowed by Tax Collector - 2011	<u>17,040</u>	
		<u>224,065</u>
		283,790
Decreased by:		
Senior Citizen Deductions per Tax Billing	62,750	
Veterans Deductions per Tax Billing	140,000	
Veterans Deductions Allowed by Tax Collector - 2012	3,000	
Veterans Deductions Allowed by Tax Collector - 2011	250	
Senior Citizen Deductions Allowed by Tax Collector - 2012	<u>3,250</u>	
		<u>209,250</u>
Balance, December 31, 2012		<u>\$ 74,540</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, 2012	Accrued	Received	Cancelled	Balance, December 31, 2012
Municipal Alliance on Alcohol & Drug Abuse	\$ 18,234	\$ 12,157	\$ 10,503		\$ 19,888
Local Domestic Preparedness Equipment	3,762			3,762	-
Hazardous Discharge Site Remediation	2,718			2,718	-
Aggressive Driving Grant	174			174	-
Public Health Priority Funding	3,660	-	-	3,660	-
	<u>\$ 28,548</u>	<u>\$ 12,157</u>	<u>\$ 10,503</u>	<u>\$ 10,314</u>	<u>\$ 19,888</u>
Cash Receipts			\$ 8,047		
Due From General Capital Fund			2,456		
			<u>\$ 10,503</u>		



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, January 1, 2012	2012 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	2011	Collected In 2012	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2012
2010	\$ 2,128					\$ 2,128				
2011	744,298	-	-	\$ 17,040	-	623,156	\$ 250	\$ 126,224	-	\$ 11,708
	746,426	-	-	17,040	-	625,284	250	126,224	-	11,708
2012	-	\$ 53,117,493	\$ 79,944	17,750	\$ 288,978	51,812,726	209,000	189,041	\$ 2,062	713,380
	\$ 746,426	\$ 53,117,493	\$ 79,944	\$ 34,790	\$ 288,978	\$ 52,438,010	\$ 209,250	\$ 315,265	\$ 2,062	\$ 725,088

Analysis of 2012 Tax Levy

<b>Tax Yield</b>	
General Purpose Tax	\$ 53,117,493
Added Taxes (54:4-63.1 et seq.)	79,944
	<u>\$ 53,197,437</u>
<b>Tax Levy</b>	
Local District School Tax (Abstract)	\$ 30,745,422
County Taxes (Abstract)	4,962,504
County Open Space	57,394
Due County for Added Taxes(54:4-63.1 et seq.)	7,590
	<u>\$ 35,772,910</u>
Local Tax for Municipal Purposes (Abstract)	17,339,950
Additional Tax Levied	84,577
	<u>17,424,527</u>
	<u>\$ 53,197,437</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF TAX TITLE LIENS**

Balance, January 1, 2012	\$ 566,040
Increased by:	
Transfers from Taxes Receivable	<u>2,062</u>
Balance, December 31, 2012	<u>\$ 568,102</u>

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION**

Balance, January 1, 2012	<u>\$ 23,450</u>
Balance, December 31, 2012	<u>\$ 23,450</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, <u>2012</u>	Accrued in <u>2012</u>	<u>Collected</u>	Balance, December 31, <u>2012</u>
Borough Clerk				
Liquor Licenses		\$ 22,924	\$ 22,924	
Licenses - Other		17,676	17,676	
Fees and Permits - Other		21,432	21,432	
Board of Health				
Fees and Permits - Other		56,700	56,700	
Police				
Fees and Permits- Other		10,144	10,144	
Planning/Zoning				
Fees and Permits- Other		7,425	7,425	
Tax Collector/Dept. of Public Works				
Fees and Permits- Other		5,747	5,747	
Construction Code Official				
Fees and Permits		367,851	367,851	
Interest on Investments		41,303	41,303	
Interest and Costs on Taxes		131,799	131,799	
Municipal Court				
Fines and Costs	\$ 53,882	685,509	685,509	\$ 53,882
Energy Receipts Tax		1,215,542	1,215,542	
Consolidated Municipal Property Tax Relief Aid		246,362	246,362	
Uniform Fire Safety Act		44,311	44,311	
Trunk Sewer Revenue	-	<u>2,936,027</u>	<u>2,936,027</u>	-
	<u>\$ 53,882</u>	<u>\$5,810,752</u>	<u>\$5,810,752</u>	<u>\$ 53,882</u>

EXHIBIT A-12

**STATEMENT OF DUE FROM LIBRARY**

Balance, January 1, 2012	\$ 6,521
Decreased by:	
Cash Received	<u>6,521</u>
Balance, December 31, 2012	<u>\$ -</u>

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF 2011 APPROPRIATION RESERVES**

	Balance, January 1, <u>2012</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transfer to Trust-Accum. <u>Absences</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages</b>					
General Administration	\$ 993	\$ 993			\$ 993
Mayor & Council	1,247	1,247			1,247
Financial Administration	23,869	3,869			3,869
Revenue Administration	33,053	3,053			3,053
Tax Assessment Administration	8,232	10,732			10,732
Legal Services & Costs	8,159	8,159			8,159
Planning Board	555	555			555
Zoning Board	1,765	1,765			1,765
Police	74,173	274,173		\$ 270,000	4,173
Police - Crossing Guard	6,779	6,779	\$ 1,125		5,654
Police - Police & Fire Surgeons	1,500	1,500			1,500
Police - Other Personnel	3,421	3,421			3,421
Police- Dispatch 911	4,559	4,559			4,559
Fire Official	247	248			248
Fire Department	400	400			400
Public Defender	4,601	4,601			4,601
Streets & Roads	133,180	770			770
Solid Waste Collections	8,654	8,654			8,654
Board of Health	31,485	31,485			31,485
Parks & Recreation	4,225	4,225			4,225
Construction Code Official	7,556	7,556			7,556
Rent Monitoring Board	1,600	1,600			1,600
Municipal Court	6,771	6,771			6,771
Municipal Prosecutor	1,597	1,597			1,597
<b>Other Expenses</b>					
General Administration	11,580	11,851	2,134		9,717
Financial Administration	28,049	28,747	12,114		16,633
Financial Administration-ADP Payroll Service	4,052	4,832	2,054		2,778
Annual Audit	10,000	32,000	32,000		-
Revenue Administration	13,025	4,544	1,689		2,855
Tax Assessment Administration	7,461	7,599	183		7,416
Legal Services & Costs	12,865	3,000	135		2,865
Engineering Services & Costs	17,221	18,033	5,640		12,393
Planning Board	3,183	3,632	449		3,183
Master Plan	1,866	1,866	-		1,866
Zoning Board of Adjustment	877	1,495	868		627
Council on Affordable Housing	20,000	20,000	-		20,000
Fire Official	6,770	6,770	-		6,770
Police Department	29,527	38,809	15,010		23,799
Police Department - Clothing Allowance	7,775	7,775	-		7,775
Police Department - Purchase Police Vehicles	30,000	18,000	15,655		2,345
Police Department - Vehicle Maintenance	87,458	43,643	42,480		1,163

BOROUGH OF ELMWOOD PARK  
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance, January 1, <u>2012</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
<b>Other Expenses (Continued)</b>					
Emergency Management Services	\$ 4,700	\$ 4,700			\$ 4,700
Streets & Roads	8,224	34,325	\$ 32,512		1,813
Streets & Roads - Traffic Lights	10,448	11,998	1,805		10,193
Postage	10,090	10,507	417		10,090
Solid Waste - Disposal - Recycling	61,571	28,279	28,278		1
Board of Health	1,656	13,028	11,404		1,624
Shade Tree	4,100	4,100	-		4,100
Animal Control	8,909	8,909	-		8,909
Parks & Recreation	2,125	10,709	8,220		2,489
Maintenance of Parks	26,450	26,450	-		26,450
Construction Code Official	-	1,449	1,447		2
Celebration of Public Events	4,126	4,126	-		4,126
Code Enforcement/ Building Inspector	443	37,204	1,082		36,122
Rent Leveling Board	350	350	-		350
Electricity	116,121	58,692	23,454		35,238
Street Lighting	45,827	68,027	68,027		-
Telephone	10,939	11,014	5,431		5,583
Gasoline	3,914	19,914	15,350		4,564
Sanitary Landfill Tax - Tipping Fee	91,620	120,926	120,863		63
Recycling Tax	901	2,072	1,941		131
Social Security System (O.A.S.I.)	66,351	66,351	-		66,351
Contingent	10,000	10,000	-		10,000
Municipal Court	6,945	7,341	1,229		6,112
General Liability Insurance	63,664	356,153	177,279		178,874
Employee Group Insurance	56,934	7,301	2,037		5,264
Fire Department	7,044	8,765	7,626		1,139
Fire Department - Vehicle Expense	-	12,223	1,893		10,330
Fire Department - Clothing Allowance	5,820	5,820	1,150		4,670
First Aid Stipend	5,020	5,020	240		4,780
LOSAP	27,000	60,800	33,200		27,600
Community Affairs - Senior Citizens	10,709	10,717	8		10,709
Clean Communities Grant	14,522	15,231	709		14,522
Municipal Alliance	8,782	8,782			8,782
Recycling Tonnage Grant	14,166	14,166	-	-	14,166
	<u>\$ 1,369,801</u>	<u>\$ 1,706,757</u>	<u>\$ 677,138</u>	<u>\$ 270,000</u>	<u>\$ 759,619</u>
Appropriation Reserves		1,369,801			
Encumbrances Payable		303,956			
LOSAP		33,000			
		<u>\$ 1,706,757</u>			
Cash Disbursed			<u>\$ 677,138</u>		

**BOROUGH OF ELMWOOD PARK  
SCHEDULE OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2012	\$ 303,956
Increased by:	
Charges to 2012 Budget Appropriations	<u>625,839</u>
	929,795
Decreased by:	
Transferred to Appropriation Reserves	<u>303,956</u>
Balance, December 31, 2012	<u>\$ 625,839</u>

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2012	\$ 288,978
Increased by:	
Payment of 2013 Taxes	<u>148,467</u>
	437,445
Decreased by:	
Applied to 2012 Taxes	<u>288,978</u>
Balance, December 31, 2012	<u>\$ 148,467</u>

**STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2012	\$ 67,921
Decreased by:	
Cash Disbursements	<u>67,921</u>
Balance, December 31, 2012	<u>\$ -</u>

**BOROUGH OF ELMWOOD PARK  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE**

Increased by:		
Levy - Calendar Year 2012		<u>\$ 30,745,422</u>
Decreased by:		
Payments		<u>\$ 30,745,422</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Increased by:		
General County Levy - 2012	\$ 4,962,504	
County Open Space Preservation Levy -2012	<u>57,394</u>	
		\$ 5,019,898
Decreased by:		
Payments		<u>5,019,898</u>
Balance December 31, 2012		<u>\$ -</u>

**STATEMENT OF DUE COUNTY FOR ADDED AND OMITTED TAXES**

Balance, January 1, 2012		\$ 2,018
Increased by:		
County Share of Added and Omitted Taxes		<u>7,590</u>
		9,608
Decreased by:		
Payments		<u>9,608</u>
Balance, December 31, 2012		<u>\$ -</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF VARIOUS RESERVES**

	Balance, January 1, 2012	Transfer From Current Tax Collections	Cash Disbursed	Balance, December 31, 2012
Reserve for:				
Due to Outside Lien Holders	\$ 13,491			\$ 13,491
Library State Aid	147			147
Tax Appeals	694,410	\$ 400,000	\$ 80,882	1,013,528
Revaluation	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
	<u>\$ 745,048</u>	<u>\$ 400,000</u>	<u>\$ 80,882</u>	<u>\$ 1,064,166</u>



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF APPROPRIATED RESERVES**

	Balance, January 1, 2012	Cancellation	Balance, December 31, 2012
Municipal Alliance	\$ 1,201		\$ 1,201
Alcohol Education and Rehabilitation Fund	11,725		11,725
Recycling Tonnage Grant	26,189	\$ 26,189	-
Emergency Preparedness Grant/Pandemic	41,254	41,254	-
Clean Community	16,603	16,603	-
Homeland Security	8,312	8,312	-
Body Armor Program	3,654	3,654	-
Special Legislative	5,707	5,707	-
Hazardous Discharge	5,957	5,957	-
Obey the Signs	4,000	4,000	-
Over the Limit	8,906	8,906	-
Click It or Ticket	6,000	6,000	-
Hang Up and Drive	4,000	4,000	-
Edward Byrne Police Grant	15,833	15,833	-
DEA Grant	1,367	1,367	-
Municipal Stormwater Regulation Program	8,810	8,810	-
BT Grant	1,500	1,500	-
Statewide Liveable Communities	40,000	40,000	-
	<u>\$ 211,018</u>	<u>\$ 198,092</u>	<u>\$ 12,926</u>

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF UNAPPROPRIATED RESERVES - PUBLIC AND PRIVATE PROGRAMS**

	Balance, January 1, 2012	Cash Receipts	Anticipated as 2012 Budget Revenue	Balance, December 31, 2012
Alcohol Rehab	\$ 13,214	\$ 20,668	\$ 13,214	\$ 20,668
Recycling Tonnage Grant	19,425	24,860	19,425	24,860
Safe and Secure Grant	51,809		51,809	-
Body Armor Replacement	3,908	3,390	3,908	3,390
Highway Safety Grant	4,400	8,025	4,400	8,025
Clean Communities	25,863	25,444	25,863	25,444
Drunk Driving	-	68,915	-	68,915
	<u>\$ 118,619</u>	<u>\$ 151,302</u>	<u>\$ 118,619</u>	<u>\$ 151,302</u>

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**TRUST FUNDS**



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF CASH AND INVESTMENTS - COLLECTOR/TREASURER**

	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Unemployment Trust Fund</u>
Balance, January 1, 2012	\$ 16,192	\$ 1,822,968	\$ 167,071
Increased by Receipts:			
Animal License Fees	\$ 8,472		
State Dog License Fees	1,603		
Reserve for Recreation Fees		\$ 236,279	
Reserve for Fire Prevention Fees		41,222	
Payroll Deductions Payable		11,109,018	
Payroll Salary and Wages Payable		6,045,393	
Employee Unemployment Contribution			\$ 9,571
Developer's Escrow Deposits		185,407	
Payments from Current Fund		345,000	
Payments from Water Operating Fund		125,000	
Interest on Deposits		1,321	
Other Deposits	-	1,025,973	-
	<u>10,075</u>	<u>19,114,613</u>	<u>9,571</u>
Decreased by Disbursements:			
Reserve for Animal License Expenditures	12		
State Dog License Fees	1,603		
Recreation Expenditures		188,886	
Payroll Deductions Payable		11,116,410	
Payroll Salary and Wages Payable		6,046,726	
Fire Prevention Fees		10,311	
Payments to Unemployment Trust Fund - State of New Jersey			7,772
Developer's Escrow Deposits		229,582	
Payments to General Capital Fund		37,500	
Payments to Current Fund		1,198	
Other Deposits	-	1,016,257	-
	<u>1,615</u>	<u>18,646,870</u>	<u>7,772</u>
Balance, December 31, 2012	\$ 24,652	\$ 2,290,711	\$ 168,870

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF RESERVE FOR ANIMAL LICENSE EXPENDITURES  
ANIMAL CONTROL TRUST FUND**

Balance, January 1, 2012		\$	16,488
Increased by:			
Dog License Fees		\$	7,758
Cat License Fees			714
			8,472
Decreased by:			
Expenditures Under R.S. 4:19-15.11			24,960
Cash Disbursements			12
Statutory Excess Due to Current Fund			8,177
			8,189
Balance, December 31, 2012		\$	16,771

Animal License Fees Collected

<u>Year</u>			
2010		\$	8,207
2011			8,564
			16,771
		\$	16,771

**STATEMENT OF AMOUNT DUE FROM STATE OF NEW JERSEY -  
ANIMAL CONTROL TRUST FUND**

Balance, January 1, 2012		\$	296
Increased by:			
Payments			1,603
			1,899
Decreased by:			
State Fees Collected			1,603
			1,603
Balance, December 31, 2012		\$	296

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE  
UNEMPLOYMENT TRUST FUND**

Balance, January 1, 2012	\$ 165,658
Increased by:	
Employee Share From Agency	<u>9,571</u>
	175,229
Decreased by:	
Unemployment Claims	<u>9,035</u>
Balance, December 31, 2012	<u>\$ 166,194</u>

**STATEMENT OF AMOUNT DUE TO STATE OF NEW JERSEY  
UNEMPLOYMENT TRUST FUND**

Balance, January 1, 2012	\$ 1,413
Increased by:	
2012 Unemployment Compensation Insurance Claims	<u>9,035</u>
	10,448
Decreased by:	
Payments Made to the State of New Jersey	<u>7,772</u>
Balance, December 31, 2012	<u>\$ 2,676</u>



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND- DEVELOPERS ESCROW**

Balance, January 1, 2012	\$ 101
Increased by:	
Interest on Investments and Deposits	1,197
	1,298
Decreased by:	
Cash Disbursements	1,054
Balance, December 31, 2012	\$ 244

**STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND- TAX TITLE LIEN**

Balance, January 1, 2012	\$ 144
Decreased by:	
Payments made to Current Fund	144
Balance, December 31, 2012	\$ -

**STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND- PAYROLL**

Balance, January 1, 2012	\$ 1,233
Increased by:	
Interest on Investments and Deposits	100
Balance, December 31, 2012	\$ 1,333

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF MULTIPLE DWELLING EMERGENCY DEPOSITS**  
**OTHER TRUST FUND**

Balance, January 1, 2012	\$ 43,226
Increased by:	
Interest on Deposits	24
Balance, December 31, 2012	\$ 43,250

**STATEMENT OF OTHER DEPOSITS**  
**OTHER TRUST FUND**

	Balance, January 1, <u>2012</u>	<u>Increases</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2012</u>
Reserve for:				
Parking Offenses Adjudication Act	\$ 15,085	\$ 1,407		\$ 16,492
Lien Redemptions	58,977	206,000	\$ 62,700	202,277
Tax Title Lien Premiums	(3,358)	255,901	175,801	76,742
Accumulated Absences	954,733	500,000	204,126	1,250,607
Equitable Sharing	186,223	135,553	50,819	270,957
Police Outside Duty	171,372	427,112	522,811	75,673
Miscellaneous	1,000	-	-	1,000
	\$ 1,384,032	\$ 1,525,973	\$ 1,016,257	\$ 1,893,748
Cash Receipts		\$ 1,025,973		
Due from Current Fund		270,000		
Due from Water Utility Operating Fund		230,000		
		\$ 1,525,973		

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF RESERVE FOR RECREATION EXPENDITURES  
OTHER TRUST FUND**

Balance, January 1, 2012		\$ 275,645
Increased by:		
Cash Receipts		<u>236,279</u>
		511,924
Decreased by:		
Cash Disbursements	\$ 188,886	
Payments Made to General Capital Fund	<u>37,500</u>	
		<u>226,386</u>
Balance, December 31, 2012		<u>\$ 285,538</u>

EXHIBIT B-12

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE  
OTHER TRUST FUND**

Balance, January 1, 2012		\$ 7,611
Increased by:		
Cash Receipts		<u>11,109,018</u>
		11,116,629
Decreased by:		
Cash Disbursements		<u>11,116,410</u>
Balance, December 31, 2012		<u>\$ 219</u>

EXHIBIT B-13

**STATEMENT OF NET PAYROLL-SALARY AND WAGES PAYABLE  
OTHER TRUST FUND**

Balance, January 1, 2012		\$ 1,484
Increased by:		
Cash Receipts		<u>6,045,393</u>
		6,046,877
Decreased by:		
Cash Disbursements		<u>6,046,726</u>
Balance, December 31, 2012		<u>\$ 151</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF RESERVE FOR FIRE PREVENTION EXPENDITURE  
OTHER TRUST FUND**

Balance, January 1, 2012	\$ 112,166
Increased by:	
Cash Receipts	<u>41,222</u>
	153,388
Decreased by:	
Cash Disbursements	<u>10,311</u>
Balance, December 31, 2012	<u>\$ 143,077</u>

**STATEMENT OF DEVELOPER'S ESCROW DEPOSITS  
OTHER TRUST FUND**

Balance, January 1, 2012	\$ 467,326
Increased by:	
Cash Receipts	<u>185,407</u>
	652,733
Decreased by:	
Cash Disbursements	<u>229,582</u>
Balance, December 31, 2012	<u>\$ 423,151</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF DUE FROM CURRENT FUND-  
RESERVE FOR ACCUMULATED ABSENCES  
OTHER TRUST FUND**

Balance, January 1, 2012	\$ 345,000
Increased by:	
Transfer to Reserve for Compensated Absences	<u>270,000</u>
	615,000
Decreased by:	
Payments Received	<u>345,000</u>
Balance, December 31, 2012	<u>\$ 270,000</u>

**STATEMENT OF DUE FROM WATER UTILITY OPERATING FUND-  
RESERVE FOR ACCUMULATED ABSENCES  
OTHER TRUST FUND**

Balance, January 1, 2012	\$ 125,000
Increased by:	
Transfer to Reserve for Compensated Absences	<u>230,000</u>
	355,000
Decreased by:	
Payments Received	<u>125,000</u>
Balance, December 31, 2012	<u>\$ 230,000</u>

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

Increased by:	
Statutory Excess	<u>\$ 8,177</u>
Balance, December 31, 2012	<u>\$ 8,177</u>

**GENERAL CAPITAL FUND**



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF CASH - COLLECTOR/TREASURER**

Balance, January 1, 2012		\$ 1,973,844
Increased by Receipts:		
Premium on Sale of Notes	\$ 34,084	
Grants/ Other Receivable	74,174	
Grants Receivable- Funded by Budget Appropriation	1,400	
Due From Recreation Trust Fund	37,500	
Ambulance Contribution	10,000	
Deferred Charged Unfunded - Funded by Budget Appropriation	201,938	
Notes Paid by 2012 Budget Appropriation	218,300	
Capital Improvement Fund	100,000	
Interest on Investments	20	
Current Fund Grant Receipts Deposited in General Capital Fund	2,456	
Bond Anticipation Notes	<u>6,300,000</u>	
		<u>6,979,872</u>
		8,953,716
Decreased by Disbursements:		
Improvement Authorizations	972,430	
Contracts Payable	511,079	
Due to Current Fund- Realized as Budgeted Revenue	29,238	
Payment of Bond Anticipation Notes	<u>5,900,000</u>	
		<u>7,412,747</u>
Balance, December 31, 2012		<u>\$ 1,540,969</u>



**BOROUGH OF ELMWOOD PARK  
ANALYSIS OF CASH**

		Balance, December 31, <u>2012</u>
Grants Receivables		\$ (1,158,351)
Environmental Infrastructure Loan Receivable		(23,431)
Fund Balance		726,451
Capital Improvement Fund		369,230
Due to Current Fund		2,478
Contracts Payable		381,932
Excess Note Proceeds		353,360
 <u>Improvement Authorizations</u>		
Ord.		
<u>No.</u>		
98-19	Acquisition of Ambulances	(8,600)
05-37	Various Capital Improvements	(1,502)
06-28	Various Capital Improvements (Sewer Main Extension/De-icing Material Storage Building)	408,618
08-8	Improvement to Kipp Ave	74,079
09-14	Resurfacing a Portion of Martha Ave	(7,242)
09-22	Improvement of the Van Riper Culvert	211,061
10-13	Installation of Playground Equipment	5,394
10-17	Improvements to Kipp Ave Section III	23,642
11-08	2011 Road Resurfacing Program	38,993
11-18	Various Pubic Improvements & Acq of New Information Technology Equip.	55,132
12-06	Various Public Improvements	87,441
12-09	Construction of a Soccer Field	2,284
		<u>\$ 1,540,969</u>

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, January 1, 2012		\$ 9,983,941
Decreased by:		
Paid by 2012 Budget Appropriation:		
Bonds	\$ 1,070,000	
EIT Loan	<u>183,917</u>	
		<u>1,253,917</u>
Balance, December 31, 2012		<u>\$ 8,730,024</u>

**STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE**

Balance, January 1, 2012		<u>\$ 23,431</u>
Balance, December 31, 2012		<u>\$ 23,431</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF GRANTS/OTHER RECEIVABLE**

	Totals Exhibit C-6A	Department of Transportation			County of Bergen Ord# 2009-22
		Ord# 2008-7	Ord. # 2010-07	Ord. # 2012-6	
Balance, January 1, 2012	\$ 1,513,916	\$ 1,401	\$ 25,339		\$ 1,153,350
Increased by:					
Awards	<u>381,500</u>	-	-	\$ 146,500	-
	<u>1,895,416</u>	<u>1,401</u>	<u>25,339</u>	<u>146,500</u>	<u>1,153,350</u>
Decreased by:					
Cancelled	109,991	1	25,339		
Funded by Budget Appropriation	1,400	1400			
Collections	<u>74,174</u>	-	-	-	-
	<u>185,565</u>	<u>1,401</u>	<u>25,339</u>	-	-
Balance, December 31, 2011	\$ <u>1,709,851</u>	\$ -	\$ -	\$ 146,500	\$ <u>1,153,350</u>
Analysis of Balance at December 31, 2012					
Offset by Reserve	\$ 551,500			\$ 146,500	
Unfunded	<u>1,158,351</u>	-	-	-	\$ <u>1,153,350</u>
	\$ <u>1,709,851</u>	\$ -	\$ -	\$ 146,500	\$ <u>1,153,350</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF GRANTS/OTHER RECEIVABLE**

	Community Development Block Grant				Bergen County Open Space Trust Fund	
	Ord.# 2008-9	Ord.# 2009-14	Ord.# 2009-18	Ord.# 2010-17	Ord.# 2010-13	Ord.# 2012-09
Page						
Total						
Balance, January 1, 2012	\$ 333,826	\$ 49,248	\$ 4,846	\$ 200,000	\$ 49,175	
Increased by:						
Awards	235,000	-	-	-	-	\$ 30,000
	568,826	49,248	4,846	200,000	49,175	30,000
Decreased by:						
Cancellation	84,651	49,248	4,846	-	49,175	24,999
Collections	74,174	-	-	-	-	-
	158,825	49,248	4,846	-	49,175	24,999
Balance, December 31, 2012	\$ 410,001	\$ -	\$ -	\$ 200,000	\$ -	\$ 5,001
Analysis of Balance at December 31, 2012						
Offset by Reserve	\$ 405,000		\$ 200,000	\$ 205,000		\$ 5,001
Unfunded	5,001	-	-	-	-	-
	\$ 410,001	\$ -	\$ -	\$ 200,000	\$ -	\$ 5,001

BOROUGH OF ELMWOOD PARK  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance, January 1, 2012	Authorized 2012	Ambulance Contribution	Notes Paid by Budget	Funded by Budget Appropriation	Cancelled	Balance, December 31, 2012	Analysis of Balance December 31, 2012	
									Bond Anticipation Notes	Unexpended Improvement Authorizations
98-19	Acquisition of Ambulance	\$ 18,600		\$ 10,000				\$ 8,600	\$	\$ 8,600
03-26/06-17/06-37	Market Street Streetscape	218,300						207,884	\$	207,884
04-08/05-38	Various Public Improvements	21,174			\$ 21,174			-		
05-07	Acquisition of Fire Emergency Apparatus Vehicle	25,772			25,772			-		
05-11	Acquisition of Ambulance	110,768			110,768			-		
05-37	Various Capital Improvements	177,283			26,389			150,894	149,392	1,502
06-08	Improvements to the Boulevard	52,574			1,462			51,112	51,112	
06-09	Security Related Improvements	44,224			44,224			-		
06-11	Improvements to Palsa Ave	185,538			7,308			178,230	178,230	
06-12	Improvements to Washington Ave	185,645			6,090			179,555	179,555	
06-27	2006 Road Improvement Program	286,796			17,000			269,796	269,796	
06-28	Various Capital Improvements(Sewer Main Extension and De-icing Material Storage Bldg.)	55,012					\$ 71,168	55,012	55,012	
06-35	Various Capital Improvements	339,150			48,450			219,532	219,532	
06-36	Acq. & Installation of Boiler System	96,631						96,631	96,631	
06-42	Rehabilitation of Sewer Pump Station	138,892			1,804			137,088	137,088	
07-1	Acquisition of Property on English Ave	434,059			6,013			428,046	428,046	
07-5	2007 Road Program	137,813			16,500			121,313	121,313	
07-6	Various Improvements	337,070						337,070	337,070	
07-16	Acquisition of Ambulance	67,011			16,362			50,649	50,649	
07-17	Acquisition of Property	299,355			4,125			295,230	295,230	
08-7	2008 Road Program	381,294			21,948			359,346	359,346	
08-8	Sanitary Sewer Rehabilitation at Elmwood Terrace	178,610			2,290			176,320	176,320	
08-9	Improvement to Kipp Ave	94,737			5,264		49,086	40,387	40,387	
09-13	2009 Road Resurfacing Program	285,000			15,000		86,713	183,287	183,287	
09-14	Resurfacing a Portion of Martha Ave	84,948						31,063	23,821	7,242
09-18	Improvement to Kipp Ave Sec 2	39,864			11,879		42,006	39,864	39,864	
10-07	Improvement to Molnar Drive	115,339					88,292	27,047	27,047	
10-12	2010 Road Resurfacing Program	285,000					56,599	228,401	228,401	
10-13	Installation of Playground Equipment	52,500						52,500	52,500	



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2012	\$ 317,230
Increased by:	
2012 Budget Appropriation	<u>100,000</u>
	417,230
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>48,000</u>
Balance, December 31, 2012	<u>\$ 369,230</u>

**STATEMENT OF DUE TO CURRENT FUND**

Balance, January 1, 2011	\$ 2
Increased by:	
Interest Earnings	\$ 20
Current Fund Grant Receipts Deposited in General Capital Fund	<u>2,456</u>
	<u>2,476</u>
Balance, December 31, 2012	<u>\$ 2,478</u>

**STATEMENT OF RESERVE FOR PAYMENT OF BONDS**

Balance, January 1, 2012	\$ 29,238
Decreased by:	
Realized as Current Fund Budgeted Revenue	<u>29,238</u>
Balance, December 31, 2012	<u>\$ -</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2012		\$ 556,719
Increased by:		
Contract Awards		<u>381,932</u>
		938,651
Decreased by:		
Cash Disbursed	\$ 511,079	
Cancelled	<u>45,640</u>	
		<u>556,719</u>
Balance, December 31, 2012		<u>\$ 381,932</u>

**STATEMENT OF DUE FROM RECREATION TRUST FUND**

Increased by:		
Ordinance #2012-9		\$ 37,500
Decreased by:		
Cash Received		<u>37,500</u>
Balance, December 31, 2012		<u>\$ -</u>



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, January 1, 2012		2012 Authorizations		Contracts Payable Cancelled	Paid or Charged	Cancellation	Balance, December 31, 2012	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded				Funded	Unfunded
06-28	Various Capital Improvements (Sewer Main Extension and De-icing Material Storage Building)	7/20/2006	4,163,400	\$ 354,206	\$ 55,012			\$	600		\$ 353,606	\$ 55,012
06-35	Various Capital Improvements	10/3/2006	459,000	78,947					7,779	71,168		
08-9	Improvement to Kipp Ave	6/19/2008	310,000	79,644						79,644		
08-8	Sanitary Sewer Rehabilitation at Elmwood Terrace and other Locations	6/19/2008	190,000	92,876					18,797			74,079
09-13	2009 Road Program	5/21/2009	300,000	86,713						86,713		
09-14	Resurfacing a portion of Martha Ave	6/18/09	237,000	42,006						42,006		
09-22	Improvement of the Van Riper Culvert	12/17/09	1,153,350	255,447				\$ 6,476	50,862		211,061	
10-07	Improvement to Molnar Drive	4/1/2010	290,000	88,292						88,292		
10-12	2010 Road Resurfacing Program	6/24/2010	300,000	56,599					480	56,599		
10-13	Installation of Playground Equipment and Improvements to Kipp Ave Section III	8/19/2010	104,350	5,874					1,200			5,394
10-17	Improvements to Kipp Ave Section III	4/1/2010	247,000	24,842					69,191			23,642
11-08	2011 Road Resurfacing Program	5/19/2011	570,000	69,020				39,164				38,993
11-18	Various Public Improvements and Acquisition of New Information Technology Equip.	10/20/2011	365,000	320,183					265,051			55,132
12-06	Various Public Improvements	4/19/2012	999,000	\$ 48,000	\$ 951,000				875,186			123,814
12-09	Construction of a Soccer Field	6/21/2012	67,500				\$ 67,500		65,216			2,284
				\$ 609,653	\$ 1,000,008	\$ 48,000	\$ 951,000	\$ 45,640	\$ 1,354,362	\$ 424,422	\$ 564,667	\$ 378,350

Cash Disbursed- Vendors	\$ 972,430
Contracts Payable	381,932
<b>Funding Sources</b>	<b>\$ 1,354,362</b>
Bergen Count Open Space Grant	\$ 30,000
Recreation Trust	37,500
	<b>67,500</b>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, January 1, 2012</u>	<u>Decreased</u>	<u>Balance, December 31, 2012</u>
General Improvements	6/1/2000	\$ 2,175,000	6/1/2012	\$ 275,000	5.38%	\$ 275,000	\$ 275,000	-
Taxable Pension Refunding Bonds	3/15/2003	1,465,000	3/15/2013	110,000	4.85%	965,000	100,000	\$ 865,000
			3/15/2014	125,000				
			3/15/2015	135,000				
			3/15/2016	150,000				
			3/15/2017	165,000				
			3/15/2018	180,000				
General Improvements	5/15/2003	2,950,000	5/15/2013-2014 5/15/2015	280,000 271,000	3.00%	1,101,000	270,000	831,000
General Improvements	6/15/2006	5,385,000	2/15/2013	425,000	4.00%	4,125,000	425,000	3,700,000
			2/15/2014	445,000				
			2/15/2015	475,000				
			2/15/2016	760,000				
			2/15/2017	785,000				
			2/15/2018	810,000		-	-	-
						<u>\$ 6,466,000</u>	<u>\$ 1,070,000</u>	<u>\$ 5,396,000</u>
							<u>\$ 1,070,000</u>	

Paid by Budget Appropriation

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF EIT LOAN PAYABLE**

<u>Ordinance</u>	<u>Purpose</u>	<u>Date Issue</u>	<u>Amount of Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Balance, January 1, 2012</u>	<u>Decreased</u>	<u>Balance, December 31, 2012</u>
06-28	Sewer Main Extension and De-icing Material Storage Bldg.	11/8/2007	\$ 4,108,388	2/1-8/1/2013	\$ 190,385			
				2/1-8/1/2014	196,689			
				2/1-8/1/2015	194,602			
				2/1-8/1/2016	199,924			
				2/1-8/1/2017	205,086			
				2/1-8/1/2018	210,086			
				2/1-8/1/2019	214,925			
				2/1-8/1/2020	220,311			
				2/1-8/1/2021	225,569			
				2/1-8/1/2022	229,924			
				2/1-8/1/2023	234,120			
				2/1-8/1/2024	247,002			
				2/1-8/1/2025	251,164			
				2/1-8/1/2026	255,182			
				2/1-8/1/2027	259,055			
						<u>\$ 3,517,941</u>	<u>\$ 183,917</u>	<u>\$ 3,334,024</u>
						<u>\$ 3,517,941</u>	<u>\$ 183,917</u>	<u>\$ 3,334,024</u>

Paid by Budget Appropriation      \$ 183,917

BOROUGH OF ELMWOOD PARK  
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	%	Balance, January 1, 2012	Increased	Decreased	Balance, December 31, 2012
05-07	Acq. Of Fire Emergency Vehicle	8/12/2011	8/12/2011	8/10/2012	0.66	\$	173,772	\$	173,772	-
05-11	Acquisition of Ambulance	8/12/2011	8/12/2011	8/10/2012	0.66		110,768		110,768	-
05-37	Various Improvements	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00	\$	177,283	\$	177,283	-
05-38	Supplemental to 2004-8: Acquisition of Machinery	8/30/2007	8/12/2011	8/10/2012	0.66		21,169		21,169	-
06-8	Improvements to the Boulevard	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		52,574	52,614	52,574	52,614
06-9	Security Related Improvements	8/30/2007	8/12/2011	8/10/2012	0.66		44,224		44,224	-
06-11	Improvements to Palsa Avenue	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		270,384	178,230	270,384	178,230
06-12	Improvements to Washington Avenue	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		225,320	179,555	225,320	179,555
06-17/06-37	Supplemental to 2003-26: Market St. Streetscape	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		222,104	207,884	222,104	207,884
06-27	2006 Road Improvement Program	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		289,000	269,796	289,000	269,796
06-28	Various Capital Improvements	8/12/2011	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		55,012	55,012	55,012	55,012
06-35	Various Capital Improvements	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		339,150	290,700	339,150	290,700
06-36	Acq. / Installation of Boiler System	8/12/2011	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		100,000	96,631	100,000	96,631
06-42	Rehabilitation of Sewer Pump and Station	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		138,892	137,088	138,892	137,088
07-1	Acquisition of Property on English Avenue	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		462,974	428,046	462,974	428,046

BOROUGH OF ELMWOOD PARK  
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	%	Balance, January 1, 2012	Increased	Decreased	Balance, December 31, 2012
07-5	2007 Road Improvement Program	8/30/2007	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00	\$	\$ 168,000	\$ 121,313	\$ 168,000	\$ 121,313
07-6	Various Improvements	8/12/2011	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		343,060	337,070	343,060	337,070
07-16	Acquisition of Ambulance	8/29/2008	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		80,888	50,649	80,888	50,649
07-17	Acquisition of Property	8/29/2008	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		321,725	295,230	321,725	295,230
08-7	2008 Road Program	8/29/2008	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		395,051	359,347	395,051	359,347
08-8	Sanitary Sewer Rehabilitation at Elmwood Terrace	8/29/2008	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		178,610	176,320	178,610	176,320
08-9	Improvement to Kipp Ave	8/29/2008	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		94,737	89,472	94,737	89,472
09-13	2009 Road Resurfacing Program	8/14/2009	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		285,000	270,000	285,000	270,000
09-14	Resurfacing Portion of Martha Ave	8/14/2009	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		35,700	23,821	35,700	23,821
09-18	Improvement to Kipp Ave	8/13/2010	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		39,864	39,864	39,864	39,864
10-07	Improvement to Portion of Molnar Drive	8/13/2010	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		160,239	115,339	160,239	115,339
10-12	Road Resurfacing Program	8/13/2010	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		285,000	285,000	285,000	285,000
10-13	Installation of Playground Equipment	8/12/2011	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		52,500	52,500	52,500	52,500
10-17	Improvements to Kipp Ave Sec III	8/12/2011	8/12/2011 8/10/2012	8/10/2012 8/9/2013	0.66 1.00		235,000	235,000	235,000	235,000

BOROUGH OF ELMWOOD PARK  
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	%	Balance, January 1, 2012	Increased	Decreased	Balance, December 31, 2012
11-08	2011 Road Resurfacing Program	8/12/2011	8/12/2011	8/10/2012	0.66	\$	542,000	\$ 542,000	\$ 542,000	\$ 542,000
11-18	Various Public Improvements and Acquisition of New Information Technology Equip.	8/10/2012	8/10/2012	8/9/2013	1.00			347,500		347,500
12-06	Various Public Improvements	8/10/2012	8/10/2012	8/9/2013	1.00			914,627	-	914,627
							<u>\$ 5,900,000</u>	<u>\$ 6,300,000</u>	<u>\$ 5,900,000</u>	<u>\$ 6,300,000</u>
								\$ 1,262,127	\$ 218,300	
									201,933	
									441,894	
									1,503	
								<u>5,037,873</u>	<u>5,036,370</u>	
								<u>\$ 6,300,000</u>	<u>\$ 5,900,000</u>	

Issued for Cash  
Paid by Budget Appropriation  
Cancelled  
Paid with Excess Note Proceeds  
Paid with Capital Cash  
Renewals

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2012</u>	<u>2012 Authorizations</u>	<u>Notes Paid by Capital Cash</u>	<u>Bond Anticipation Notes Issued</u>	<u>Funded by Budget Appropriation</u>	<u>Ambulance Contribution</u>	<u>Cancellation</u>	<u>Balance, December 31, 2012</u>
98-19	Acquisition of Ambulance	\$ 18,600					\$ 10,000		\$ 8,600
04-08/05-38	Various Public Improvements and Acquisition	5				\$ 5			-
05-37	Various Public Improvements			\$ 1,503					1,503
09-14	Resurfacing a Portion of Martha Ave	49,248			\$ 23,821	11,879		\$ 6,306	7,242
11-18	Various Public Improvements and Acquisition of New Information Technology Equip.	347,500			347,500				-
12-06	Various Public Improvements	-	\$ 951,000		914,627				36,373
		<u>\$ 415,353</u>	<u>\$ 951,000</u>	<u>\$ 1,503</u>	<u>\$ 1,285,948</u>	<u>\$ 11,884</u>	<u>\$ 10,000</u>	<u>\$ 6,306</u>	<u>\$ 53,718</u>

**WATER UTILITY FUND**



**BOROUGH OF ELMWOOD PARK  
WATER UTILITY CASH  
STATEMENT OF CASH - COLLECTOR/TREASURER**

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2012	\$ 1,788,025	\$ 1,692,128
Increased by Receipts:		
Consumer Accounts Receivable	\$ 2,947,221	
Non-Budget Revenue	19,553	
Interest on Investments	<u>-</u>	<u>\$ 75</u>
	<u>2,966,774</u>	<u>75</u>
	4,754,799	1,692,203
Decreased by Disbursements:		
2012 Budget Appropriations	2,037,868	
Improvement Authorizations		457
Appropriation Reserves	85,066	
Accrued Interest on Bonds and Loans	100,154	
Payments to Other Trust- Reserve for Accumulated Absences	125,000	
Payment to Current Fund- Realized as Budgeted Revenue	<u>200,000</u>	<u>-</u>
	<u>2,548,088</u>	<u>457</u>
Balance, December 31, 2012	<u>\$ 2,206,711</u>	<u>\$ 1,691,746</u>

**BOROUGH OF ELMWOOD PARK  
WATER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance, January 1, <u>2012</u>
Fund Balance	\$ 24,962
Capital Improvement Fund	818,000
Downpayments on Improvements	9,000
Due to Water Utility Operating Fund	77
Due from New Jersey Infrastructure Trust	(41,974)
Reserve for Payment of Debt	335,000
Improvement Authorizations:	
01-14 Various Impvts. & Computer Mapping	629,884
01-21 Replacement of Water Meters	10,930
05-12 Water Improvements	119,790
05-30 Water Main Replacement	(15,027)
05-39 Water Meters	77,513
06-07 Water Improvements	(2,030)
06-29 Water Improvements	(255,223)
11-17 Various Water Main Improvements	<u>(19,156)</u>
	<u>\$ 1,691,746</u>

EXHIBIT D-7

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2012	\$ 703,307
Increased by:	
Water Rents Levied	<u>2,714,528</u>
	3,417,835
Decreased by:	
Collections	<u>2,947,221</u>
Balance, December 31, 2012	<u>\$ 470,614</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF LOANS RECEIVABLE - NEW JERSEY INFRASTRUCTURE TRUST  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2012	\$ <u>41,974</u>
Balance, December 31, 2012	\$ <u><u>41,974</u></u>

**STATEMENT OF DUE TO WATER UTILITY OPERATING FUND  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2012	\$ 2
Increased by:	
Interest Earnings	<u>75</u>
Balance, December 31, 2012	\$ <u><u>77</u></u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF INVENTORY  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2012	\$ <u>500</u>
Balance, December 31, 2012	\$ <u>500</u>

**STATEMENT OF FIXED CAPITAL  
WATER UTILITY CAPITAL FUND**

	<u>Balance, January 1, 2012</u>	<u>Balance, December 31, 2012</u>
Distribution Mains, Sewer Pipes and Stops, Meters, Meter Boxes and Water Tanks	\$ 2,006,452	\$ 2,006,452
Emergency Booster Pumping Station	32,569	32,569
Labor	6,861	6,861
Miscellaneous Construction Expenses	2,449	2,449
Engineering and Supervision	19,095	19,095
Interest During Course of Construction	21,571	21,571
Legal	1,301	1,301
Hydrants	16,267	16,267
Truck - Water Utility Share	1,268	1,268
Meters and 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
Water Infrastructure Improvements	<u>4,421,600</u>	<u>4,421,600</u>
	<u>\$ 6,889,503</u>	<u>\$ 6,889,503</u>

**BOROUGH OF ELMWOOD PARK**  
**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION**  
**WATER UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	Balance January 1, <u>2012</u>	Balance December 31, <u>2012</u>
01-14	Various Impvts. & Computer Mapping	9/13/2001	\$ 65,940	\$ 65,940
01-21	Replacement of Water Meters	11/15/2001	623,560	623,560
05-30	Water Main Replacement	10/20/2005	2,500	2,500
05-39	Water Meters	12/29/2005	140,000	140,000
06-07	Water Improvements	2/16/2006	<u>4,000</u>	<u>4,000</u>
			<u>\$ 836,000</u>	<u>\$ 836,000</u>
				Capital Improvement Fund \$ 227,000
				Budget Appropriation 605,000
				Bonds Cancelled at Sale <u>4,000</u>
				<u>\$ 836,000</u>

**STATEMENT OF 2012 APPROPRIATION RESERVES**  
**WATER UTILITY OPERATING FUND**

	Balance, January 1, <u>2012</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Transfer to Other Trust Compensated <u>Absences</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 214,559	\$ 214,559		\$ 200,000	\$ 14,559
Other Expenses	427,643	530,177	\$ 85,066		445,111
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>36,489</u>	<u>36,489</u>	<u>-</u>	<u>30,000</u>	<u>6,489</u>
	<u>\$ 678,691</u>	<u>\$ 781,225</u>	<u>\$ 85,066</u>	<u>\$ 230,000</u>	<u>\$ 466,159</u>
Appropriation Reserves		\$ 678,691			
Encumbrances Payable		<u>102,534</u>			
		<u>\$ 781,225</u>			
Cash Disbursed			<u>\$ 85,066</u>		

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF ACCRUED INTEREST ON BONDS AND LOANS  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2012	\$ 39,961
Increased by:	
2012 Budget Appropriation	97,527
	137,488
Decreased by:	
Interest Paid	100,154
Balance, December 31, 2012	\$ 37,334

Analysis of Accrued Interest, December 31, 2012

Principal Outstanding December 31, <u>2012</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds Capital \$1,130,000	3.00%	11/15/2011	12/31/2011	1 1/2 Months	\$ 1,706
New Jersey Environmental Infrastructure Trust \$2,400,000	2.00-2.5%	8/1/2011	12/31/2011	5 Months	35,628
					\$ 37,334



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2012	\$ <u>818,000</u>
Balance, December 31, 2012	\$ <u>818,000</u>

**STATEMENT OF DOWNPAYMENTS ON IMPROVEMENTS  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2012	\$ <u>9,000</u>
Balance, December 31, 2012	\$ <u>9,000</u>

**STATEMENT OF RESERVE FOR AMORTIZATION  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2012	\$ 4,106,389
Increased by:	
Paid by Operating Budget:	
Serial Bonds	\$ 145,000
EIT Loan	<u>222,934</u>
	<u>367,934</u>
Balance, December 31, 2012	\$ <u>4,474,323</u>



**BOROUGH OF ELMWOOD PARK  
STATEMENT OF ENCUMBRANCES PAYABLE  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2012	\$ 102,534
Increased by:	
Charges to 2012 Budget	<u>154,959</u>
	257,493
Decreased by:	
Transfer to Appropriation Reserves	<u>102,534</u>
Balance, December 31, 2012	<u>\$ 154,959</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF WATER SERIAL BONDS  
WATER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>			<u>Interest Rate</u>	<u>Balance, January 1, 2012</u>	<u>Decreased</u>	<u>Balance, December 31, 2012</u>
			<u>Date</u>	<u>Outstanding December 31, 2012</u>	<u>Amount</u>				
Water Bonds	5/15/2003	\$1,580,000	5/15/2013	\$ 150,000	3.00%				
			5/15/2014	155,000	3.00%				
			5/15/2015	150,000					
						\$ 600,000	\$ 145,000	\$ 455,000	
						\$ 600,000	\$ 145,000	\$ 455,000	
						Paid by Budget Appropriation		\$ 145,000	

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST FUND LOANS PAYABLE  
WATER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2012</u>	<u>Balance, December 31, 2012</u>
			<u>Date</u>	<u>Outstanding December 31, 2012 Amount</u>			
Water System Improvements	11/9/2006	\$4,711,076	2/1-8/1/13	\$ 219,708	0.00%		
			2/1-8/1/14	224,708			
			2/1-8/1/15	237,773			
			2/1-8/1/16	242,289			
			2/1-8/1/17	246,644			
			2/1-8/1/18	251,644			
			2/1-8/1/19	256,515			
			2/1-8/1/20	261,257			
			2/1-8/1/21	265,869			
			2/1-8/1/22	270,236			
			2/1-8/1/23	282,696			
			2/1-8/1/24	286,535			
			2/1-8/1/25	275,077			
			2/1/2026	180,000			
						\$ 3,723,885	\$ 3,500,951
						<u>\$ 3,723,885</u>	<u>\$ 3,500,951</u>
							<u>\$ 222,934</u>
							<u>\$ 222,934</u>
							<u>\$ 222,934</u>

Paid by Budget Appropriation \$ 222,934

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF RESERVE FOR PAYMENT OF DEBT  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2012		\$ 335,000
Balance, December 31, 2012		<u>\$ 335,000</u>
	<u>Analysis of Balance</u>	
	Ord. # 2005-12	\$ 205,269
	Ord. # 2006-29	<u>129,731</u>
		<u>\$ 335,000</u>

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
WATER UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, January 1, <u>2012</u>	Balance, December 31, <u>2012</u>
01-14	Various Impvts. And Computer Mapping	\$ 500	\$ 500
05-30	Water Main Replacement	47,500	47,500
06-07	Water Improvements	76,000	76,000
06-29	Water Improvements	255,223	255,223
11-17	Various Water Main Improvements	<u>340,000</u>	<u>340,000</u>
		<u>\$ 719,223</u>	<u>\$ 719,223</u>

**BOROUGH OF ELMWOOD PARK  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance		Balance, January 1, 2012	Balance, December 31, 2012
		Date	Amount		
01-14	Various Impvts. & Computer Mapping	9/13/2001	\$ 1,365,000	\$ 1,365,000	\$ 1,365,000
01-21	Replacement of Water Meters	11/15/2001	800,000	800,000	800,000
05-12	Water Improvements	5/5/2005	600,000	320,994	320,994
05-30	Water Main Replacement	10/20/2005	50,000	50,000	50,000
05-39	Water Meters	12/29/2005	140,000	140,000	140,000
06-07	Water Improvements	2/16/2006	76,000	80,000	80,000
11-17	Various Water Main Projects	10/20/2011	340,000	340,000	340,000
				\$ 3,095,994	\$ 3,095,994

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**BOROUGH OF ELMWOOD PARK**  
**PART II**  
**GOVERNMENTAL AUDITING STANDARDS**





# LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Elmwood Park as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated July 23, 2013. Our report on the financial statements – regulatory basis indicated that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

#### **Internal Control over Financial Reporting**

Management of the Borough of Elmwood Park is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, 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 opinion on the financial statements 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

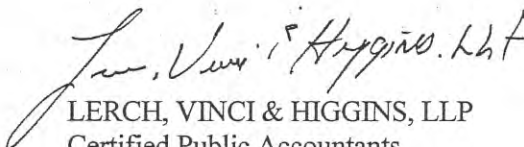
### Compliance and Other Matters

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

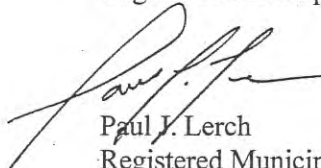
We also noted certain matters that we reported to management of the Borough of Elmwood Park in Part III of this report of audit entitled; "Letter of Comments and Recommendations"

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of 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 control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
July 23, 2013



**BOROUGH OF ELMWOOD PARK**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award Received</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2012</u>	<u>Revenue/Receipts</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2012</u>	<u>Cumulative Expenditures</u>	
Division of Judiciary- Municipal Court Alcohol Education and Rehabilitation	9735-760-001-060000	2009	\$ 11,725		\$ 11,725				\$ 11,725	\$	
		2012	13,214	20,668		\$ 13,214	\$ 13,214				13,214
Municipal Alliance for Alcohol & Drug Abuse (Passed through Bergen County)	N/A	2009	12,933		1,201						11,732
		2011	8,782		8,782						
		2012	12,157	10,503		12,157	9,172		(1,201) (8,782)	2,985	9,172
<u>Department of Environmental Protection</u> Solid Waste Administration Clean Communities	4900-765-004-178910	2009	20,375		14,363						6,012
		2010	26,134		2,240						23,894
		2011	27,213		14,522						12,691
		2012	25,863	25,444		25,863	25,863		(14,522)		25,863
Recycling Tonnage Grant	4900-752-001-178810	2008	26,653		20						26,633
		2009	23,632		26,149						
		2010	14,166		14,166				(26,149) (14,166)		19,425
Hazardous Discharge Site Remediation	N/A	2004	90,517		5,957						84,560
		2009	282		282						
Dept. of Environment Protection (Passed Through County of Bergen) Municipal Recycling Assistance Program	N/A	2010	3,654		3,654						3,908
		2012	3,908	3,390		3,908	3,908		(3,654)		15,708
<u>Division of Criminal Justice</u> Body Armor Replacement Fund	1020-718-001-090160	2009	16,428		720						
		2010									
Health- Division of Epidemiology Comm. Dis. Cont. Public Health Priority Funding	4230-100-307-031030	2009									
		2010									
<b>Sub-Total</b>					\$ 103,781	\$ 74,567	\$ 71,582	\$ (92,056)	\$ 14,710		

**BOROUGH OF ELMWOOD PARK**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

State Grant Program	Grant Number	Grant Year	Grant Award Received	Grant Receipts	Balance, January 1, 2012	Revenue	Expended	Adjustment	Balance, December 31, 2012	Cumulative Expenditures
<b>Sub-Total (Carried Forward)</b>					\$ 103,781	\$ 74,567	\$ 71,582	\$ (92,056)	\$ 14,710	
<u>Division of Criminal Justice</u> Safe and Secure Grant	1020-100-232-090940	2012	\$ 51,809			51,809	51,809			\$ 51,809
<u>New Jersey Department of Comm. Affairs</u> Special Legislative Grant FY 2001	01-5011-01	2001			5,707			(5,707)	-	
Statewide Liveable Communities	4875-100-042-4875-353	2005	40,000		40,000			(40,000)	-	
Edward Byrne Justice Grant	N/A	2009	15,833		15,833			(15,833)	-	
DEA Grant	N/A	2009	1,367		1,367			(1,367)	-	
<b>Grand Total</b>					\$ 166,688	\$ 126,376	\$ 123,391	\$ (154,963)	\$ 14,710	

Note: This Schedule is not subject to a single Audit in accordance with NJ OMB Circular 04-04.

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

**BOROUGH OF ELMWOOD PARK  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 203,099	\$ 126,376	\$ 329,475
General Capital Fund	<u>351,500</u>	<u>-</u>	<u>351,500</u>
	<u>\$ 554,599</u>	<u>\$ 126,376</u>	<u>\$ 680,975</u>

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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



**BOROUGH OF ELMWOOD PARK  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2012**

**NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2012, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>Federal CFDA Number/ State Account Number</u>	<u>State</u>
Environmental Infrastructure Trust Series 2007A	4860-570-702440-61	\$ 3,334,024
Environmental Infrastructure Trust Series 2006A		<u>3,500,951</u>
		<u>\$ 6,834,975</u>

**BOROUGH OF ELMWOOD PARK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

*Part I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditors' report issued:	<u>Modified- LOSAP</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified	<u>          </u> yes	<u>  X  </u> no
2) Were significant deficiency(ies) that were not considered to be material weakness(es)?	<u>          </u> yes	<u>  X  </u> no
Noncompliance material to the financial statements noted?	<u>          </u> yes	<u>  X  </u> no

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

NOT APPLICABLE

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**BOROUGH OF ELMWOOD PARK  
BERGEN COUNTY, NEW JERSEY**

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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**



**BOROUGH OF ELMWOOD PARK  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -  
CURRENT FUND**

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 2,540,000	4.04 %	\$ 2,140,000	3.40 %
Miscellaneous - From Other Than Local				
Property Tax Levies	6,821,896	10.85	7,964,933	12.67
Collection of Delinquent Taxes and Tax Title Liens	625,284	0.99	710,325	1.13
Collection of Current Tax Levy	51,892,954	82.56	49,765,528	79.18
Other Credits	<u>972,409</u>	<u>1.55</u>	<u>1,105,969</u>	<u>1.76</u>
 Total Income	 <u>62,852,543</u>	 <u>100.00</u> %	 <u>61,686,755</u>	 <u>98.15</u> %
<b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	24,865,373	40.98	24,729,134	40.76 %
County Taxes	5,027,488	8.29	4,851,869	8.00
Local District School Taxes	30,745,422	50.67	29,579,763	48.75
Other Expenditures	<u>37,856</u>	<u>0.06</u>	<u>15,657</u>	<u>0.03</u>
 Total Expenditures	 <u>60,676,139</u>	 <u>100.00</u> %	 <u>59,176,423</u>	 <u>97.53</u> %
Excess in Revenue	2,176,404		2,510,332	
Fund Balance, January 1	<u>3,353,129</u>		<u>2,982,797</u>	
	5,529,533		5,493,129	
Less Utilization as Anticipated Revenue	<u>2,540,000</u>		<u>2,140,000</u>	
Fund Balance, December 31	<u>\$ 2,989,533</u>		<u>\$ 3,353,129</u>	

**BOROUGH OF ELMWOOD PARK  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -  
WATER UTILITY OPERATING FUND**

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Collection of Water Rents	2,947,221	85.85 %	2,753,706	80.21 %
Miscellaneous - From Other Than Water	<u>485,787</u>	<u>14.15</u>	<u>172,791</u>	<u>5.03</u>
Total Income	<u>3,433,008</u>	<u>100.00 %</u>	<u>2,926,497</u>	<u>85.25 %</u>
EXPENDITURES				
Budget Expenditures				
Operating	2,188,980	80.86 %	2,187,612	80.81 %
Deferred Charges and Statutory Expenditures	50,000	1.85	50,000	1.85
Debt Service	<u>468,089</u>	<u>17.29</u>	<u>463,811</u>	<u>17.13</u>
Total Expenditures	<u>2,707,069</u>	<u>100.00 %</u>	<u>2,701,423</u>	<u>99.79 %</u>
Excess in Revenue	725,939		225,074	
Fund Balance, January 1	<u>841,841</u>		<u>916,767</u>	
	1,567,780		1,141,841	
Less:				
Anticipated Revenue in Current Fund Budget	<u>200,000</u>		<u>300,000</u>	
	<u>200,000</u>		<u>300,000</u>	
Fund Balance, December 31	<u>\$ 1,367,780</u>		<u>\$ 841,841</u>	

**BOROUGH OF ELMWOOD PARK  
SUPPLEMENTARY DATA**

**Comparative Schedule Of Tax Rate Information**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	<u>\$2.591</u>	<u>\$2.492</u>	<u>\$2.440</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.845*	.819*	.799
County	.246	.236	.239
Local School	1.500	1.437	1.402

\* Includes Municipal Library

Assessed Valuation

2012	<u>\$2,050,076,820</u>
2011	<u>\$2,058,624,245</u>
2010	<u>\$2,071,087,494</u>

**Comparison Of Levies And Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$ 53,197,437	\$ 52,292,954	98.30%
2011	51,300,916	50,265,528	97.98%
2010	50,603,888	49,771,283	98.35%

**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>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$ 568,102	\$ 725,088	\$ 1,293,190	2.43%
2011	566,040	746,426	1,312,466	2.56%
2010	564,057	708,220	1,272,277	2.51%



**BOROUGH OF ELMWOOD PARK  
SUPPLEMENTARY DATA**

**Property Acquired By Tax Title Lien Liquidation**

The value of property 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>
2012	\$23,450
2011	23,450
2010	23,450

**Comparison of Water Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$2,714,528	\$2,243,914	82.66%
2011	2,877,525	2,174,218	75.56
2010	2,877,094	2,297,606	79.86

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2012	\$2,989,533	\$2,145,000
	2011	3,353,129	2,540,000
	2010	2,982,797	2,140,000
<u>Water Utility Operating Fund</u>	2012	\$1,367,780	\$300,000
	2011	841,841	- 0 -
	2010	916,767	- 0 -

**BOROUGH OF ELMWOOD PARK  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

<u>Name</u>	<u>Title</u>
Richard A. Mola	Mayor
Robert Coletti	Councilman
Lawrence Castiglia	Councilman
Thomas Conboy	Councilman
Keith Work	Councilman
Louis Vuoncino	Councilman
Richard Trawinski	Councilman
Keith Kazmark	Borough Administrator and Borough Clerk
Roy Riggitano	CFO/Treasurer/Utility Collector
Frank Santora	Tax Collector/Tax Search Officer
Anthony Gallina	Magistrate
Mark DiMaria	Prosecutor
Kevin Esposito	Tax Assessor
Thomas Johnson	Police Chief
Richard Bolan	Construction Code Official
James DePadova	Plumbing Sub-Code Official
Pompei D'Arco	Fire Official
Charles Cannariato	Property Maintenance
Deborah Ricci	Health Officer
Nadia Halhoul	Court Administrator
Michele Ingrasselino	Registrar of Vital Statistics

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**

### **GENERAL COMMENTS**

#### **Prior Year Comments Unresolved**

Our audit of terminated employees revealed that several employees who retired in 2012 remained on the Dental Insurance Policy through June of 2013. Subsequent to our finding, the Borough has had these former employees removed from the Policy and has received a partial credit. It is recommended that all employees who terminate with the Borough be removed from the Dental Insurance Policy in a timely manner.

Our audit of the current fund cash disbursement cycle revealed that there were numerous purchase orders that were issued subsequent to the invoice date. It is recommended that all purchase orders be issued when the order for goods and/or services is placed.

#### **Current Year Comments**

Our audit of the Recreation Department revealed the following:

- Cash and/or checks being collected in person at the recreation center are not being turned over to the treasurer for deposit on a timely basis.
- A COSTCO card is being utilized for certain recreation supplies and there is no credit card policy in place for the use of this type of store card.
- A petty cash reimbursement was made for a purchase made at Lowe's in the amount of \$281 and a reimbursement was made to the Director for Lowe's purchases in the amount of \$402 which included the reimbursement of sale tax.

It is recommended that:

- All cash and/or checks collected in person at the recreation center be turned over to the Treasurer for deposit in a timely manner.
- A policy be developed for the use of the COSTCO card.
- A petty cash policy be developed establishing the maximum amount of reimbursement and the Borough's exempt sales tax certificate should be presented at the time of purchase. In addition reimbursements should be limited to incidental items as to not circumventing the purchasing procedures.

Our audit of the bidding process revealed the following:

- There were several recreation disbursements made for bathroom improvements, sports equipment and painting that were in excess of the quote threshold, however competitive quotes were not obtained.
- A purchase was made for vehicles through the use of state contract, however the contract was not available for our review.

It is recommended that:

- Competitive quotes be obtained for purchases in excess of quote threshold.
- State contracts be maintained with purchase order for all purchases made through the use of a State contract.

**BOROUGH OF ELMWOOD PARK**

**GENERAL COMMENTS**

**Current Year Comments (Continued)**

Our audit of the cash disbursement cycle revealed that one recreation disbursement tested lacked payment approval, claimant signature and receipt of goods signature. It is recommended that all required signatures for recreation disbursements be obtained prior to making payment.

Our audit of the Municipal Court revealed that there are numerous reconciling items on the general and bail account bank reconciliations that relate to both current year and prior years voided checks that were subsequently honored by the bank, counterfeit funds received and draw shortages. It is recommended that reconciling items on the Municipal Court general and bail account bank reconciliation be accumulated and certified by the Municipal Court Administrator and Municipal Judge and the amount be replenished to these accounts through their budget appropriation. In addition, there were numerous tickets in excess of six months old that were assigned but not issued and issued that were not assigned by the court. It is recommended that additional efforts be made to recall these tickets and re-assign.

**Contracts and Agreements Required To Be Advertised For NJS 40a:11-4**

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000, except by contract or agreement".

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid 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:

- Water Main and Sewer Repairs
- Kipp Ave. Infrastructure Improvements Section IV
- Road Resurfacing Program
- English Avenue Park Improvements

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did reveal that accumulations of expenditures were in excess of \$36,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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

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

The Governing Body on January 1, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, by the Mayor and Council, of the Borough of Elmwood Park, that:

1. Current year's taxes are due on February 1st, May 1st, August 1st, and November 1st, in accordance with the statutes. The penalty for the delinquency is hereby fixed at the rate of 8% per annum from each due date until the date of payment on the first \$1,500 of the delinquency, and 18% per annum on any amount in excess of \$1,500.

**BOROUGH OF ELMWOOD PARK**

**GENERAL COMMENTS**

**Collection of Interest of Delinquent Taxes and Assessments (Continued)**

2. Water charges are due and payable upon presentation of bill. In case of nonpayment of water rent and/or fixed charges within thirty days after same is due, a penalty of 8% per annum shall be added to the amount of the bill.

It appears from an examination of the collector's records that interest on taxes receivable and water charges were collected in accordance with the foregoing resolution.

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on March 27, 2012 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certifications 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>
2012	6
2011	6
2010	6

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

**BOROUGH OF ELMWOOD PARK  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

It is recommended that:

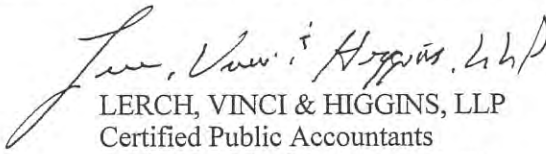
- \* 1. All employees who terminate with the Borough be removed from the Dental Insurance Policy in a timely manner.
- \* 2. All purchase orders be issued when the order for goods and/or services is placed.
- 3. Regarding the Recreation Department, it is recommended that:
  - All cash and/or checks collected in person at the recreation center be turned over to the Treasurer for deposit in a timely manner.
  - A policy be developed for the use of the COSTCO card.
  - A petty cash policy be developed establishing the maximum amount of reimbursement and the Borough's exempt sales tax certificate should be presented at the time of purchase. In addition reimbursements should be limited to incidental items as to not circumventing the purchasing procedures.
- 4. Regarding the bidding process, it is recommended that:
  - Competitive quotes be obtained for purchases in excess of quote threshold.
  - State contracts be maintained with purchase order for all purchases made through the use of a State contract.
- 5. All required signatures for recreation disbursements be obtained prior to making payment.
- 6. Reconciling items on the Municipal Court general and bail account bank reconciliation be accumulated and certified by the Municipal Court Administrator and Municipal Judge and the amount be replenished to these accounts through their budget appropriation. In addition, there were numerous tickets in excess of six months old that were assigned but not issued and issued that were not assigned by the court. It is recommended that additional efforts be made to recall these tickets and re-assign.

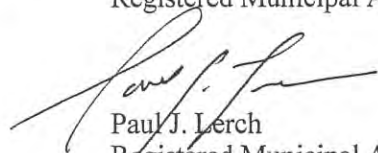
**Status of Prior Year's Audit Findings/Recommendations**

A review was performed on all prior year recommendations and corrective action was taken on all except those denoted with an asterisk (\*).

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

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

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

  
Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457