

**BOROUGH OF ELMWOOD PARK**

**Financial Statements with  
Supplementary Information  
December 31, 2022**

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

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

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2022**

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**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

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

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Elmwood Park, as of December 31, 2022 and 2021, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Elmwood Park as of December 31, 2022 and 2021, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



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

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

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

As described in Note 12 of the financial statement, the Borough of Elmwood Park participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$524,486 and \$630,037 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

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

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, for the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2022 and 2021, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2022 and 2021, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

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



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

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

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

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

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

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



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

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Elmwood Park's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

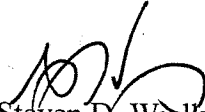
***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2023 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

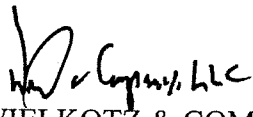


Honorable Mayor and  
Members of the Borough Council  
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internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Elmwood Park's internal control over financial reporting and compliance.



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



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

April 20, 2023



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

**Current Fund**

**December 31, 2022 and 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 13,171,079	13,946,872
Change Fund	A-5	200	200
		<u>13,171,279</u>	<u>13,947,072</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-12	504,469	474,649
Tax Title Liens Receivable	A-9	914	914
Property Acquired for Taxes - Assessed Valuation	A-13	23,450	23,450
Revenue Accounts Receivable	A-14	169,306	51,395
Interfund Accounts Receivable	A-16	60,954	30,704
		<u>759,093</u>	<u>581,112</u>
Deferred Charges:			
Special Emergency Authorizations	A-15	441,058	551,323
		<u>441,058</u>	<u>551,323</u>
		<u>14,371,430</u>	<u>15,079,507</u>
Federal and State Grant Fund:			
Due from Current Fund	A-10	1,237,639	1,268,668
Due from General Capital Fund	A-11	3,240	
Grants Receivable	A-8	31,305	21,105
		<u>1,272,184</u>	<u>1,289,773</u>
		<u>\$ 15,643,614</u>	<u>16,369,280</u>

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

**Current Fund**

**December 31, 2022 and 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-17	\$ 362,476	809,665
Encumbrances Payable	A-3/A-18	816,315	685,120
Due to Federal and State Grant Fund	A-10	1,237,639	1,268,668
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	74,284	74,736
Interfunds Payable	A-16	8,569	100
Reserve for Municipal Relief Aid	A-19	76,259	
Reserve for Other Expenditures	A-20	1,492,224	1,492,224
Tax Overpayments	A-21	55,403	28,180
Marriage License Fees Payable	A-23	75	650
County Taxes Payable	A-24	3,340	
Prepaid Taxes	A-25	306,905	339,782
Due to LOSAP - Plan Assets	A-26	102,752	102,752
		<hr/>	<hr/>
		4,536,241	4,801,877
Reserve for Receivables	Contra	759,093	581,112
Fund Balance	A-1	9,076,096	9,696,518
		<hr/>	<hr/>
		14,371,430	15,079,507
Federal and State Grant Fund:			
Due to Other Trust Fund	A-27	1,800	1,800
Appropriated Reserve for Grants	A-28	125,611	179,907
Encumbrances Payable	A-28	310	
Unappropriated Reserve for Grants	A-29	1,144,463	1,108,066
		<hr/>	<hr/>
		1,272,184	1,289,773
		<hr/>	<hr/>
		\$ 15,643,614	16,369,280
		<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.



## BOROUGH OF ELMWOOD PARK, N.J.

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

## Current Fund

## Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues and Other Income:		
Fund Balance Utilized	4,346,000	3,975,000
Miscellaneous Revenue Anticipated	6,820,897	6,440,909
Receipts from Delinquent Taxes	464,819	575,984
Receipts from Current Taxes	62,671,813	62,878,822
Non-Budget Revenue	899,639	764,105
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	605,977	1,606,990
Interfunds/Other Receivables Returned	30,704	64,754
Other Liabilities Cancelled	4,762	6,536
	<hr/>	<hr/>
Total Revenues and Other Income	75,844,611	76,313,100
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	10,723,377	10,079,556
Other Expenses	13,300,621	12,266,831
Capital Improvement Fund	150,000	100,000
Municipal Debt Service	1,614,879	1,657,273
Deferred Charges and Statutory Expenditures -		
Municipal	3,154,936	2,790,959
Local District School Tax	37,209,864	37,075,855
County Taxes Including Added Taxes	5,956,861	6,131,257
Refunds	727	3,200
Interfunds Advanced	7,768	2,392
	<hr/>	<hr/>
Total Expenditures	72,119,033	70,107,323
	<hr/>	<hr/>
Excess (Deficit) Revenue Over Expenditures	3,725,578	6,205,777
	<hr/>	<hr/>
Statutory Excess to Surplus	3,725,578	6,205,777

## BOROUGH OF ELMWOOD PARK, N.J.

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

## Current Fund

## Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Fund Balance, January 1,	<u>9,696,518</u>	<u>7,465,741</u>
	13,422,096	13,671,518
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>4,346,000</u>	<u>3,975,000</u>
Fund Balance, December 31,	\$ <u><u>9,076,096</u></u>	<u><u>9,696,518</u></u>

See accompanying notes to the financial statements.

## BOROUGH OF ELMWOOD PARK, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 4,346,000	4,346,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	22,000	19,800	(2,200)
Other	25,000	17,911	(7,089)
Fees and Permits	75,000	256,904	181,904
Fines and Costs:			
Municipal Court	395,000	398,650	3,650
Interest and Costs on Taxes	110,000	92,054	(17,946)
Anticipated Utility Operating Surplus	75,000	286,086	211,086
Energy Receipts Tax	1,335,917	1,335,917	
Consolidated Municipal Property Tax Relief Aid	125,987	125,987	
Board of Education - School Resource Officers	98,316	98,316	
Uniform Construction Code Fees	400,000	482,901	82,901
Uniform Fire Safety Act	58,000	61,940	3,940
Trunk Sewer Revenue	1,293,374	1,298,181	4,807
Utility Operating Surplus	575,000	575,000	
Capital Fund Balance	490,000	490,000	
American Rescue Plan - Revenue Loss	1,044,916	1,044,906	(10)
Public and Private Revenues offset with Appropriations:			
Recycling Tonnage Grant			
Safe and Secure Communities Program	92,400	92,400	
Coronavirus Public Assistance	24,996	24,996	
Occupant Protection	960	960	
Non-Motorized Safety	2,200	2,200	
Child Care NJ ARP Stabilization Grant	80,000	80,000	
Senior Citizen COVID Project	10,200	10,200	
Child Care Hiring and Retention Bonus Grant	21,000	21,000	
Body Armor Fund	2,279	2,279	
Juvenile Justice	2,309	2,309	
Total Miscellaneous Revenues	6,359,854	6,820,897	461,043
Receipts from Delinquent Taxes	470,000	464,819	(5,181)
Subtotal General Revenues	11,175,854	11,631,716	455,862
Amount to be raised by taxes for support of municipal purposes	19,987,379	21,705,088	1,717,709
Budget Totals	31,163,233	33,336,804	2,173,571
Non-Budget Revenue		899,639	899,639
	\$ 31,163,233	34,236,443	3,073,210

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

**Statement of Revenues - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2022**

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 62,671,813
Allocated to:	
Local District School Tax	37,209,864
County Taxes	<u>5,956,861</u>
	<u>43,166,725</u>
Balance for Support of Municipal Budget Appropriations	19,505,088
Add : Appropriation - Reserve for Uncollected Taxes	<u>2,200,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 21,705,088</u>
Receipts from Delinquent Taxes:	
Delinquent Taxes	<u>\$ 464,819</u>

Analysis of Non-budget Revenues

Verizon Franchise Fees	\$ 87,321
Cable Franchise Fees	131,755
Hotel Franchise Tax	93,446
Police Outside Duty Admin Fees	199,158
Offsets not Applied	14,661
Motor Vehicle Fines	9,506
Bail Forfeitures	911
EMS Fees	165,841
Other	44,143
Cancellation of Old Escrow Balances	18,803
Passaic Valley Water Commission	2,610
FEMA Reimbursement - Ida	101,579
FEMA Reimbursement - Tropical Storm Isaias	15,985
Reimbursment of Expenses	<u>13,920</u>

Due from Federal and State Grant Fund	10,200
Cash Receipts	<u>889,439</u>
	<u>\$ 899,639</u>

See accompanying notes to the financial statements.

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 230,000	220,000	215,439	4,561	
Other Expenses	70,000	70,000	67,175	2,825	
Grant Consultant	42,000	42,000	39,600	2,400	
Codification	15,000				
Mayor and Council:					
Salaries and Wages	53,500	55,500	55,334	166	
Financial Administration:					
Salaries and Wages	306,041	382,561	382,552	9	
Other Expenses	85,000	95,000	94,173	827	
Other Expenses - ADS Payroll	40,000	40,000	35,279	4,721	
Audit Services	50,000	50,000	50,000		
Collection of Taxes:					
Salaries and Wages	150,000	115,000	110,870	4,130	
Other Expenses	30,000	30,000	26,807	3,193	
Postage	45,000	40,680	40,246	434	
Assessment of Taxes:					
Salaries and Wages	100,000	94,000	93,333	667	
Other Expenses	27,000	12,000	11,545	455	
Legal Services and Cost:					
Salaries and Wages	90,000	80,000	76,496	3,504	
Other Expenses	275,000	207,300	200,829	6,471	
Engineering Services and Costs:					
Other Expenses	70,000	82,000	70,079	11,921	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Salaries and Wages	9,800	11,300	9,565	1,735	
Other Expenses	8,000	8,000	7,607	393	
Zoning Board					
Salaries and Wages	11,000	21,000	20,783	217	
Other Expenses	13,000	13,000	3,183	9,817	
Council on Affordable Housing					
Other Expenses	50,000	5,000	3,355	1,645	
Town Planner					
Other Expenses	100,000	55,000	53,207	1,793	
Insurance:					
General Liability	489,474	489,474	470,832	18,642	
Workers Compensation	443,553	428,553	425,012	3,541	
Employee Group Health	3,160,000	2,942,500	2,938,544	3,956	
Employee Group Health - Waiver	15,000	5,700	5,699	1	
Public Safety:					
Police:					
Salaries and Wages - Regular	6,200,000	4,940,084	4,938,763	1,321	
ARP Salaries and Wages		1,044,916	1,044,916		
Salaries and Wages - Crossing Guards	100,000	110,300	110,295	5	
Salaries and Wages - Other Police Person	320,000	429,000	429,000		
Other Expenses - Regular/Specials	400,000	630,000	603,517	26,483	
Purchase of Police Vehicles	30,000				
Police Dispatch/911:					
Salaries and Wages	190,000	225,500	225,283	217	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Emergency Management:					
Other Expenses	12,000	12,000	8,495	3,505	
First Aid Organization - Contribution:					
Contribution	150,000	321,000	319,065	1,935	
Fire Department					
Stipend Program	150,000	150,000	87,078	62,922	
Other Expenses - Miscellaneous	155,000	155,000	153,327	1,673	
Other Expenses - Clothing Allowance	58,000	43,000	42,671	329	
Other Expenses - Rental of Firehouse	75,000	60,000	60,000		
Uniform Fire Safety Act (Ch. 383, PL 1983)					
Salaries and Wages - Fire Official	120,000	143,000	139,012	3,988	
Other Expenses	50,000	50,000	26,959	23,041	
Municipal Prosecutor:					
Salaries and Wages	25,800	26,300	26,258	42	
Municipal Court					
Salaries and Wages	210,000	230,000	228,457	1,543	
Other Expenses	25,000	25,000	18,420	6,580	
Public Defender:					
Salaries and Wages	19,500	19,500	15,010	4,490	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	1,350,000	1,316,000	1,315,743	257	
Other Expenses	250,000	315,000	313,722	1,278	
Other Public Works Functions					
Other Expenses - Traffic Lights	25,000	25,000	19,806	5,194	
Shade Tree					
Other Expenses	6,000	6,000	4,500	1,500	

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Solid Waste Collection					
Salaries and Wages	150,000	42,500	42,446	54	
Other Expenses - Recycling	310,000	295,000	292,732	2,268	
Other Expenses - Solid Waste/Tipping	1,430,000	1,380,000	1,379,812	188	
Rent Leveling					
Salaries and Wages	1,600	1,600	1,282	318	
Other Expenses	350	350		350	
Vehicle Maintenance:					
Other Expenses	85,000	97,000	92,321	4,679	
Health and Welfare:					
Public Health Services:					
Salaries and Wages	25,000	15,000	13,440	1,560	
Other Expenses	10,000	10,000	9,025	975	
Parks and Recreation:					
Recreation Services and Programs:					
Salaries and Wages	400,000	432,000	430,174	1,826	
Other Expenses	125,000	125,000	122,429	2,571	
Maintenance of Parks:					
Other Expenses	50,000	55,000	51,222	3,778	
Celebration of Public Events:					
Other Expenses	50,000	77,500	74,817	2,683	
Senior Citizen's:					
Other Expenses	20,000	8,000	4,161	3,839	
Utility Expenses and Bulk Purchases					
Electric and Gas	200,000	200,000	196,666	3,334	
Street Lighting	350,000	385,000	379,345	5,655	
Telephone	90,000	90,000	87,634	2,366	
Gasoline	150,000	225,000	213,931	11,069	



TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Compensated Absences	300,000	300,000	300,000		
Salaries and Wages					
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	330,000	370,000	368,597	1,403	
Other Expenses	40,000	43,000	35,135	7,865	
Total Operations within "CAPS"	20,016,618	20,024,118	19,733,010	291,108	
B. Contingent	10,000	10,000		10,000	
Total Operations Including Contingent-within "CAPS"	20,026,618	20,034,118	19,733,010	301,108	
Detail:					
Salaries & Wages	10,692,241	10,625,061	10,593,048	32,013	
Other Expenses (Including Contingent)	9,334,377	9,409,057	9,139,962	269,095	
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"	1,800	1,800			1,800
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	470,132	470,132	470,132		
Social Security System (O.A.S.I.)	550,000	550,000	510,309	39,691	
Police and Firemen's Retirement System of NJ	2,024,539	2,024,539	2,024,539		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	3,046,471	3,046,471	3,004,980	39,691	1,800

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes within "CAPS"	23,073,089	23,080,589	22,737,990	340,799	1,800
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	812,017	812,017	812,017		
LOSAP Program:					
Recycling Tax	60,000	50,000	36,467	13,533	
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission					
Operating and Maintenance Costs	2,666,862	2,666,862	2,666,862		
Total Other Operations - Excluded from "CAPS"	3,538,879	3,528,879	3,515,346	13,533	
Interlocal Municipal Service Agreements:					
Elmwood Park BOE - School Resource Officers	98,316	98,316	98,316		
County of Bergen - Public Health Officer and Animal Control	100,000	100,000	91,856	8,144	
Total Interlocal Municipal Service Agreements	198,316	198,316	190,172	8,144	
Public and Private Programs Offset by Revenues					
Safe and Secure Communities Act - Police					
State Share	92,400	92,400	92,400		
Local Share	26,340	26,340	26,340		
Body Armor Replacement Fund	2,279	2,279	2,279		
Coronavirus Public Assistance	24,996	24,996	24,996		
Occupant Protection	960	960	960		
Non Motorized Safety	2,200	2,200	2,200		
Child Care NJ ARP Stabilization Grant	80,000	80,000	80,000		

TOWNSHIP OF ELMWOOD PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Child Care Hiring and Retention Bonus Grant	21,000	21,000	21,000		
Juvenile Justice Comm.	2,309	2,309	2,309		
Senior Citizen COVID Project	10,200	10,200	10,200		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>262,684</b>	<b>262,684</b>	<b>262,684</b>		
<b>Total Operations-Excluded from "CAPS"</b>	<b>3,999,879</b>	<b>3,989,879</b>	<b>3,968,202</b>	<b>21,677</b>	
Detail:					
Salaries and Wages	98,316	98,316	98,316		
Other Expenses	3,901,563	3,891,563	3,869,886	21,677	
<b>Capital Improvements - Excluded from "CAPS"</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>		
Capital Improvement Fund					
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>		
<b>Municipal Debt Service - Excluded from "CAPS"</b>	<b>1,125,000</b>	<b>1,125,000</b>	<b>1,125,000</b>		<b>11,875</b>
Payment of Bond Principal	215,000	215,000	203,125		5,653
Interest on Bonds	35,000	35,000	29,347		93
Interest on Notes	255,000	257,500	257,407		
Principal and Interest					
<b>Total Municipal Debt Service-Excluded from "CAPS"</b>	<b>1,630,000</b>	<b>1,632,500</b>	<b>1,614,879</b>		<b>17,621</b>

TOWNSHIP OF ELMWOOD PARK, N.J.  
Statement of Expenditures - Regulatory Basis

	Current Fund					Unexpended
	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Balance Canceled	
	Year Ended December 31, 2022					
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"	110,265	110,265	110,265			
(1) DEFERRED CHARGES: Special Emergency Authorization - 5 Years (N.J.S. 40A:4-55)						
Total Deferred Charged and Statutory Expenditures-Municipal excluded from "CAPS"	110,265	110,265	110,265			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,890,144	5,882,644	5,843,346	21,677	17,621	
Subtotal General Appropriations	28,963,233	28,963,233	28,581,336	362,476	19,421	
Reserve for Uncollected Taxes	2,200,000	2,200,000	2,200,000			
Total General Appropriations	\$ 31,163,233	31,163,233	30,781,336	362,476	19,421	
Adopted Budget \$	31,163,233					

Reserve for Uncollected Taxes \$	2,200,000
Federal and State Grants	262,684
Deferred Charges	110,265
Encumbrances	816,315
Cash	27,392,072
	\$ 30,781,336

See accompanying notes to the financial statements.

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Animal Trust Fund:			
Cash	B-1	\$ <u>16,336</u>	<u>21,004</u>
Other Trust Funds:			
Cash	B-1	2,641,789	1,891,483
Interfund - Current Fund	B-2	7,221	
Interfund - General Capital Fund	B-2	17,514	
Interfund - Federal and State Grant Fund	B-2	<u>1,800</u>	<u>1,800</u>
		<u>2,668,324</u>	<u>1,893,283</u>
Unemployment Compensation Insurance Trust Fund:			
Cash	B-1	<u>194,031</u>	<u>189,656</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Cash in Plan	B-1	431,302	536,853
Plan Assets Receivable	B-7	<u>93,184</u>	<u>93,184</u>
		<u>524,486</u>	<u>630,037</u>
		<u>\$ 3,403,177</u>	<u>2,733,980</u>

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Trust Fund:			
Interfund - Current Fund	B-2	\$ 4,675	8,837
Due to State of New Jersey	B-3	1	
Reserve for Animal Trust Fund Expenditures	B-4	<u>11,660</u>	<u>12,167</u>
		<u>16,336</u>	<u>21,004</u>
Other Trust Fund:			
Interfund - Current Fund	B-2	55,993	21,865
Reserve for Various Deposits	B-6	<u>2,612,331</u>	<u>1,871,418</u>
		<u>2,668,324</u>	<u>1,893,283</u>
Unemployment Compensation Insurance Trust Fund:			
Reserve for Expenditures	B-5	<u>194,031</u>	<u>189,656</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Net Assets Available for Benefits	B-8	<u>524,486</u>	<u>630,037</u>
		<u>\$ 3,403,177</u>	<u>2,733,980</u>

See accompanying notes to financial statements.

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	C-2/C-3	\$ 599,359	3,781,031
Grants Receivable:			
State Department of Transportation	C-7	488,888	67,240
Community Development Block Grant	C-8	458,484	191,508
Bergen County Open Space Grant	C-9	323,145	323,145
Green Acres Trust Fund	C-11	250,407	250,407
Infrastructure Loan Receivable	C-10	17,514	17,514
Contributions Receivable	C-12	5,355	5,355
Deferred Charges to Future Taxation:			
Funded	C-5	9,081,605	10,420,530
Unfunded	C-6	14,986,923	11,806,574
		<u>\$ 26,211,680</u>	<u>26,863,304</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-13	\$ 7,925,000	9,050,000
Bond Anticipation Notes Payable	C-14	8,362,000	8,362,000
NJ Infrastructure Trust Loan Payable	C-17	636,000	745,000
NJ Infrastructure Fund Loan Payable	C-18	520,605	625,530
Contracts Payable	C-19	3,081,299	1,611,408
Interfunds Payable	C-4	20,940	2
Reserve for:			
Payment of Debt	C-20	144,027	
Grants Receivable	C-21	1,447,779	759,155
Improvement Authorizations:			
Funded	C-15	266,554	375,563
Unfunded	C-15	3,749,531	4,806,901
Capital Improvement Fund	C-16	54,604	34,404
Fund Balance	C-1	3,341	493,341
		<u>\$ 26,211,680</u>	<u>26,863,304</u>

There were \$6,624,923 and \$3,444,574 of Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 respectively (Exhibit C-22).

See accompanying notes to the financial statements.

**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

**For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Balance - December 31,	\$ 493,341	254,420
Increased By:		
Cancellation of Funded Improvement Authorizations	<u>                    </u>	<u>493,321</u>
	493,341	747,741
Decreased By:		
Budget Revenue - Due to Current Fund	<u>490,000</u>	<u>254,400</u>
Balance - December 31,	<u>\$ 3,341</u>	<u>493,341</u>

See accompanying notes to the financial statements.



## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ 7,117,710	6,620,555
Interfunds Receivable	D-7	<u>2,123</u>	<u>5</u>
		<u>7,119,833</u>	<u>6,620,560</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	110,365	507,719
Inventory - Materials and Supplies	D-10	<u>500</u>	<u>500</u>
		<u>110,865</u>	<u>508,219</u>
Total Water Utility Operating Fund		<u>7,230,698</u>	<u>7,128,779</u>
Capital Fund:			
Cash - Treasurer	D-5,D-6	1,819,786	1,872,921
Due from Current Fund	D-8	1,348	100
Fixed Capital	D-11	8,652,408	8,652,408
Fixed Capital Authorized and Uncompleted	D-12	<u>4,985,000</u>	<u>4,785,000</u>
Total Capital Fund		<u>15,458,542</u>	<u>15,310,429</u>
		<u>\$ 22,689,240</u>	<u>22,439,208</u>

## BOROUGH OF ELMWOOD PARK

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31, 2022 and 2021

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-13	\$ 561,404	209,474
Reserve for Encumbrances	D-23	340,840	347,620
Interfund Accounts Payable	D-7	100	
Accrued Interest on Loans	D-14	12,742	11,132
		<u>915,086</u>	<u>568,226</u>
Reserve for Receivables	Contra	110,365	507,719
Reserve for Inventory	Contra	500	500
Fund Balance	D-1	6,204,747	6,052,334
		<u>7,230,698</u>	<u>7,128,779</u>
Total Water Utility Operating Fund			
Capital Fund:			
Due to Water Utility Operating Fund	D-8	2,123	5
Bond Anticipation Notes Payable	D-19	1,415,000	1,415,000
Infrastructure Loans Payable	D-20	957,485	1,220,482
Improvement authorization:			
Funded	D-17	379,244	179,692
Unfunded	D-17	533,697	597,254
Capital Improvement Fund	D-16	1,418,000	1,618,000
Reserve for:			
Payment of Debt Service	D-18	205,269	205,269
Amortization	D-15	7,512,430	7,249,433
Deferred Reserve for Amortization	D-22	2,884,000	2,684,000
Contracts Payable	D-24	10,000	
Downpayments on Improvements	D-21	9,000	9,000
Fund Balance	D-2	132,294	132,294
		<u>15,458,542</u>	<u>15,310,429</u>
Total Capital Fund			
		<u>\$ 22,689,240</u>	<u>22,439,208</u>

There were \$868,493 and \$868,493 of Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 respectively (Exhibit D-25).

See accompanying notes to financial statements.

## BOROUGH OF ELMWOOD PARK

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

## Water Utility Operating Fund

For the Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenue and other income:		
Water Rents	\$ 3,928,594	4,143,639
Miscellaneous Revenue	6,470	28,969
Liabilities Cancelled	2,259	2,573
Unexpended Balance Appropriation Reserve	242,590	4,524
	<u>4,179,913</u>	<u>4,179,705</u>
Total revenue and other income		
Expenditures:		
Operating	3,097,000	2,890,000
Capital improvements		300,000
Debt Service	305,500	305,071
Deferred Charges and Statutory Expenditures	50,000	50,000
	<u>3,452,500</u>	<u>3,545,071</u>
Total expenditures		
Excess(Deficit) in revenues	727,413	634,634
Statutory Excess to Surplus	727,413	634,634
Fund Balance, January 1	<u>6,052,334</u>	<u>5,992,700</u>
	6,779,747	6,627,334
Decreased by:		
Utilized as Current Budgeted Revenue	<u>575,000</u>	<u>575,000</u>
Balance, December 31	<u><u>\$ 6,204,747</u></u>	<u><u>6,052,334</u></u>

See accompanying notes to financial statements.

**BOROUGH OF ELMWOOD PARK**

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

**Water Utility Capital Fund**

**For the Years ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Balance - December 31, 2021	\$ <u>132,294</u>	<u>132,294</u>
Balance - December 31, 2022	\$ <u><u>132,294</u></u>	<u><u>132,294</u></u>

See accompanying notes to financial statements.

**BOROUGH OF ELMWOOD PARK**

**Statement of Revenues - Regulatory Basis**

**Water Utility Operating Fund**

**Year ended December 31, 2022**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Water Rents	\$ 3,452,500	3,928,594	476,094
Miscellaneous		<u>6,470</u>	<u>6,470</u>
	<u>\$ 3,452,500</u>	<u>3,935,064</u>	<u>482,564</u>

Analysis of Realized Revenue

	Rents \$	<u>3,928,594</u>
	Interest on Investments	2,858
	Due from Water Capital Fund - Interest on Investments	2,118
	Water Permits	<u>1,494</u>
	\$	<u>6,470</u>

See accompanying notes to financial statements.

## BOROUGH OF ELMWOOD PARK

## Statement of Expenditures - Regulatory Basis

## Water Utility Operating Fund

Year ended December 31, 2022

	Appropriations				
	Budget	Budget after modifi- cation	Paid or charged	Reserved	Canceled
Operating:					
Salaries and Wages	\$ 497,000	497,000	377,513	119,487	
Other Expenses	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,190,269</u>	<u>409,731</u>	
Total Operating	<u>3,097,000</u>	<u>3,097,000</u>	<u>2,567,782</u>	<u>529,218</u>	
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures - Contribution to:					
Social Security System (O.A.S.I.)	<u>50,000</u>	<u>50,000</u>	<u>17,814</u>	<u>32,186</u>	
Total Deferred Charges and Statutory Expenditures	<u>50,000</u>	<u>50,000</u>	<u>17,814</u>	<u>32,186</u>	
Debt Service:					
Interest on Bond Anticipation Notes	5,500	5,500	5,500		
Environmental Infrastructure Principal and Interest	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>		
Total Debt Service	<u>305,500</u>	<u>305,500</u>	<u>305,500</u>		
	<u>\$ 3,452,500</u>	<u>3,452,500</u>	<u>2,891,096</u>	<u>561,404</u>	
Adopted Budget		<u>3,452,500</u>			
		<u>\$ 3,452,500</u>			
			Cash Disbursed \$	2,514,953	
			Reserve for Encumbrances	340,840	
			Accrued Interest on Loans and Notes	<u>35,303</u>	
				<u>\$ 2,891,096</u>	

See accompanying notes to financial statements.

**BOROUGH OF ELMWOOD PARK**

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

**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<u>General Fixed Assets:</u>		
Land	\$ 13,664,400	13,664,400
Land Improvements	923,675	908,305
Buildings	7,138,516	7,061,971
Machinery and Equipment	<u>14,448,187</u>	<u>14,106,434</u>
	<u>\$ 36,174,778</u>	<u>35,741,110</u>
Investment in Fixed Assets	<u>\$ 36,174,778</u>	<u>35,741,110</u>

See accompanying notes to financial statements.

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**BOROUGH OF ELMWOOD PARK**

**Comparative Balance Sheet-Regulatory Basis**

**Payroll Account**

**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash - Net Payroll	\$ <u>22,415</u>	<u>17,661</u>
 <u>Reserves</u>		
Reserve for Net Payroll	\$ <u>22,415</u>	<u>17,661</u>

See accompanying notes to financial statements.

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**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

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

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

A. Reporting Entity

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

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

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

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

Basis of Accounting

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

During the years ended December 31, 2022 and 2021, the Governing Body approved additional revenues and appropriations of \$-0- and \$81,066, respectively, in accordance with N.J.S.A. 40A:4-87. There were no increases to the water utility operating budget in 2022 and 2021. In addition, several budget transfers were approved by the Governing Body in 2022 and 2021.

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

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Basis of Accounting, (continued)

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

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

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

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

No depreciation has been provided for in the financial statements.

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

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

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

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Basis of Accounting, (continued)

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

There were no new accounting pronouncements adopted by the Borough in 2022.

C. Basic Financial Statements

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

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**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022 and 2021, \$0 of the Borough's bank balance of \$26,016,500 and \$28,715,995, respectively, were exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Unaudited Investments**

As more fully described in Note 12, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2022 and 2021 amounted to \$431,302 and \$536,853, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
American Funds Growth	\$23,699	\$34,214
Delaware VIP SMID Cap Core Services	28,676	1,341
Fixed Account	119,167	125,310
LVIP SSGA S&P 500 Index	173,408	232,285
LVIP T. Rowe Price Mid Cap Growth	46,392	62,321
All Others	<u>39,960</u>	<u>81,382</u>
Total	<u>\$431,302</u>	<u>\$536,853</u>

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	Balance			Balance	Amounts Due
	<u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Dec. 31, 2022</u>	<u>Within</u>
					<u>One Year</u>
<b>Bonds Payable:</b>					
General Obligation Debt	\$9,050,000	\$	\$1,125,000	\$7,925,000	\$1,150,000
Total Bonds Payable	<u>9,050,000</u>	<u>          </u>	<u>1,125,000</u>	<u>7,925,000</u>	<u>1,150,000</u>
<b>Other Liabilities:</b>					
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	1,370,530		213,925	1,156,605	218,120
Wastewater Loans - Water Capital	1,220,482		262,997	957,485	274,740
Compensated Absences Payable	<u>2,851,067</u>	<u>1,015,367</u>	<u>298,412</u>	<u>3,568,022</u>	<u>          </u>
Total Other Liabilities	<u>5,442,079</u>	<u>1,015,367</u>	<u>775,334</u>	<u>5,682,112</u>	<u>492,860</u>
	<u>\$14,492,079</u>	<u>\$1,015,367</u>	<u>\$1,900,334</u>	<u>\$13,607,112</u>	<u>\$1,642,860</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

The Borough's debt is summarized as follows:

**Summary of Municipal Debt (Excluding Current Operating Debt)**

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$17,443,606	\$18,782,530	\$18,736,099
Authorized but not Issued - General -			
Bonds and Notes	6,624,923	3,444,574	2,530,908
Water Utility - Bonds, Notes and Loans	2,372,485	2,635,482	2,904,925
Authorized but not Issued - Water -			
Bonds and Notes	<u>868,493</u>	<u>868,493</u>	<u>868,493</u>
Bonds, Notes and Loans Issued and			
Authorized not Issued	<u>27,309,507</u>	<u>25,731,079</u>	<u>25,040,425</u>
Less Deductions:			
Reserve for Payment of Debt	<u>349,296</u>	<u>205,269</u>	<u>205,269</u>
	<u>349,296</u>	<u>205,269</u>	<u>205,269</u>
Net Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$26,960,211</u>	<u>\$25,525,810</u>	<u>\$24,835,156</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .954% for 2022.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$17,970,000	\$17,970,000	\$0
General Debt	24,068,529	144,027	23,924,502
Water Utility	<u>3,240,978</u>	<u>3,240,978</u>	<u>0</u>
	<u>\$45,279,507</u>	<u>\$21,355,005</u>	<u>\$23,924,502</u>

Net debt of \$23,924,502 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,507,919 equals 0.954%.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .931% for 2021.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$19,770,000	\$19,770,000	\$0
General Debt	22,227,104	-0-	22,227,104
Water Utility	<u>3,503,975</u>	<u>3,503,975</u>	<u>0</u>
	<u>\$45,501,079</u>	<u>\$23,273,975</u>	<u>\$22,227,104</u>

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

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

	<u>2022</u>	<u>2021</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$87,762,602	\$83,540,357
Net Debt	<u>23,924,502</u>	<u>22,227,104</u>
Remaining Borrowing Power	<u>\$63,838,100</u>	<u>\$61,313,253</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

	<u>2022</u>	<u>2021</u>
Cash receipts from fees, rents or other charges for year	\$3,935,064	\$4,172,608
Deductions:		
Operating and Maintenance Cost	3,147,000	2,940,000
Debt Service per Water Account	<u>305,500</u>	<u>305,071</u>
Total Deductions	<u>3,452,500</u>	<u>3,245,071</u>
Excess (Deficit) in Revenue - Self-Liquidating	<u>\$482,564</u>	<u>\$927,537</u>

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

The Borough's long-term debt consisted of the following at December 31, 2022:

Paid by Current Fund:

<u>General Serial Bonds:</u>	<u>2022</u>	<u>2021</u>
\$6,830,000, 2013 General Improvement Bonds, due in annual installments of \$375,000 to \$720,000 through August 1, 2025 at 2.00% to 3.00%	\$2,155,000	\$2,865,000
\$6,950,000, 2019 General Improvement Bonds, due in annual installments of \$375,000 to \$750,000 through August 15, 2031 at 1.50% to 2.00%	<u>5,770,000</u>	<u>6,185,000</u>
Total General Serial Bonds	<u>\$7,925,000</u>	<u>\$9,050,000</u>

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

<u>Year</u>	<u>Total</u>	<u>General Capital</u>	
		<u>Principal</u>	<u>Interest</u>
2023	\$1,328,263	\$1,150,000	\$178,263
2024	1,309,900	1,160,000	149,900
2025	1,294,500	1,175,000	119,500
2026	788,800	700,000	88,800
2027	814,800	740,000	74,800
2028-2031	<u>3,150,000</u>	<u>3,000,000</u>	<u>150,000</u>
	<u>\$8,686,263</u>	<u>\$7,925,000</u>	<u>\$761,263</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

At December 31, 2022 and 2021, the Borough had authorized but not issued debt as follows:

	<u>2022</u>	<u>2021</u>
General Capital Fund	\$6,624,923	\$3,444,574
Water Utility Capital Fund	<u>868,493</u>	<u>868,493</u>
	<u>\$7,493,416</u>	<u>\$4,313,067</u>

**NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE**

**General Intergovernmental Loans Payable**

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

<u>General Capital</u>	<u>2022</u>	<u>2021</u>
\$1,885,000, 2007 Trust Loan, due in annual installments of \$70,000 to \$138,000 through August 1, 2027, interest at 3.40%-5.00%	\$636,000	\$745,000
\$2,042,471, 2007 Fund Loan, due in annual installments of \$2,121 to \$101,934 through August 1, 2027, no interest	<u>520,605</u>	<u>625,530</u>
	<u>\$1,156,605</u>	<u>\$1,370,530</u>



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Water Utility Intergovernmental Loans Payable**

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

<u>Water Utility Capital</u>	<u>2022</u>	<u>2021</u>
\$2,300,814, 2006 Trust Loan, due in annual installments of \$85,000 to \$170,247 through August 1, 2026, interest at 4.00%-5.00%	\$613,177	\$755,938
\$2,222,699, 2006 Fund Loan, due in annual installments of \$4,868 to \$114,005 through August 1, 2025, no interest	<u>344,308</u>	<u>464,544</u>
	<u>\$957,485</u>	<u>\$1,220,482</u>

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

<u>Year</u>	<u>General Capital Loans</u>			<u>Water Utility Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$218,120	\$31,744	\$249,864	\$274,740	\$21,006	\$295,746
2024	230,001	26,144	256,145	246,541	14,925	261,466
2025	234,164	20,013	254,177	265,957	13,445	279,402
2026	238,182	13,600	251,782	170,247	6,810	177,057
2027	<u>236,138</u>	<u>6,744</u>	<u>242,882</u>	<u>                  </u>	<u>                  </u>	<u>0</u>
	<u>\$1,156,605</u>	<u>\$98,245</u>	<u>\$1,254,850</u>	<u>\$957,485</u>	<u>\$56,186</u>	<u>\$1,013,671</u>

**NOTE 5. BOND ANTICIPATION NOTES**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

On December 31, 2022 and 2021, the Borough had \$8,362,000 and \$8,362,000, respectively, in outstanding General Capital bond anticipation notes. The Borough also had \$1,415,000 and \$1,415,000 of Water Utility Capital Fund bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2022 and 2021:

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
General Capital Notes Payable:				
Spencer Savings Bank	\$8,362,000	\$	\$8,362,000	\$
Municipal Excess Liability Joint Insurance Fund - JCMI		8,362,000		8,362,000
Water Capital Notes Payable:				
Spencer Savings Bank	1,415,000		1,415,000	
Municipal Excess Liability Joint Insurance Fund - JCMI	<u>                    </u>	<u>1,415,000</u>	<u>                    </u>	<u>1,415,000</u>
	<u>\$9,777,000</u>	<u>\$9,777,000</u>	<u>\$9,777,000</u>	<u>\$9,777,000</u>
	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
General Capital Notes Payable:				
Spencer Savings Bank	\$7,010,000	\$8,362,000	\$7,010,000	\$8,362,000
Water Capital Notes Payable:				
Spencer Savings Bank	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>
	<u>\$8,425,000</u>	<u>\$9,777,000</u>	<u>\$8,425,000</u>	<u>\$9,777,000</u>

**NOTE 6. PENSION PLANS**

Description of Plans

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

*Public Employees' Retirement System (PERS)*

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

Plan Description

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

Benefits Provided

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

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

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

*Police and Firemens' Retirement System (PFRS)*

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

Plan Description

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

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Significant Legislation

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

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2022	\$470,132	\$2,024,530	\$38,824
2021	452,803	1,858,154	26,531
2020	423,280	1,646,285	17,709

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

The following pension information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

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

**Public Employees Retirement System (PERS)**

At December 31, 2021, the Borough had a liability of \$4,755,650 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was .0401439234 percent, which was an increase/(decrease) of (.0006736805) percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$452,803. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual experience	\$75,003	\$34,045
Changes of assumptions	24,767	1,693,042
Net difference between projected and actual earnings on pension plan investments	-0-	1,252,763
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>163,917</u>	<u>645,895</u>
Total	<u>\$263,687</u>	<u>\$3,625,745</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$(1,122,126)
2023	(801,195)
2024	(546,279)
2025	(410,639)
2026	160

**Changes in Proportion**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Borough's Proportion	.0401439234%	.0408176039%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Mortality Rates**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$6,494,572	\$4,755,650	\$3,279,928

**Pension Plan Fiduciary Net Position**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

At December 31, 2021, the Borough had a liability of \$12,696,740 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was .1737101665 percent, which was an increase of .0073834140 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$1,858,154. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$144,854	\$1,520,938
Changes of assumptions	67,561	3,805,155
Net difference between projected and actual earnings on pension plan investments	-0-	5,410,494
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>2,206,175</u>	<u>-0-</u>
Total	<u>\$2,418,590</u>	<u>\$10,736,587</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

Year ended June 30:	
2022	\$(3,369,189)
2023	(2,529,060)
2024	(2,170,111)
2025	(2,139,993)
2026	(269,932)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$817,271,932	\$1,601,195,680
Collective deferred inflows of resources	6,875,738,250	4,191,274,402
Collective net pension liability	9,364,849,587	14,926,648,722
Borough's Proportion	.1737101665%	.1663267524%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Mortality Rates**

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2021		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$21,131,031	\$12,696,740	\$5,676,103

**Special Funding Situation - PFRS**

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

At December 31, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,570,956 and \$3,335,400, respectively. For the years ended December 31, 2021 and 2020, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$397,700 and \$378,001, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$310,206 and \$256,657, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Pension Plan Fiduciary Net Position**

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

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

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

**General Information about the OPEB Plan**

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

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



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provides they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Total OPEB Liability**

The following other postemployment benefit information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

At December 31, 2021, the Borough had a liability of \$29,161,626 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2021 the Borough's proportion was .162011000 percent which was an increase/(decrease) of .000782000 from its proportion measured as of June 30, 2020.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

For the year ended December 31, 2021, the Borough recognized OPEB expense (Benefit) of \$(20,581). At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$654,352	\$6,101,043
Changes of assumptions	4,194,987	5,154,660
Net difference between projected and actual earnings on OPEB plan investments	13,943	
Changes in proportion	<u>2,278,003</u>	<u>2,657,192</u>
Total	<u>\$7,141,285</u>	<u>\$13,912,895</u>

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

Year ended June 30:	
2022	\$(1,741,219)
2023	(1,743,509)
2024	(1,745,602)
2025	(1,246,540)
2026	(209,552)
Thereafter	294,001

**Changes in Proportion**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Actual Assumptions and Other Inputs**

The total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

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

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

	June 30, 2021		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Borough's proportionate share of Net OPEB liability	\$34,317,640	\$29,161,626	\$25,075,374

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

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

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Borough's proportionate share of Net OPEB liability	\$24,330,617	\$29,161,626	\$35,465,494

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 8. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2022 and 2021 which has been appropriated as revenue in the 2023 and 2022 budgets is as follows:

	<u>2023</u>	<u>2022</u>
Current Fund	\$4,899,260	\$4,346,000
Water Utility Operating Fund	-0-	-0-

**NOTE 9. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2022 and 2021:

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Land	\$13,664,400	\$	\$	\$13,664,400
Land Improvements	908,305	15,370		923,675
Buildings and Improvements	7,061,971	76,545		7,138,516
Machinery and Equipment	<u>14,106,434</u>	<u>341,753</u>		<u>14,448,187</u>
	<u>\$35,741,110</u>	<u>\$433,668</u>	<u>\$0</u>	<u>\$36,174,778</u>

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

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

The Borough has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$3,568,022 as of December 31, 2022 and the estimated amount at December 31, 2021 was \$2,851,067. These amounts have not been reported either as an expenditure or liability. The Borough has started a plan to buy back accumulated days on an annual basis.

As of December 31, 2022 and 2021, the Borough has reserved in the Other Trust Fund \$250,649 and \$621, respectively, to fund compensated absences in accordance with N.J.S.A. 40A:4-39.

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2022 consist of the following:

\$2,123	Due to the Water Utility Operating Fund from the Water Utility Capital Fund for interest earned on investments.
1,348	Due to the Water Utility Capital Fund from the Current Fund to correct the deposit of interest earned on investments.
1,800	Due to the Other Trust Fund from the Federal and State Grant Fund to reimburse expenditures made in error.
4,675	Due to the Animal License Trust Fund from the Current Fund for the statutory excess calculations.
186	Due to the Current Fund from the Capital Fund for the balance in current years interest earned on investments.
1,468	Due to the Current Fund from the Escrow Trust Fund for interest earned on developer's deposits due to the Borough.
17,514	Due to the Other Trust Fund from the Capital Fund to correct a transfer made in error.
6,471	Due to the Other Trust Fund from the Current Fund to correct Recreation deposit errors less interest earned on investments.
54,525	Due to the Current Fund from the Fire Prevention Dedicated Penalties Trust for general revenue deposited to Trust in error.
3,240	Due to Federal and State Grant Fund from the Capital Fund for grants deposited in error.
750	Due to the Public Defender Trust Fund from the current fund to correct deposit errors.
100	Due to the Current Fund from the Water Utility Operating Fund to correct a transfer error.
<u>1,237,639</u>	Due to the Federal and State Grant Fund from the current fund for grant monies received less expenditures made.
<u>\$1,331,839</u>	

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

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

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

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

The Borough, with the adoption of Ordinance 2016-21, eliminated the Borough's contribution to its established LOSAP program and instead implemented a stipend program based on attendance. These stipends are paid on a quarterly basis to eligible members based on tier 1 or tier 2 attendance to emergency calls and are paid through payroll from direct charges to the current operating budget. Total borough contributions under the original LOSAP plan were \$-0- and \$-0- for 2022 and 2021, respectively. Future activity involving the Length of Service Award Program is limited to investment appreciation and/or depreciation with withdrawals of funds by vested members.

**Vesting and Benefits**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Vesting and Benefits, (continued)**

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

**Reporting Requirements**

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

We have reviewed the plan for the year ended December 31, 2022 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 13. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2022 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

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

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



**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Employees</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022	\$17,619	\$13,244	\$194,031
2021	14,730	401	189,656
2020	13,947	19,585	175,327
2019	14,102	10,910	180,965

**NOTE 14. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Prepaid Taxes	<u>\$306,905</u>	<u>\$339,782</u>
Cash Liability for Taxes Collected in Advance	<u>\$306,905</u>	<u>\$339,782</u>

**NOTE 15. CONTINGENT LIABILITIES**

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

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Pending Tax Appeals**

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2022 and 2021. 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, 2022 and 2021, the Borough reserved \$1,455,224 and \$1,455,224, respectively, in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**NOTE 16. DEFERRED CHARGES**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance</u> <u>Dec. 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Year</u> <u>Budget</u>
<u>2022</u>			
Current Fund:			
Special Emergency - COVID			
Related Revenue Losses	<u>\$441,058</u>	<u>\$110,265</u>	<u>\$330,793</u>
Total Deferred Charges	<u>\$441,058</u>	<u>\$110,265</u>	<u>\$330,793</u>
	<u>Balance</u> <u>Dec. 31,</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Year</u> <u>Budget</u>
<u>2021</u>			
Current Fund:			
Special Emergency - COVID			
Related Revenue Losses	<u>\$551,323</u>	<u>\$110,265</u>	<u>\$441,058</u>
Total Deferred Charges	<u>\$551,323</u>	<u>\$110,265</u>	<u>\$441,058</u>

**BOROUGH OF ELMWOOD PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 17. OTHER MATTERS**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Elmwood Park is \$2,089,812 which will be available for use until December 31, 2024.

**NOTE 18: SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through April 20, 2023, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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**SUPPLEMENTARY DATA**

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

**Supplementary Data**

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of Bond</u>
Robert Colleti	Mayor		
Francesco Fasolo	Council President		
Tanisha Dennis	Councilwoman		
Sandra Balistrieri	Councilwoman		
Theresa Sheridan	Councilwoman		
Daniel Golabek	Councilman		
Lorraine Pelligrine	Councilwoman		
Michael Foligno	Administrator		
Shanee Morris	Borough Clerk		
Salvatore Ingraffia	Attorney		
Roy Riggitano	Chief Finance Officer/Treasurer/Utility Collector		
Lori Sproviero	Tax Collector	\$ 1,000,000	(A)
Kevin Esposito	Tax Assessor		
Michael Foligno	Police Chief		
Scott Karcz	Superintendent of Public Works		
Anthony Ambrogio	Construction Official		
James DePadova	Plumbing Sub-Code Official		
Steve Kochik	Fire Official		
Joe Dymarczyk	Electrical Sub-Code Official		
Anthony Gallina	Magistrate	1,000,000	(A)
Debra Zafonte	Court Administrator	1,000,000	(A)
Enida Ciftja	Deputy Court Administrator	1,000,000	(A)
Kellie M. Reyes, Esq.	Prosecutor		
Hansel Asmar	Health Officer - County		
Marlene DiStefano	Registrar		

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

**BOROUGH OF ELMWOOD PARK**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax rate	\$ <u>3.012</u>	<u>3.026</u>	<u>3.002</u>
Apportionment of tax rate:			
Municipal *	0.952	0.953	0.941
County	0.285	0.292	0.280
Local school	<u>1.775</u>	<u>1.781</u>	<u>1.781</u>

\* Includes Municipal Library

Assessed valuation

2022	\$ 2,097,212,789
2021	2,082,338,189
2020	2,079,454,389

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2022	\$ 63,203,348	62,671,813	99.16%
2021	63,413,276	62,878,822	99.16%
2020	62,533,078	61,910,897	99.01%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31.</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2022	\$ 914	504,469	505,383	0.80%
2021	914	474,649	475,563	0.75%
2020		576,146	576,146	0.92%



**BOROUGH OF ELMWOOD PARK**

**Supplementary Data**

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2022 by foreclosure or deed as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2022	\$	23,450
2021		23,450
2020		23,450

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2022	\$	9,076,096	4,899,260
	2021		9,696,518	4,346,000
	2020		7,465,741	3,975,000
	2019		7,617,877	3,975,000
	2018		6,055,491	3,575,000
Water Utility Fund:	2022	\$	6,204,747	
	2021		6,052,334	
	2020		5,992,700	
	2019		5,491,094	
	2018		4,738,673	

Comparison of Water Utility Levies

<u>Year</u>		<u>Water Levy</u>	<u>Cash collection</u>
2022	\$	3,531,240	3,928,594
2021		3,681,628	4,143,639
2020		4,837,574	4,003,709
2019		3,937,026	3,883,005
2018		3,110,013	3,796,622

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## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2022

	Current Fund
Balance - December 31, 2021	\$ 13,946,872
Increased by Receipts:	
Petty Cash	1,500
Taxes Receivable	62,715,600
Miscellaneous Revenue Not Anticipated	889,439
Tax Overpayments	76,993
Due from State - Senior Citizen and Veteran Deductions	80,798
Revenue Accounts Receivable	6,584,553
Marriage License Fees Payable	1,650
Interfunds	31,404
Prepaid Taxes	306,905
Grants Receivable	135,679
Municipal Relief Aid	76,259
Unappropriated Reserves	96,317
	<u>70,997,097</u>
Decreased by Disbursements:	
Current Year Budget Appropriations	27,392,072
Petty Cash	1,500
Tax Overpayments	45,008
Appropriation Reserves	888,808
Refunds	727
Local District School Taxes	37,209,864
County Taxes Payable	5,953,521
Marriage License Fees Payable	2,225
Appropriated Grant Reserve Disbursements	279,165
	<u>71,772,890</u>
Balance - December 31, 2022	\$ <u>13,171,079</u>

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

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>200</u>
Balance - December 31, 2022	\$ <u><u>200</u></u>
<u>Analysis of Balance</u>	
Municipal Court	\$ <u><u>200</u></u>

**Schedule of Cash - Petty Cash**

**Current Fund**

**Year Ended December 31, 2022**

Increased by:	
Disbursed	\$ <u>1,500</u>
Decreased by:	
Returned to Treasurer	\$ <u><u>1,500</u></u>

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

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

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$	74,736
Decreased by:			
Senior Citizens' Deductions Per Tax Billing	\$	16,750	
Veterans' Deductions Per Tax Billing		63,000	
Senior Citizen's and Veteran's Allowed - 2022		<u>1,500</u>	
			<u>81,250</u>
			(6,514)
Increased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash			<u>80,798</u>
Balance - December 31, 2022		\$	<u><u>74,284</u></u>

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec. 31, 2021	2022 Budget Revenue Realized	<u>Received</u>	<u>Canceled</u>	Balance, Dec. 31, 2022
Municipal Alliance on Alcoholism and Safe and Secure Communities	\$ 21,105				21,105
Body Armor Replacement Fund		92,400	92,400		
Childcare NJ ARP Stabilization		2,279	2,279		
Childcare Hiring and Retention Grant		80,000	80,000		
Coronavirus Public Assistance		21,000	21,000		
Highway Safety Grant - Click it or Ticket		24,996		24,996	
Pedestrian Safety		960	960		
Senior Citizen COVID Project		2,200	2,200		
Juvenile Justice Grant		10,200			10,200
		2,309		2,309	
	<u>\$ 21,105</u>	<u>236,344</u>	<u>198,839</u>	<u>27,305</u>	<u>31,305</u>
Adopted Budget \$		<u>236,344</u>			
		Cash Receipts	135,679		
		Unappropriated Reserves	<u>63,160</u>		
			<u>\$ 198,839</u>		

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

**Schedule of Municipal Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2022**

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

Balance - December 31, 2022	\$ <u><u>914</u></u>
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**BOROUGH OF ELMWOOD PARK, N.J.**

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

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$	1,268,668
Increased by:			
Due from General Capital Fund	\$		
Budget Appropriation - Match		26,340	
Grants Received - Unappropriated Reserves		96,317	
Grants Received - Grants Receivable		<u>135,679</u>	
			<u>258,336</u>
			1,527,004
Decreased by:			
Appropriated Grants - Expenditures			<u>289,365</u>
Balance - December 31, 2022		\$	<u><u>1,237,639</u></u>

**Schedule of Due from General Capital Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2022**

Increased by:			
Deposit errors		\$	<u>3,240</u>
Balance - December 31, 2022		\$	<u><u>3,240</u></u>



BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2022

Year	Balance, Dec. 31, 2021	Levy	Collected		Senior Citizen and Veteran Deductions	Canceled	Balance, Dec. 31, 2022
			2021	2022			
2020	474,649	2,111		464,819			11,941
	474,649	2,111		464,819			11,941
2021		63,203,348	339,782	62,250,781	81,250	39,007	492,528
	\$ 474,649	63,205,459	339,782	62,715,600	81,250	39,007	504,469
			Cash	62,715,600			

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 63,168,049
Added Tax (R.S. 54:4-63.1 et seq.)	35,299
	\$ 63,203,348

Tax Levy:

Local District School Tax	\$ 37,209,864
County Tax	\$ 5,717,465
County Open Space Preservation	236,056
County Added and Omitted Taxes	3,340
	5,956,861

Local Tax for Municipal Purposes	\$ 19,987,379
Add: Additional Taxes Levied	49,244

Local Tax for Municipal Purposes	20,036,623
	\$ 63,203,348

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

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

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>23,450</u>
Balance - December 31, 2022	\$ <u><u>23,450</u></u>

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2022

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Clerk:				
Licenses:				
Alcoholic beverages		19,800	19,800	
Other		17,911	17,911	
Fees and Permits		256,904	256,904	
Municipal Court :				
Fines and Costs	32,411	403,595	398,650	37,356
Interest and Costs on Taxes		92,054	92,054	
Interest on Investments and Deposits				
Anticipated Utility Operating Surplus		286,086	286,086	
Consolidated Municipal Property Tax Relief Aid		125,987	125,987	
Energy Receipts Tax		1,335,917	1,335,917	
Uniform Construction Code Fees	18,984	595,867	482,901	131,950
Interlocal Service Agreements				
Board of Education - School Resource Officer		98,316	98,316	
Utility Operating Surplus of Prior Year		575,000	575,000	
Uniform Fire Safety Act - Local		61,940	61,940	
Trunk Sewer Revenue		1,298,181	1,298,181	
Capital Fund Balance		490,000	490,000	
American Rescue Plan - Revenue Loss		1,044,906	1,044,906	
	<u>\$ 51,395</u>	<u>6,702,464</u>	<u>6,584,553</u>	<u>169,306</u>
		Cash Collections \$	<u>6,584,553</u>	

**BOROUGH OF ELMWOOD PARK, N.J.**  
**Schedule of Deferred Charges N.J.S.A. 40A:4-53 Special Emergency**

**Current Fund**

**Year Ended December 31, 2022**

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Balance,</u>	<u>Reduced</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>Dec. 31,</u>	<u>in 2022</u>	<u>Dec. 31,</u>
				<u>2021</u>	<u>2022</u>	<u>2022</u>
12/17/2020	COVID-19 Revenue Losses	\$ 551,323	110,265	\$ 551,323	110,265	441,058
				<u>          </u>	<u>          </u>	<u>          </u>

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Interfunds

## Current Fund

## Year Ended December 31, 2022

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Animal Control Trust Fund	8,837	4,675	8,837	4,675
Other Trust Fund				
Other Trust Fund	77	2,846	9,394	(6,471)
Escrow	496	1,468	496	1,468
Fire Prevention - Dedicated Penalties	21,292	54,525	21,292	54,525
Public Defender Trust			750	(750)
General Capital Fund	2	3,005	2,821	186
Water Utility Operating Fund		100		100
Water Utility Capital Fund	(100)		1,248	(1,348)
	<u>\$ 30,604</u>	<u>66,619</u>	<u>44,838</u>	<u>52,385</u>
Due to Current Fund	30,704	66,619	36,369	60,954
Due from Current Fund	(100)		8,469	(8,569)
	<u>\$ 30,604</u>	<u>66,619</u>	<u>44,838</u>	<u>52,385</u>
Cash Receipts - Interfunds Returned \$			30,704	
Deposit Errors		100	9,863	
Cash Receipts			700	
Cash Receipts - Public Defender Fees			750	
Deposit Errors - Fire Prevention General Penalties		54,525		
Interest on Investments		7,319	2,821	
Statutory Excess		4,675		
		<u>\$ 66,619</u>	<u>44,838</u>	

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 2,743	2,743		2,743
Mayor and Council	836	836		836
Financial Administration	5,177	5,177		5,177
Revenue Administration	6,661	6,661		6,661
Assessment of Taxes	3,956	3,956		3,956
Legal Services and Costs	9,155	31,936	9,154	22,782
Planning Board	1,722	1,722		1,722
Zoning Board	5,403	5,403		5,403
Health Benefit Waiver				
Police	175,163	160,163	121,000	39,163
Crossing Guards	1,228	1,228		1,228
Other Police Personnel	505	505		505
Police Dispatch/911	913	913		913
Fire Officials	1,735	1,735		1,735
Fire Department Stipend Program	4,569	4,569		4,569
Uniform Fire Safety				
Municipal Prosecutor	3,464	3,465		3,465
Municipal Court	13,476	13,476		13,476
Public Defender	6,178	6,178		6,178
Road Repairs and Maintenance	9,665	9,665	9,660	5
Solid Waste Collection	4,830	4,830		4,830
Public Health Services	345	345		345
Rent Leveling	6,671	6,671		6,671
Recreation Services and Programs	23,944	23,944		23,944
Construction Code Official	17,523	17,523		17,523
<b>Total Salaries and Wages Within "CAPS"</b>	<b>305,862</b>	<b>313,644</b>	<b>139,814</b>	<b>173,830</b>
Other Expenses Within "CAPS":				
Administrative and Executive				
Other Expenses	20,341	20,546	2,057	18,489
Codification of Ordinances	9,685	9,685		9,685
Grant Consultant	3,900	3,900		3,900
Financial Administration:				
Other Expenses	4,748	23,559	17,399	6,160
Payroll Service	21,051	22,507	9,024	13,483
Audit Services	16,350	30,475	30,000	475
Engineering Services and Costs	14,476	43,535	18,987	24,548
Collection of Taxes	13,427	19,810	7,283	12,527
Postage	16,863	16,864	863	16,001
Assessment of Taxes:				
Other Expenses	4,986	4,986	2,850	2,136
Legal Services and Costs	5,023	31,104	28,092	3,012

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Planning Board	83	83	83	
Master Plan				
Zoning Board	10,775	10,775		10,775
Council on Affordable Housing	10,967	13,967	473	13,494
Town Planner	14,460	55,460	24,690	30,770
Insurance:				
General Liability	24,991	131,024	106,032	24,992
Group Insurance	45,232	232	(1,316)	1,548
Worker's Compensation	3,782	106,014	102,232	3,782
Health Waiver	8,702	8,702		8,702
Police:				
Other Expenses - Regular	13,049	36,222	31,335	4,887
Purchase of Police Vehicles				
Emergency Management Services	8,505	8,505		8,505
Fire Department				
Other Expenses - Miscellaneous	10,984	31,359	14,894	16,465
Other Expenses - Clothing Allowance	9,573	9,573		9,573
Uniform Fire Code	2,446	2,446	320	2,126
Municipal Court	10,726	10,847	1,592	9,255
Road Repairs and Maintenance	7,133	28,043	22,729	5,314
Traffic Lights	28,676	35,073	35,073	
Shade Tree	4,500	4,500		4,500
Solid Waste Collection - Recycling	1,149	6,611	3,566	3,045
Solid Waste Collection - Tipping Fees	18,073	148,107	112,368	35,739
Rent Leveling	350	350		350
Vehicle Maintenance	1,890	33,709	26,912	6,797
Public Health Services	7,941	7,941	56	7,885
Veterans Services Bureau	4,200	4,200		4,200
Recreation	3,740	14,382	10,120	4,262
Maintenance of Parks	5,967	5,967		5,967
Celebration of Public Events				
Other Expenses	3,703	18,467	18,467	
Senior Citizen Expenses	15,576	19,551	3,975	15,576
Gasoline	4,278	35,048	23,179	11,869
Electric and Gas	6,442	35,323	25,935	9,388
Telephone	4,791	6,880	2,478	4,402
Street Lighting	8,319	49,056	49,056	
Construction Code Official	8,888	9,693	9,446	247
Contingent	10,000	10,000	7,428	2,572
Total Other expenses Within "CAPS"	450,741	1,125,081	747,678	377,403

BOROUGH OF ELMWOOD PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System	2	2		2
Social Security System (O.A.S.I.)	32,189	32,187		32,187
	<u>32,191</u>	<u>32,189</u>		<u>32,189</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>32,191</u>	<u>32,189</u>		<u>32,189</u>
Other Expenses Excluded From "CAPS":				
Recycling Tax	3,215	6,215	1,316	4,899
Passaic Valley Sewer Commission Operating and Maintenance Cost	1	1		1
	<u>3,216</u>	<u>6,216</u>	<u>1,316</u>	<u>4,900</u>
Total Other Expenses Excluded from "CAPS"	<u>3,216</u>	<u>6,216</u>	<u>1,316</u>	<u>4,900</u>
Interlocal Municipal Service Agreements				
County of Bergen - Public Health Officer/Animal Control	2,655	2,655		2,655
Little Falls Ambulance	15,000	15,000		15,000
	<u>17,655</u>	<u>17,655</u>		<u>17,655</u>
Total Interlocal Municipal Service Agreements	<u>17,655</u>	<u>17,655</u>		<u>17,655</u>
 Total Reserves	 <u>\$ 809,665</u>	 <u>1,494,785</u>	 <u>888,808</u>	 <u>605,977</u>
		Appropriation Reserves 809,665		
		Encumbrances <u>685,120</u>		
		<u>\$ 1,494,785</u>		
		Cash Disbursed <u>888,808</u>		
			<u>\$ 888,808</u>	



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

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 685,120
Increased by:	
Transferred from Current Year Budget	<u>816,315</u>
	1,501,435
Decreased by:	
Transferred to Appropriation Reserves	<u>685,120</u>
Balance - December 31, 2022	<u><u>\$ 816,315</u></u>

**Schedule of Reserve for Municipal Relief Fund Aid**

**Current Fund**

**Year Ended December 31, 2022**

Increased by:	
Cash Received	<u>\$ 76,259</u>
Balance - December 31, 2022	<u><u>\$ 76,259</u></u>

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

**Schedule of Reserve for Other Expenditures**

**Current Fund**

**Year Ended December 31, 2022**

	Pending Tax <u>Appeals</u>	<u>Revaluation</u>	<u>Total</u>
Balance - December 31, 2021	\$ <u>1,455,224</u>	<u>37,000</u>	<u>1,492,224</u>
Balance - December 31, 2022	\$ <u><u>1,455,224</u></u>	<u><u>37,000</u></u>	<u><u>1,492,224</u></u>

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

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$	28,180
Increased by:			
Collections			<u>76,993</u>
			105,173
Decreased by:			
Refunds	\$	45,008	
Cancelled to Operations		<u>4,762</u>	
			<u>49,770</u>
Balance - December 31, 2022		\$	<u><u>55,403</u></u>

**BOROUGH OF ELMWOOD PARK, N.J.**  
**Schedule of Local School District Tax Payable**

**Current Fund**

**Year Ended December 31, 2022**

Increased by:		
2022 Levy	\$	<u>37,209,864</u>
Decreased by:		
Payments	\$	<u><u>37,209,864</u></u>

**Schedule of Marriage License Fees Payable**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$	650
Increased by:		
State Marriage License Fees Collected		<u>1,650</u>
		2,300
Decreased by:		
Cash Disbursements		<u>2,225</u>
Balance - December 31, 2022	\$	<u><u>75</u></u>

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

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2022**

Increased by:		
2022 Levy	\$ 5,717,465	
2022 Open Space	236,056	
2022 Added Assessments	<u>3,340</u>	
		<u>5,956,861</u>
Decreased by:		
Payments		<u>5,953,521</u>
Balance - December 31, 2022	\$	<u><u>3,340</u></u>

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

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$	339,782
Increased by:		
Collections		<u>306,905</u>
		646,687
Decreased by:		
Applied to 2022 Taxes Receivable		<u>339,782</u>
Balance - December 31, 2022	\$	<u><u>306,905</u></u>

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

**Statement of Plan Assets Due to LOSAP**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>102,752</u>
Balance - December 31, 2022	\$ <u><u>102,752</u></u>

**Schedule of Due to Other Trust Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>1,800</u>
Balance - December 31, 2022	\$ <u><u>1,800</u></u>

## BOROUGH OF ELMWOOD PARK, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec. 31, 2021	Transfer From 2022 Budget	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, 2022
Municipal Alliance on Alcohol and Drug Abuse - 2017	\$ 1,201				1,201
Alcohol Education and Rehabilitation	35,113		7,645		27,468
Alcohol Education and Rehabilitation	7,270		7,270		
Recycling Tonnage Grant	21,230				21,230
Recycling Tonnage Grant	20,227				20,227
Safe and Secure Communities		92,400	92,400		
Safe and Secure Communities - Local Match		26,340	26,340		
Body Armor Replacement Fund		2,279			2,279
Body Armor Replacement Fund	3,092		2,104		988
Body Armor Replacement Fund	3,201				3,201
Clean Communities	33,887		12,739		21,148
Clean Communities	29,977		29,977		
Childcare NJ ARP Stabilization		80,000	80,000		
Childcare Hiring and Retention Grant		21,000	21,000		
Coronavirus Public Assistance		24,996		24,996	
Drunk Driving Enforcement Fund	16,619				16,619
Highway Safety Grant - Click it or Ticket		960			960
Highway Safety Grant - Click it or Ticket	379				379
NJ Workforce Registry Stabilization Grant	16				16
Pedestrian Safety		2,200			2,200
Senior Citizen COVID Project		10,200	10,200		
Juvenile Justice Grant	2,309	2,309		2,309	2,309
Childhood Health and Safety	3,400				3,400
Bergen Co. Stigma Free Grant	1,860				1,860
Bergen County - Historical Restoration Grant	126				126
	<u>\$ 179,907</u>	<u>262,684</u>	<u>289,675</u>	<u>27,305</u>	<u>125,611</u>
		Budget	236,344		
		Local Match	26,340		
		<u>\$ 262,684</u>			
		Encumbrances Payable	310		
		Due to Current - Prior Year Expenses	10,200		
		Cash Disbursements	279,165		
			<u>\$ 289,675</u>		



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

**Schedule of Unappropriated Reserves for Grants**

**Federal and State Grant Fund**

**Year Ended December 31, 2022**

<u>Grant</u>	Balance, Dec. 31, <u>2021</u>	Transfer To 2022 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2022</u>
Safe and Secure Grant	\$ 60,000	60,000		
Opioid Settlement			9,503	9,503
American Rescue Plan	1,044,906			1,044,906
Occupant Protection - Click it or Ticket	960	960	6,440	6,440
Non-Motorized Safety Enforcement Grant	2,200	2,200		
Body Armor Replacement Grant			3,240	3,240
Distracted Driving Enforcement			7,980	7,980
Alcohol Education and Rehabilitation			6,159	6,159
Clean Communities			35,539	35,539
Recycling Tonnage Grant			30,696	30,696
	<u>\$ 1,108,066</u>	<u>63,160</u>	<u>99,557</u>	<u>1,144,463</u>
		Due from General Capital Fund	3,240	
		Cash Receipts	<u>96,317</u>	
			<u>\$ 99,557</u>	

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## BOROUGH OF ELMWOOD PARK

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2022

	Animal Trust <u>Fund</u>	Other Trust <u>Fund</u>	Unemployment Compensation Trust <u>Fund</u>	Emergency Service LOSAP <u>Fund</u>
Balance - December 31, 2021	\$ 21,004	1,891,483	189,656	536,853
Increase by Receipts:				
Dog License Fees Collected	3,837			
Cat License Fees Collected	330			
Other Miscellaneous Fees	1			
Due to the State of New Jersey	751			
Interest on Investments		4,314		
Interfunds		54,525		
Various Reserves and Deposits		2,475,068		
Employee Payroll Deductions			17,619	
Total Receipts	<u>4,919</u>	<u>2,533,907</u>	<u>17,619</u>	
	<u>25,923</u>	<u>4,425,390</u>	<u>207,275</u>	<u>536,853</u>
Decreased by Disbursements:				
Due to the State of New Jersey	750			
Interfunds	8,837	39,380		
Various Reserves and Deposits		1,744,221		
Unemployment Reserve Expenditures			13,244	
Account Charges/Tax				1,386
Decrease in Investment Value				81,088
LOSAP Distributions				23,077
Total Disbursements	<u>9,587</u>	<u>1,783,601</u>	<u>13,244</u>	<u>105,551</u>
Balance - December 31, 2022	<u>\$ 16,336</u>	<u>2,641,789</u>	<u>194,031</u>	<u>431,302</u>

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

**Trust Funds**

**Year Ended December 31, 2022**

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Other Trust Fund				
Federal and State Grant Fund	\$ 1,800			1,800
General Capital Fund			17,514	17,514
Current Fund:				
Escrow Trust Fund	(496)	1,468	496	(1,468)
Public Defender Trust Fund			750	750
Fire Prevention - Dedicated Penalties	(21,292)	54,525	21,292	(54,525)
Other Trust Fund	(77)	2,846	9,394	6,471
	<u>(20,065)</u>	<u>58,839</u>	<u>49,446</u>	<u>(29,458)</u>
 Animal License Trust Fund				
Current Fund	<u>(8,837)</u>	<u>4,675</u>	<u>8,837</u>	<u>(4,675)</u>
	<u>\$ (28,902)</u>	<u>63,514</u>	<u>58,283</u>	<u>(34,133)</u>
		Receipts		
		54,525		
		Disbursements	48,217	
		Deposits in Error	10,066	
		Statutory Excess		
		4,675		
		Interest on Investments		
		4,314		
		<u>\$ 63,514</u>	<u>58,283</u>	

**BOROUGH OF ELMWOOD PARK**

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

**Animal License Trust Fund**

**Year Ended December 31, 2022**

Increased by:		
State Fees Collected	\$	751
Decreased by:		
Paid to State		<u>750</u>
Balance - December 31, 2022	\$	<u><u>1</u></u>

**BOROUGH OF ELMWOOD PARK**

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

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$	12,167
Increased by:		
Dog License Fees	\$	3,837
Cat License Fees		330
Miscellaneous Revenue:		
Replacement Fees		<u>1</u>
		<u>4,168</u>
		16,335
Decreased by:		
Statutory Excess - Due Current Fund		<u>4,675</u>
Balance - December 31, 2022	\$	<u><u>11,660</u></u>

Animal License Fees Collected

<u>Year</u>		
2020	\$	5,804
2021		<u>5,856</u>
Maximum Reserve	\$	<u><u>11,660</u></u>

**BOROUGH OF ELMWOOD PARK**

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

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 189,656
Increased by:	
Employee Payroll Deductions	<u>17,619</u>
	207,275
Decreased by:	
Cash Disbursements	<u>13,244</u>
Balance - December 31, 2022	<u><u>\$ 194,031</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Various Reserves and Deposits

Trust Funds

Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2022</u>
Escrow Deposits	\$ 557,013	494,947	239,971	811,989
Public Defender		1,725		1,725
Multiple Dwelling Emergency Deposits	43,437	9		43,446
Recreation	581,334	666,276	643,471	604,139
Parking Offenses Adjudication Act	7,170	1,252	3,284	5,138
Lien Redemptions		84,463	84,463	
Tax Title Lien Premiums	201,200	67,500	92,400	176,300
Accrued Compensated Absences	621	430,660	180,632	250,649
Federal Equitable Sharing Program - Treasury	2,026			2,026
Federal Equitable Sharing Program - Justice	50,983			50,983
COAH	384,551	227,649		612,200
Fire Prevention - Dedicated Penalties	19,937	24,100		44,037
Fire Prevention				
Drunk Driving	197			197
Miscellaneous	1,000			1,000
Police Outside Duty	21,949	486,553	500,000	8,502
	<u>\$ 1,871,418</u>	<u>2,485,134</u>	<u>1,744,221</u>	<u>2,612,331</u>
		Cash Receipts \$ 2,475,068		
		Cash Disbursements	1,744,221	
		Interfunds	<u>10,066</u>	
		<u>\$ 2,485,134</u>	<u>1,744,221</u>	



**BOROUGH OF ELMWOOD PARK**

**Schedule of Service Award Contributions Receivable**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>93,184</u>
Balance - December 31, 2022	\$ <u><u>93,184</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Net Assets Available for Benefits**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$	630,037
Decreased by:			
Depreciation in Fair Value of Investments	\$	81,088	
Account Charges/Tax		1,386	
Distributions		<u>23,077</u>	
			<u>105,551</u>
Balance - December 31, 2022		\$	<u><u>524,486</u></u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2022

Balance - December 31, 2021		\$	3,781,031
Increased by Receipts:			
Interfund	\$	23,759	
Grants Received		23,352	
Contributions Received		135,000	
Capital Improvement Fund		150,000	
Reserve for Payment of Debt		144,027	
Unappropriated Grant Received		177,999	
			<u>654,137</u>
			4,435,168
Decreased by Disbursements:			
Improvement Authorizations		1,731,580	
Contracts Payable		1,611,408	
Budget Revenue - Fund Balance		490,000	
Interfund		2,821	
			<u>3,835,809</u>
Balance - December 31, 2022		\$	<u><u>599,359</u></u>

## BOROUGH OF ELMWOOD PARK

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2022

Fund Balance	\$ 3,341
Capital Improvement Fund	54,604
Due to Current Fund	186
Due to Federal and State Grant Fund	3,240
Due to Recreation Trust Fund	17,514
Grants Receivable	(1,520,924)
Contributions Receivable	(5,355)
Environmental Infrastructure Loan Receivable	(17,514)
Contracts Payable	3,081,299
Reserve for Payment of Debt	144,027
Reserve for Grants Receivable	1,447,779

## Improvement Authorizations:

Ordinance	<u>Number</u>	<u>Improvement Description</u>	
	2013-21	Streetscape Improvements	(118,977)
	2014-12	Sanitary Sewer Pump Station	(62,692)
	2015-17	Resurfacing of Iozia Terrace, Franklin & Court St.	(108,366)
	2016-12	2016 Road Resurfacing Program	42,737
	2017-13	Improvement of the Boulevard, Sec. 10, Phase 2	(31,890)
	2017-20	UST Removal and Environmental Remediation	(54,483)
	2017-32	Various Improvements to Birchwood Park	455
	2017-33	New Pumper Fire Engine	21,225
	2018-05/2018-23	Resurfacing of Franklin, Orchard & Lee Street	(64,939)
	2018-09	Various Imps. To the Intersection of Market and Mola Blvd	
	2018-16	Replacement of Sewer Lines & Ejector Pumps	1,850
	2018-17	Various Public Imps. & New Additional and/or Replacement Machin	4,500
	2018-20	2018 Road Resurfacing Program	34,278
	2018-21	Various Equipment & Machinery for the Fire Department	19,407
	2018-27/2019-14	Imps. to Tennis Courts at the High School	10,708
	2019-09	ADA Accessible Playground Equipment at Cherry Hill Park	131,394
	2019-11	Acquisition of a new Aerial Tower Fire Truck & Mini Pumper Fire Engine	15,183
	2019-15/2020-34	Various Public Improvements	(47,787)
	2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd and 3rd Streets	(25,218)
	2020-04	Various Public Improvements	298,592
	2020-17	Improvements to Donor Place & Echo Place	(208,699)
	2020-22	Elmwood Park Marina Improvements	948,696
	2020-27	Various Public Improvements	37,943

**BOROUGH OF ELMWOOD PARK**

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2022**

2021-09/2022-12	Improvement of 13th and 14th Avenue	(422,108)
2021-11	Various Public Improvements	328,329
2021-23	Improvement of Mola Blvd, Phase 2	(187,342)
2021-25	2021 Curb & Gutter Replacement Program	(230,312)
2021-27	2021 Road Improvement Program	(470,702)
2022-03	Acquisition of Pumper Fire Engine	(882,941)
2022-07	Design/Engineering Phase for Traffic Signalization Imps.	(82,200)
2022-16	Various Public Improvements	(440,205)
2022-20	Acquisition of equipment including Police Vehicles	(151,347)
2022-22	Improvement of 15th Avenue	(167,607)
2022-27	Streetscape Improvements - Mola Blvd.	(429,135)
2022-28	Improvement of Grove Street	(317,185)
		\$ 599,359

**BOROUGH OF ELMWOOD PARK**

**Schedule of Interfunds**

**General Capital Fund**

**Year ended December 31, 2022**

	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Current Fund	\$ (2)	2,821	3,005	(186)
Federal and State Grant Fund			3,240	(3,240)
Recreation Trust Fund			17,514	(17,514)
	<u>(2)</u>	<u>2,821</u>	<u>23,759</u>	<u>(20,940)</u>
			Cash Receipts \$ 23,759	
		Cash Disbursements <u>2,821</u>		
		<u>\$ 2,821</u>	<u>23,759</u>	

**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$ 10,420,530
Decreased by:		
Current year Budget Appropriations:		
Loan Principal	\$ 213,925	
Serial Bond Principal	<u>1,125,000</u>	
		<u>1,338,925</u>
Balance - December 31, 2022		\$ <u><u>9,081,605</u></u>

**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

**Year Ended December 31, 2022**

Ordinance Number	Improvement Description	Balance		Decreased By:	Balance Dec. 31, 2022	Analysis of Balance	
		Dec. 31, 2021	2022 Authorizations			Financed by Bond Anticipation Notes	Expenditures
		\$					
	<u>General Improvements:</u>						
2013-21	Streetscape Improvements	118,977			118,977	118,977	
2014-12	Sanitary Sewer Pump Station	62,692			62,692	62,692	
2015-17	Resurfacing Iozia Terrace, Franklin & Court St.	108,366			108,366	108,366	
2016-12	2016 Road Resurfacing Program	57,000			57,000		57,000
2017-13	Improvement of Blvd. Section 10 Phase 2	89,340		23,352	65,988	31,890	34,098
2017-20	Underground Storage Tank Removal & Environmental Remediation	174,000			174,000	54,483	119,517
2018-05	Resurfacing of Franklin, Orchard and Lee Streets	103,649			103,649	64,939	38,710
2018-23	Additional Appropriation: 2018-05	3,550			3,550		3,550
2019-07	Rehabilitation of Veteran's Park	171,000			171,000	171,000	
2019-11	Acquisition of a new Aerial Tower Fire Truck & Mini Pumper Fire Engine	1,657,000			1,657,000	1,657,000	
2019-15	Various Public Improvements	1,509,000			1,509,000	1,509,000	
2019-23	Resurfacing of Portions of Miller & Summit Avenue, and 1st, 2nd and 3rd Streets	48,000			48,000	25,218	22,782
2020-04	Various Public Improvements	2,460,000			2,460,000	2,210,000	250,000
2020-17	Improvements to Donor Avenue & Echo Place	290,000			290,000	208,699	81,301
2020-22	Elmwood Park Marina Improvements	1,400,000			1,400,000	1,150,000	250,000
2020-27	Various Public Improvements	313,000			313,000	313,000	
2020-34	Additional Appropriation: 2019-15	85,500			85,500	47,787	37,713
2021-09	Improvement of 13th Avenue	285,000			285,000	285,000	
2021-11	Various Public Improvements	1,352,000			1,352,000	1,352,000	
2021-23	Improvement of Mola Blvd, Phase 2	238,000			238,000	187,342	50,658
2021-25	2021 Curb & Gutter Replacement Program	309,500			309,500	230,312	79,188
2021-27	2021 Road Improvement Program	971,000	938,000	177,999	793,001	470,702	322,299
2022-03	Acquisition of Pumper Fire Engine		104,700		938,000	882,941	55,059
2022-07	Design/Engineering Phase for Traffic Signalization Imps.		190,000		104,700	82,200	22,500
2022-12	Imps. To 13th and 14th Avenue		972,000		190,000	137,108	52,892
2022-16	Various Public Improvements		152,000		972,000	440,205	531,795
2022-20	Acquisition of equipment including Police Vehicles		190,000		152,000	151,347	653
2022-22	Improvement of 15th Avenue		190,000		190,000	167,607	22,393



**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Decreased By:	Balance Dec. 31, 2022	Analysis of Balance		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
2022-27	Streetscape Improvements - Mola Blvd.	510,000	510,000		510,000	429,135	80,865	
2022-28	Improvement of Grove Street	325,000	325,000		325,000	317,185	7,815	
		<u>\$ 11,806,574</u>	<u>3,381,700</u>	<u>201,351</u>	<u>14,986,923</u>	<u>4,504,135</u>	<u>2,120,788</u>	
		2022 Authorizations	<u>3,381,700</u>					
			\$ <u>3,381,700</u>					
		Unappropriated Grant Proceeds Applied		<u>201,351</u>				
				\$ <u>201,351</u>				
								Improvement Authorizations - Unfunded \$ <u>3,749,531</u>
								Less: Unexpended proceeds of Bond Anticipation Notes
								Ordinance:
								2019-11 15,183
								2020-04 298,592
								2020-22 948,696
								2020-27 37,943
								2021-11 <u>328,329</u>
								<u>1,628,743</u>
								\$ <u>2,120,788</u>

**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 67,240
Increased by:	
Grants Awards	<u>445,000</u>
	512,240
Decreased by:	
Cash Receipts	<u>23,352</u>
Balance - December 31, 2022	<u>\$ 488,888</u>

Analysis

Ord. 2017-13	\$ 43,888
Ord. 2022-27	239,000
Ord. 2022-28	<u>206,000</u>
	<u>\$ 488,888</u>

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

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 191,508
Increased by:	
Grants Awards	<u>266,976</u>
Balance - December 31, 2022	<u>\$ 458,484</u>

Analysis

Ord. 2020-17	191,508
Ord. 2022-02	130,000
Ord. 2022-22	<u>136,976</u>
	<u>\$ 458,484</u>

**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>323,145</u>
Balance - December 31, 2022	\$ <u><u>323,145</u></u>
<u>Analysis</u>	
Ord. 2019-09	73,145
Ord. 2020-04	<u>250,000</u>
	\$ <u><u>323,145</u></u>

**Schedule of Environmental Infrastructure Loan Receivable**

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>17,514</u>
Balance - December 31, 2022	\$ <u><u>17,514</u></u>

**BOROUGH OF ELMWOOD PARK**

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

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>250,407</u>
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Balance - December 31, 2022	\$ <u><u>250,407</u></u>
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**Schedule of Contributions Receivable - Recreation Trust Fund  
and Elmwood Park Board of Education**

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 5,355
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Increased by:	
Contribution Pledged - Ord. 2022-16	<u>135,000</u>

140,355

Decreased by:	
Cash Receipts	<u>135,000</u>

Balance - December 31, 2022	\$ <u><u>5,355</u></u>
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**BOROUGH OF ELMWOOD PARK**

**Schedule of General Serial Bonds Payable**

**General Capital Fund**

**Year Ended December 31, 2022**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
General Improvements	8/1/2013	6,830,000	08/01/22	710,000	2.00-3.00%	2,865,000	710,000	2,155,000
			08/01/23	715,000				
			08/01/24	720,000				
			08/01/25	720,000				
General Improvements	August 15, 2019	6,950,000	08/15/22	415,000	1.50%	6,185,000	415,000	5,770,000
			08/15/23	435,000	2.00%			
			08/15/24	440,000	2.00%			
			08/15/25	455,000	2.00%			
			08/15/26	700,000	2.00%			
			08/15/27	740,000	2.00%			
			08/15/28	750,000	2.00%			
08/15/29	750,000	2.00%						
08/15/30	750,000	2.00%						
08/15/31	750,000	2.00%						
						\$ 9,050,000	1,125,000	7,925,000
						Budget Appropriation \$	1,125,000	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

Year ended December 31, 2022

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest rate	Balance Dec.31 2021	Increased	Decreased	Balance, Dec.31, 2022
2019-17	Rehabilitation of Veteran's Park	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	0.35%	171,000	171,000	171,000	171,000
2019-11	Acquisition of Fire Truck	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	0.35%	1,657,000	1,657,000	1,657,000	1,657,000
2019-15	Various Public Improvements	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	0.35%	1,509,000	1,509,000	1,509,000	1,509,000
2020-04	Various Public Improvements	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	0.35%	2,210,000	2,210,000	2,210,000	2,210,000
2020-22	Elmwood Park Marina Improvements	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	0.35%	1,150,000	1,150,000	1,150,000	1,150,000
2020-27	Various Public Improvements	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	0.35%	313,000	313,000	313,000	313,000
2021-11	Various Public Improvements	Dec. 3, 2021	Dec. 2, 2022	Aug. 23, 2023	0.35%	1,352,000	1,352,000	1,352,000	1,352,000
						<u>\$ 8,362,000</u>	<u>8,362,000</u>	<u>8,362,000</u>	<u>8,362,000</u>
							<u>Renewed</u>	<u>8,362,000</u>	<u>8,362,000</u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Improvement Authorizations**

**General Capital Fund**

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Adoption Date	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations	Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded			Funded	Unfunded
<u>General Improvements:</u>									
2016-12	2016 Road Resurfacing Program		480,000 \$	42,737	57,000			42,737	57,000
2017-13	Improvement of Blvd Sec 10 Phase 2		186,500		34,098				34,098
2017-20	Underground Storage Tank Removal & Environmental Remediation		209,000		126,347		6,830		119,517
2017-32	Various Improvements to Birchwood Park		175,000	455				455	
2017-33	New Pumper Fire Engine		542,500	21,225				21,225	
2018-05/2018-23	Resurfacing of Franklin, Orchard & Lec Street	Apr. 19, 2018	357,500		43,156		896		42,260
2018-09	Various Imps. to the Intersection of Market St. and Mola Boulevard	May 17, 2018	173,400	298			298		
2018-16	Replacement of Sewer Lines & Ejector Pumps	Jul. 19, 2018	290,000	1,850			1,850		
2018-17	Various Public Imps. & New Additional and/or Replacement Machinery	Jul. 19, 2018	412,000	19,363			14,863		4,500
2018-20	2018 Road Resurfacing Program	Aug. 2, 2018	1,130,000	37,078			2,800		34,278
2018-21	Various Equipment & Machinery for the Fire Department	Aug. 2, 2018	72,000	19,407				19,407	
2018-27/2019-14	Imps. To Tennis Courts at the High School	Nov. 8, 2018	445,000	10,708				10,708	
2019-09	ADA Accessible Playground Equipment at Cherry Hill Park	Aug. 15, 2019	115,000						
2019-11	Acquisition of new Aerial Tower Fire Truck & Mini-Pumper Fire Engine	May 16, 2019	308,350	131,394				131,394	
2019-15/2020-34	Various Public Improvements	Jun. 20, 2019	1,740,000		15,183				15,183
		Aug. 15, 2019/Nov. 12, 2020	1,675,000		37,713				37,713
2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd & 3rd Streets	Sept. 19, 2019	245,000		22,782				22,782
2020-04	Various Public Improvements	Mar. 19, 2020	2,585,000		634,034		85,442		548,592
2020-17	Improvements to Donor Avenue & Echo Place	Jun. 18, 2020	305,000		92,857		11,556		81,301
2020-22	Elmwood Park Marina Improvements	Aug. 13, 2020	1,400,000		1,198,696				1,198,696

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Improvement Authorizations**  
**General Capital Fund**

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Adoption Date	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations	Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded			Funded	Unfunded
2020-27	Various Public Improvements	Sept. 17, 2020	330,000	43,943		6,000	37,943		
2021-09/2022-12	Improvement of 13th and 14th Avenue	May 20, 2021	300,000	285,000	200,000	446,656	52,892		
		May 19, 2022	200,000						
2021-11	Various Public Improvements	Jun. 17, 2021	1,520,000	697,592		369,263	328,329		
2021-23	Improvement of Mola Blvd, Phase 2	Oct. 14, 2021	230,000	238,000		199,342	50,658		
2021-25	2021 Curb & Gutter Replacement Program	Nov. 10, 2021	325,000	309,500		245,812	79,188		
2021-27	2021 Road Improvement Program	Nov. 10, 2021	1,020,000	971,000		697,701	322,299		
2022-03	Acquisition of new Pumper Fire Engine	Feb. 17, 2022	985,000		985,000	929,941	55,059		
2022-07	Design/Engineering Phase for Traffic Signalization Imps.	Apr. 21, 2022	110,000		110,000	87,500	22,500		
2022-16	Various Public Improvements	May 19, 2022	1,156,500		1,156,500	624,705	531,795		
2022-20	Acq. of Equipment including Police Vehicles	Aug. 18, 2022	160,000		160,000	159,347	653		
2022-22	Improvement of 15th Avenue	Sept. 15, 2022	200,000		200,000	177,607	22,393		
2022-27	Streetscape Imps. To Mola Boulevard	Nov. 10, 2022	510,000		510,000	429,135	80,865		
2022-28	Improvement of Grove Street	Nov. 10, 2022	325,000		325,000	317,185	7,815		
			\$ 3,755,663	\$ 4,806,901	\$ 3,646,500	\$ 4,812,879	\$ 266,554	\$ 3,749,531	

Capital Improvement Fund \$	129,800
Contributions Receivable	135,000
Deferred Charges - Unfunded	3,381,700
	\$ 3,646,500
Cash \$	1,731,580
Contracts Payable	3,081,299
	\$ 4,812,879



**BOROUGH OF ELMWOOD PARK**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 34,404
Increased by:	
Budget Appropriation	<u>150,000</u>
	184,404
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>129,800</u>
Balance - December 31, 2022	<u><u>\$ 54,604</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of NJ Infrastructure Loan Payable**

**General Capital Fund**

**Year Ended December 31, 2022**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
Sewer Main Extention De-icing Material Storage Bldg.	November 8, 2007	1,885,000	08/01/23	114,000	4.25%	745,000	109,000	636,000
			08/01/24	123,000	4.50%			
			08/01/25	128,000	4.50%			
			08/01/26	133,000	4.50%			
			08/01/27	138,000	4.25%			
						\$ 745,000	109,000	636,000
							Budget Appropriations \$	109,000

**BOROUGH OF ELMWOOD PARK**

**Schedule of NJ Infrastructure Loan Payable**

**General Capital Fund**

**Year Ended December 31, 2022**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
Sewer Main Extension	November 8, 2007	2,042,471	08/01/23	104,120	0.00%	625,530	104,925	520,605
De-icing Material Storage Bldg.			08/01/24	107,001				
			08/01/25	106,164				
			08/01/26	105,182				
			08/01/27	98,138				
						\$ 625,530	104,925	520,605
						Budget Appropriations \$		104,925

**BOROUGH OF ELMWOOD PARK**

**Schedule of Contracts Payable**

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 1,611,408
Increased by:	
Charges to Improvement Authorizations	<u>3,081,299</u>
	4,692,707
Decreased by:	
Cash Disbursements	<u>1,611,408</u>
Balance - December 31, 2022	<u><u>\$ 3,081,299</u></u>

**Schedule of Reserve for Payment of Debt**

**General Capital Fund**

**Year Ended December 31, 2022**

Increased by:	
Grants Received - Unappropriated	<u>\$ 144,027</u>
Balance - December 31, 2022	<u><u>\$ 144,027</u></u>

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2022**

Balance - December 31, 2021	\$	759,155
Increased by:		
Grant Awards		711,976
		1,471,131
Decreased by:		
Grant Received - Applied to Authorized Not Issued		23,352
Balance - December 31, 2022	\$	1,447,779

<u>Analysis</u>	
Ord. 2017-13: Department of Transportation	43,888
Ord. 2022-27: Department of Transportation	239,000
Ord. 2022-28: Department of Transportation	206,000
Ord. 2022-12: Community Development Block Grant	130,000
Ord. 2022-22: Community Development Block Grant	136,976
Ord. 2020-17: Community Development Block Grant	191,508
Ord. 2020-04: Bergen County Open Space	250,000
Ord. 2020-22: Green Acres Trust Fund	250,407
	\$ 1,447,779

## BOROUGH OF ELMWOOD PARK

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Decreased	Balance Dec. 31, 2022
2013-21	Streetscape Improvements	\$ 118,977			118,977
2014-12	Rehabilitation of Sanitary Sewer Pump Station	62,692			62,692
2015-17	Resurfacing Iozia Terrace, Franklin and Court St	108,366			108,366
2016-12	2016 Road Resurfacing Program	57,000			57,000
2017-13	Improvement of Blvd Section 10 Phase 2	89,340		23,352	65,988
2017-20	Removal of Underground Storage Tank & Remediation	174,000			174,000
2018-05	Resurfacing of Franklin, Orchard and Lee Streets	103,649			103,649
2018-23	Additional Appropriation: 2018-05	3,550			3,550
2019-23	Resurfacing Portions of Miller/Summit/1st/2nd/3rd Ave	48,000			48,000
2020-04	Various Public Improvements	250,000			250,000
2020-17	Imp Donor Ave/Echo Pl	290,000			290,000
2020-22	Elmwood Park Marina Imp	250,000			250,000
2020-34	Amend 2019-15: Various Public Improvements	85,500			85,500
2021-09	Improvement of 13th Avenue	285,000			285,000
2021-23	Improvement of Mola Blvd, Phase 2	238,000			238,000
2021-25	2021 Curb & Gutter Replacement	309,500			309,500
2021-27	2021 Road Improvement Program	971,000		177,999	793,001
2022-03	Acquisition of Pumper Fire Engine		938,000		938,000
2022-07	Design/Engineering Phase for Traffic Signalization Imps.		104,700		104,700
2022-12	Imps. To 13th and 14th Avenue		190,000		190,000
2022-16	Various Public Improvements		972,000		972,000
2022-20	Acquisition of equipment including Police Vehicles		152,000		152,000
2022-22	Improvement of 15th Avenue		190,000		190,000
2022-27	Streetscape Improvements - Mola Blvd.		510,000		510,000
2022-28	Improvement of Grove Street		325,000		325,000
		<u>\$ 3,444,574</u>	<u>3,381,700</u>	<u>201,351</u>	<u>6,624,923</u>
			2022 Authorizations		
			<u>3,381,700</u>		
			\$ <u>3,381,700</u>		
			Reserve for Grants Receivable	23,352	
			Unappropriated Grant Received	<u>177,999</u>	
				\$ <u>201,351</u>	

## BOROUGH OF ELMWOOD PARK

## Schedule of Cash - Treasurer

## Water Utility Fund

Year ended December 31, 2022

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2021	\$ <u>6,620,555</u>	<u>1,872,921</u>
Increased by Receipts:		
Water Collector	3,928,594	
Interest on Investments	2,858	2,118
Other Miscellaneous	1,494	
Interfunds	100	
Bond Anticipation Notes		<u>1,415,000</u>
	<u>3,933,046</u>	<u>1,417,118</u>
	10,553,601	3,290,039
Decreased by Disbursements:		
2022 Appropriations	2,514,953	
2021 Appropriation Reserves	314,504	
Interfunds		1,248
Accrued Interest on Notes	31,434	
Current Fund Revenue	575,000	
Bond Anticipation Notes		1,415,000
Improvement Authorizations		<u>54,005</u>
	<u>3,435,891</u>	<u>1,470,253</u>
Balance - December 31, 2022	\$ <u><u>7,117,710</u></u>	<u><u>1,819,786</u></u>

**BOROUGH OF ELMWOOD PARK**

**Analysis of Cash**

**Water Utility Capital Fund**

**Year ended December 31, 2022**

	Balance, Dec. 31, <u>2022</u>
Fund Balance	\$ 132,294
Down Payments on Improvements	9,000
Reserve for Payment of Debt Service	205,269
Capital Improvement Fund	1,418,000
Interfund Payable	2,123
Interfund Receivable	(1,348)
Contracts Payable	10,000

Improvement authorizations:

<u>Ordinance number</u>	<u>General improvements</u>	
2005-30	Water Main Replacement	(15,027)
2005-39	Water Meters	77,513
2006-07	Water Improvements	(2,030)
2006-29	Water Improvements	(167,466)
2011-17	Various Water Main Improvements	(293,252)
2017-35/2018-14	Water Tank Replacement	102,179
2018-15	Replacement of Water Lines	(94,589)
2019-24/2019-28	Water Main Replacement - Tuella Avenue	45,159
2020-05	Replacement/Rehabilitation of Water Mains & Lines	192,409
2022-15	Various upgrades to the Pump Station at the Gilbert Avenue Well Field	<u>199,552</u>
		<u>\$ 1,819,786</u>



**BOROUGH OF ELMWOOD PARK**

**Schedule of Interfunds**

**Water Utility Operating Fund**

**Year ended December 31, 2022**

	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Water Utility Capital Fund	\$ 5	2,118		2,123
Current Fund			100	(100)
	<u>\$ 5</u>	<u>2,118</u>	<u>100</u>	<u>2,023</u>
Interest earned on Investments		\$ 2,118		
Cash Receipts			100	
		<u>\$ 2,118</u>	<u>100</u>	

**BOROUGH OF ELMWOOD PARK**

**Schedule of Interfunds**

**Water Utility Capital Fund**

**Year ended December 31, 2022**

	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Water Utility Operating Fund	\$ (5)		2,118	(2,123)
Current Fund	<u>100</u>	<u>1,248</u>	<u>2,118</u>	<u>1,348</u>
	<u>\$ 95</u>	<u>1,248</u>	<u>2,118</u>	<u>(775)</u>
Interest earned on Investments	\$		2,118	
Cash Disbursements		<u>1,248</u>	<u>2,118</u>	
		<u>\$ 1,248</u>	<u>2,118</u>	

**BOROUGH OF ELMWOOD PARK**

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

**Water Utility Operating Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ 507,719
Increased by:	
Water Rents Levied	<u>3,531,240</u>
	4,038,959
Decreased by:	
Cash receipts	<u>3,928,594</u>
Balance - December 31, 2022	<u><u>\$ 110,365</u></u>

**Inventory - Material and Supplies**

**Water Utility Operating Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>500</u>
Balance - December 31, 2022	<u><u>\$ 500</u></u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year ended December 31, 2022

<u>Account</u>	Balance, Dec. 31, <u>2021</u>	Balance, Dec. 31, <u>2022</u>
Distribution Mains and Appurtenances	\$ 2,006,452	2,006,452
Emergency Booster Pumping Station	32,569	32,569
Labor	6,861	6,861
Miscellaneous Construction Expense	2,449	2,449
Engineering and Supervision	19,095	19,095
Interest	21,571	21,571
Legal	1,301	1,301
Hydrants	16,267	16,267
Truck - Water Utility Share	1,268	1,268
Meters & Hydrants	266,967	266,967
Accounting Equipment	5,444	5,444
Land - Pumping Station	670	670
Appraisal - Garfield Water Works	2,500	2,500
Acquisition of Land to Erect Water Tank	74,689	74,689
Acquisition of Lease Rights	9,800	9,800
Improvements of Water Infrastructure	4,640,331	4,640,331
Various System Improvements and Computer Mapping	755,104	755,104
Replacement of Water Meters	789,070	789,070
	<u>8,652,408</u>	<u>8,652,408</u>
	\$ <u>8,652,408</u>	<u>8,652,408</u>

BOROUGH OF ELMWOOD PARK

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year ended December 31, 2022

Ordinance number	Improvement description	Ordinance		Balance, Dec. 31, 2021	2022 Authorizations	Balance, Dec. 31, 2022
		Date	Amount			
2005-39	Water Meters	12/29/05	140,000	140,000		140,000
2006-07	Water Improvements	02/16/06	76,000	80,000		80,000
2011-17	Various Water Main Projects	10/20/12	340,000	340,000		340,000
2017-35	Water Tank Replacement	12/21/17	2,330,000	2,330,000		2,330,000
2018-14	Water Tank Replacement	07/19/18	210,000	210,000		210,000
2018-15	Replacement of Water Lines	07/19/18	270,000	270,000		270,000
2019-24	Water Main Replacement at Tuella Avenue	09/20/19	1,050,000	1,050,000		1,050,000
2019-28	Water Main Replacement at Tuella Avenue	11/15/2019	125,000	125,000		125,000
2020-05	Rehabilitation/Replacement of Water Mains & Lines	3/19/2020	240,000	240,000		240,000
2022-15	Various upgrades to the Pump Station at the Gilbert Avenue Well Field	5/19/2022	200,000		200,000	200,000
				\$ 4,785,000	200,000	4,985,000

**BOROUGH OF ELMWOOD PARK**  
**Schedule of 2021 Appropriation Reserves**  
**Water Utility Operating Fund**  
**Year ended December 31, 2022**

	Balance, Dec. 31, <u>2021</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 118,266	118,266		118,266
Other Expenses	<u>58,059</u>	<u>405,679</u>	<u>314,504</u>	<u>91,175</u>
Total Operating	<u>176,325</u>	<u>523,945</u>	<u>314,504</u>	<u>209,441</u>
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to: Social Security System (O.A.S.I.)	<u>33,149</u>	<u>33,149</u>		<u>33,149</u>
Total Deferred Charges and Statutory Expenditures	<u>33,149</u>	<u>33,149</u>		<u>33,149</u>
Total Operating	<u>\$ 209,474</u>	<u>557,094</u>	<u>314,504</u>	<u>242,590</u>
Appropriation Reserves	\$ 209,474			
Encumbrances		<u>347,620</u>		
		<u>\$ 557,094</u>		

**BOROUGH OF ELMWOOD PARK**

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

**Water Utility Operating Fund**

**Year ended December 31, 2022**

Balance, December 31, 2021		\$	11,132
Increased by:			
Budget Appropriation			<u>35,303</u>
			46,435
Decreased by:			
Payments	\$	31,434	
Liability Canceled		<u>2,259</u>	
			<u>33,693</u>
Balance, December 31, 2022		\$	<u><u>12,742</u></u>

Analysis of Balance

Principal Outstanding <u>Dec. 31, 2022</u>	<u>From</u>	<u>To</u>	Interest Rate	Required Amount
\$ 613,177	8/1/2022	12/31/2022	4.00-5.00%	8,753
1,415,000	12/2/22	12/31/22	3.75%	<u>3,989</u>
				\$ <u><u>12,742</u></u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Reserve for Amortization**

**Water Utility Capital Fund**

**Year ended December 31, 2022**

Balance, December 31, 2021	\$ 7,249,433
Increased by:	
Paid by Operating Budget	
NJ EIT Loan Payable	<u>262,997</u>
Balance, December 31, 2022	<u><u>\$ 7,512,430</u></u>

**Schedule of Capital Improvement Fund**

**Water Utility Capital Fund**

**Year ended December 31, 2022**

Balance- December 31, 2021	\$ 1,618,000
Decreased by:	
Appropriated to Finance Improvement	
Authorizations	<u>200,000</u>
Balance- December 31, 2022	<u><u>\$ 1,418,000</u></u>



BOROUGH OF ELMWOOD PARK

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year ended December 31, 2022

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2021		2022 Authorizations		Balance, Dec. 31, 2022	
				Funded	Unfunded	Expended	Unfunded	Funded	Unfunded
05-39	Water Meters	12/29/2005	140,000	77,513			77,513		
06-07	Water Improvements	2/16/2006	80,000		73,970				73,970
11-17	Various Water Main Improvements	10/20/2012	340,000		46,748				46,748
2017-35/2018-14	Water Tank Replacement	12/21/2017	2,330,000						
		7/19/2018	210,000	102,179				102,179	
2018-15	Replacement of Water Lines	7/19/2018	270,000		191,377				175,411
2019-24/2019-28	Water Main Replacement - Tuella Avenue	9/19/2019	1,050,000						
		11/14/2019	125,000		45,159				45,159
2020-05	Replacement/Rehabilitation of Water Mains & Lines	3/19/2020	240,000		240,000				192,409
2022-15	Various upgrades to the Pump Station at the Gilbert Avenue Well Field	5/19/222	200,000			200,000		199,552	
				\$ 179,692	\$ 597,254		200,000	\$ 379,244	\$ 533,697

Cash Disbursement	54,005
Contracts Payable	10,000
	<u>\$ 64,005</u>

**BOROUGH OF ELMWOOD PARK**

**Schedule of Reserve for Payment of Debt**

**Water Utility Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021 \$ 205,269

Balance - December 31, 2022 \$ 205,269

Analysis of Balance

Ord. 2005-12 205,269

\$ 205,269

**BOROUGH OF ELMWOOD PARK**

**Schedule of Bond Anticipation Notes Payable**

**Water Utility Capital Fund**

Year ended December 31, 2022

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	rate	Balance Dec.31 2021	Increased	Decreased	Balance, Dec.31, 2022
2019-24	Replacement of Water Main - Tuella Avenue	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	3.75%	\$ 1,050,000	1,050,000	1,050,000	1,050,000
2019-28	Supplemental Appropriation: 2019-28	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	3.75%	125,000	125,000	125,000	125,000
2020-05	Replacement/Rehabilitation of Water Mains & Lines	Dec. 3, 2020	Dec. 2, 2022	Aug. 23, 2023	3.75%	240,000	240,000	240,000	240,000
						<u>\$ 1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>	<u>1,415,000</u>
							<u>Renewed 1,415,000</u>	<u>1,415,000</u>	
								<u>\$ 1,415,000</u>	<u>1,415,000</u>

BOROUGH OF ELMWOOD PARK

Schedule of Environmental Infrastructure Trust Fund Loans Payable

Water Utility Capital Fund

Year ended December 31, 2022

<u>Purpose</u>	<u>Date of issue of original notes</u>	<u>Original issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Balance Dec. 31 2021</u>	<u>Decreased</u>	<u>Balance, Dec. 31 2022</u>
Water System Improvements	11/9/2006	4,523,513	2/1/2023	9,724	4.00-5.00%	1,220,482	262,997	957,485
			8/1/2023	265,016				
			2/1/2024	7,530				
			8/1/2024	239,011				
			2/1/2025	4,868				
			8/1/2025	261,090				
			2/1/2026	170,246				
			8/1/2026					
						\$ 1,220,482	262,997	957,485

Budget Appropriations \$ 262,997  
 \$ 262,997

**BOROUGH OF ELMWOOD PARK**

**Schedule of Down Payments on Improvements**

**Water Utility Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>9,000</u>
Balance - December 31, 2022	\$ <u><u>9,000</u></u>

BOROUGH OF ELMWOOD PARK

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year ended December 31, 2022

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2021</u>	<u>Fixed Capital Authorized</u>	<u>Balance, Dec. 31, 2022</u>
05-39	Water Meters	12/29/2005	\$ 140,000		140,000
06-07	Water Improvements	2/16/2006	4,000		4,000
2017-35/2018-14	Water Tank Replacement	12/21/2017	2,540,000		2,540,000
2022-15	Various upgrades to the Pump Station at the Gilbert Avenue Well Field	5/19/2022		200,000	200,000
			\$ <u>2,684,000</u>	<u>200,000</u>	<u>2,884,000</u>

**Exhibit D-23**

**BOROUGH OF ELMWOOD PARK**

**Schedule of Encumbrances Payable**

**Water Utility Operating Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>347,620</u>
Increased by:	
Transferred from 2021 Budget	<u>340,840</u>
	688,460
Decreased by:	
Transferred to Appropriation Reserves	<u>347,620</u>
Balance - December 31, 2022	\$ <u><u>340,840</u></u>

**Exhibit D-24**

**Schedule of Contracts Payable**

**Water Utility Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ 295,782
Increased by:	
Charges to Improvement Authorizations	<u>10,000</u>
	305,782
Decreased by:	
Contracts Payable Reversed	<u>295,782</u>
Balance - December 31, 2022	\$ <u><u>10,000</u></u>

## BOROUGH OF ELMWOOD PARK

## Schedule of Bonds and Notes Authorized But Not Issued

## Water Utility Capital Fund

Year ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>Balance Dec. 31, 2022</u>
05-30	Water Main Replacement	15,027	15,027
06-07	Water Improvements	76,000	76,000
06-29	Water Improvements	167,466	167,466
2011-17	Various Water Main Replacement	340,000	340,000
2018-15	Replacement of Water Lines	270,000	270,000
		<u>\$ 868,493</u>	<u>868,493</u>



**BOROUGH OF ELMWOOD PARK**

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**PART II**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**

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**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Elmwood Park in the County of Bergen as of and for the year ended December 31, 2022 and the related notes to the financial statements, and have issued our report thereon dated April 20, 2023, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

**Internal Control Over Financial Reporting**

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

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



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

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


### **Compliance and Other Matters**


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

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

### **Purpose of this Report**

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

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

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

April 20, 2023





# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08**

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

**Report on Compliance for Each Major Federal and State Program**

**Opinion on Each Major Federal and State Program**

We have audited Borough of Elmwood Park's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the N.J. Office of Management and Budget Circular 15-08 Compliance Supplement that could have a direct and material effect on each of Borough of Elmwood Park's major federal and state programs for the year ended December 31, 2022. Borough of Elmwood Park's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Borough of Elmwood Park complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit of compliance 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 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our responsibilities under those standards and the Uniform and N.J.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Borough of Elmwood Park and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Borough of Elmwood Park's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Borough of Elmwood Park's federal and state programs.

#### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Borough of Elmwood Park's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Borough of Elmwood Park's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include



Honorable Mayor and  
Members of the Borough Council  
Page 3.

examining, on a test basis, evidence regarding Borough of Elmwood Park's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Borough of Elmwood Park's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Elmwood Park's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08.

Government Auditing Standards requires the auditor to perform limited procedures on Borough of Elmwood Park's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Borough of Elmwood Park's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Honorable Mayor and  
Members of the Borough Council  
Page 4.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



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



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

April 20, 2023





BOROUGH OF ELMWOOD PARK

Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

Federal Grantor General Capital Fund:	Federal Program	Assistance Listing Number	Grant Year	Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures	
(1) Department of Housing and Urban Development	Community Development Block Grant Ord. 2022-12 - Improvements to 13 & 14th Avenues Ord. 2022-02 - Improvements to 17th Avenue Ord. 2022-22 - Improvements to 15th Avenue Ord 20-17 - ADA Sidewalk Imp. - Donor Ave & Echo Pl	14.218	2022 2022 2022 2020	130,000 \$ 122,205 136,976 191,508		130,000 122,205 136,976	* 130,000 * 122,205 * 136,976 * 168,842	
<b>Total Federal Financial Assistance - General Capital Fund</b>							<b>389,181</b>	* 377,333
<b>Federal and State Grant Fund:</b>								
(2) U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	American Rescue Plan Childcare NJ ARP Stabilization Childcare Hiring and Retention	21.027	3/3/21-12/31/24	2,089,812 80,000 21,000	1,044,906 80,000 21,000	1,044,906 80,000 21,000	* 1,044,906 * 79,690 * 21,000	
(1) Department of Housing and Urban Development	Community Development Block Grant Senior Center COVID Project	14.218	2022	10,200		10,200	* 10,200	
(2) U.S. Department of Transportation National Highway Traffic Safety Administration	Non-Motorized Safety	20.616	2021 5/23/22-6/5/22 5/24/21-6/6/21 4/1/22-4/30/22 2019	2,200 6,440 960 7,980 5,253	6,440	6,440	* 4,873	
(2) U.S. Department of Health and Human Services	National Opioid Settlement	93.788	2022		9,503		* 9,503	
U.S. Department of Justice Juvenile Justice and Delinquency Prevention Grant	2016-JF-FX-0039	16.540	2020	9,000			* 9,000	
<b>Total Federal Financial Assistance - Federal and State Grant Fund</b>							<b>1,156,106</b>	* 1,156,106
<b>Current Fund:</b>								
(2) Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Hurricane Ida Tropical Storm Isaias	97.036 97.036	2022 2021	101,579 15,985	101,579 15,985	101,579 15,985	* 101,579 * 15,985	
<b>Total Federal Financial Assistance - Current Fund</b>							<b>117,564</b>	* 117,564

**BOROUGH OF ELMWOOD PARK**

**Schedule of Expenditures of Federal Awards**

Year ended December 31, 2022

Federal Grantor	Federal Program	Assistance Listing Number	Grant Year	Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures
Trust Funds:							*
U.S. Department of the Treasury	Equitable Sharing Program	21.016	2021				*
U.S. Department of Justice	Equitable Sharing Program	16.922	2021				*
<i>Total Federal Financial Assistance - Trust Funds</i>					<u>\$ 1,287,393</u>	<u>1,662,851</u>	*

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

Note: This schedule was subject to an audit in accordance with the Uniform Guidance.

**BOROUGH OF ELMWOOD PARK**  
**Schedule of Expenditures of State Awards**  
**Year ended December 31, 2022**

<u>State funding department</u>	<u>State program</u>	<u>Grant number</u>	<u>Grant year</u>	<u>Allocation or grant award amount</u>	<u>Revenue Realized/ Receipts</u>	<u>Expended</u>	<u>MEMO Cumulative Total Expenditures</u>
<u>Federal and State Grant Funds:</u>							
Department of Environmental Protection Agency	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	2022 2021 2020	30,696 \$ 17,439 24,017	30,696		
	Clean Communities	4900-765-042-4900-004-V42Y	2022 2021 2019	35,539 33,887 35,303	35,539 66,235	12,739 29,977 42,716	12,739 35,303
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2022 2021	6,159 7,270	6,159		
			2016 2014 2009	12,278		4,223 8,016 2,676	11,743 8,016 11,266
Department of Law and Public Safety	Division of Criminal Justice Safe and Secure Grant	19-0211	2022 2020	32,400 60,000	32,400	32,400 60,000	32,400 60,000
	Drunk Driving Enforcement Fund	6400-100-078-6400	2018 2018	6,627 19,952			9,960
	Division of Criminal Justice Body Armor Fund	1020-718-066-1020-001-YCIS-6120	2022 2021 2020	5,519 3,201 4,277	5,519	2,104 94,504	3,289
Department of Human Services	Division of Family Development NJ Workforce Registry - Stabilization NJ Workforce Registry - Stabilization		2021 2020	4,000 4,000			

**BOROUGH OF ELMWOOD PARK**

**Schedule of Expenditures of State Awards**

Year ended December 31, 2022

	State program	Grant number	Grant year	Allocation or grant award amount	Revenue Realized/ Receipts	Expended	MEMO Cumulative Total Expenditures
Municipal Alliance for Alcohol & Drug Abuse (Passed through Bergen County)			2013		110,313	152,135	*
<i>Total State Financial Assistance - Federal and State Grant Fund</i>							
<i>General Capital Fund:</i>							
Department of Transportation	Inp. Of the Boulevard, Sec. 10, Phase 2		2017	155,500	23,352		* 155,500
Department of Transportation	Streetscape Imps. To Mola Blvd.	Ord. 2022-27	2022	239,000			*
Department of Transportation	Improvements to Grove St	Ord. 2022-28	2022	206,000			*
Department of Environmental Protection	Green Acres	Elmwood Park Marina - Ord 2020-22	2020	250,407			*
<i>Total State Financial Assistance - General Capital Fund</i>							
<i>Total State Financial Assistance</i>							
				\$	133,665	152,135	*
<i>Other Financial Assistance</i>							
County of Bergen	Stigma Free Grant		2018	1,860			*
	Historical Grant for Restoration		2019	1,126			* 1,000
	Open Space Trust Fund		2019	129,175			* 73,145
	ADA Accessible Playground Equipment	Cherry Hill Park - Ord. 2019-09	2020	250,000			* 250,000
	Rosemont Park Improvement - Ord 2020-04						*
<i>Total Other Financial Assistance</i>							
<i>Total State and Other Financial Assistance</i>							
				\$	133,665	152,135	*

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

**BOROUGH OF ELMWOOD PARK  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules do not agree with amounts reported in the Borough's financial statements because encumbrances are not reported in the accompanying schedules. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	\$117,564	\$	\$	\$117,564
Federal and State Grant Fund	1,156,106	152,135		1,308,241
General Capital Fund	<u>389,181</u>	<u>          </u>	<u>          </u>	<u>389,181</u>
Total Current Fund	<u>\$1,662,851</u>	<u>\$152,135</u>	<u>\$0</u>	<u>\$1,814,986</u>

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

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports.

**BOROUGH OF ELMWOOD PARK  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(continued)**

**NOTE 5. INDIRECT COST RATE**

The Borough of Elmwood Park has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**BOROUGH OF ELMWOOD PARK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: adverse - USGAAP  
unmodified - regulatory

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  no
2. Material weakness(es) identified? \_\_\_\_\_ yes       X  no

Noncompliance material to financial statements noted? \_\_\_\_\_ yes       X  no

**Federal Awards Section**

Dollar threshold used to determine type A programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes       X  no

Type of auditors' report on compliance for major programs: unmodified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  none
2. Material weakness(es) identified? \_\_\_\_\_ yes       X  no

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? \_\_\_\_\_ yes       X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
<u>21.027</u> (A)	<u>Coronavirus State and Local Fiscal Recovery Funds</u>

(A) Tested as a major Type A Program

**BOROUGH OF ELMWOOD PARK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(continued)**

**State Awards Section**

Not Applicable



**BOROUGH OF ELMWOOD PARK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(continued)**

*Section II – Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

NONE

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs*

NONE

**BOROUGH OF ELMWOOD PARK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(continued)**

**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior year audit findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 15-08, as amended.

## BOROUGH OF ELMWOOD PARK

### GENERAL COMMENTS

#### Contracts and Agreements

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

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

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

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

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

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On May 7, 2009, the Borough increased the bid threshold to \$36,000 as allowed by law for having a qualified purchasing agent. On July 1, 2020, the threshold with a qualified purchasing agent was increased to \$44,000.

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

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

- Improvements to 13<sup>th</sup>, 14<sup>th</sup>, and 17<sup>th</sup> Avenues
- 2021 Road Improvement Program
- 15<sup>th</sup> Avenue Road Improvements
- Grove Street Improvements
- Mola Boulevard Improvements

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

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

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

The governing body failed to adopt the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

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

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on October 13, 2022, and was complete.

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

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

<u>Year</u>	<u>Number of liens</u>
2022	1
2021	1
2020	0

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**BOROUGH OF ELMWOOD PARK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2022**

**COMMENTS**

**Clerk**

1. The following resolutions were not presented to Mayor and Council for approval:
  - a. Resolution designating interest to be charged on delinquent taxes
  - b. Resolutions authorizing amendments to the capital budget prior to the introduction of a bond ordinance.

**Finance/Treasurer/Accounts Payable**

1. \*There are Capital Fund Improvement Authorizations greater than five years old that have unfunded portions outstanding.
2. \*Outside Duty/Outside Employment of borough police officers is not being accounted for in accordance with Local Finance Notice 2000-14.
3. \*Cash receipts/revenues, other than tax collections, are not being recorded through the Borough's accounting software, but are rather being compiled manually through the use of an excel spreadsheet. This makes it difficult to tie out revenues to departments and subsequent postings to the client's manual general ledger.
4. An error during the calculation of an employee's base pay resulted in that employee being overpaid for the calendar year 2022.

**Municipal Court**

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

**BOROUGH OF ELMWOOD PARK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2022**

**RECOMMENDATIONS**

**Clerk:**

1. All appropriate resolutions be prepared and presented to Mayor and Council for authorization.

**Finance/Treasurer/Accounts Payable:**

1. Unfunded improvement authorizations that are over five years old, where projects have been completed, be funded through either a budget appropriation or through the issuance of temporary or permanent debt.
2. Accounting practices be updated to account for the receipt and payment of Off-Duty/Outside employment of police officers to comply with the requirements as set forth in Local Finance Notice 2000-14.
3. All cash receipts/revenue collections be properly recorded within the accounting software to facilitate a more accurate reflection of departmental revenue and subsequent postings to the general ledger.
4. A more thorough review of payroll calculations be made to ensure the correct base pay figures are utilized.

**Municipal Court**

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



## BOROUGH OF ELMWOOD PARK

### Suggestions to Management:

1. The Payroll department review personnel records and obtain updated W-4's for all current employees.
2. Outstanding checks greater than 180 days old be voided via resolution in all borough accounts.
3. The Municipal Court Change fund should be authorized by resolution.

### STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

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

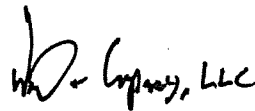
### ACKNOWLEDGMENT

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

Respectfully submitted,



Steven D. Wielkotz  
Registered Municipal Accountant  
No. CR00413



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

April 20, 2023

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