

BOROUGH OF ELMWOOD PARK
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2024

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

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2024**

BOROUGH OF ELMWOOD PARK

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Borough of Elmwood Park which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024 and the related statements of operations and changes in fund balance - regulatory basis and statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year then ended and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Elmwood Park as of December 31, 2024 and the results of operations and changes in fund balance – regulatory basis and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year then ended in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Elmwood Park as of December 31, 2024 or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2024. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 11 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2024.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Elmwood Park on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Prior Year Financial Statements

The financial statements of the Borough of Elmwood Park as of and for the year ended December 31, 2023 were audited by other auditors whose report dated April 12, 2024 expressed a modified opinion on the financial statements – regulatory basis prepared in accordance with the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements described in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of their report. Their report also expressed an adverse opinion on the financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America but rather the regulatory basis of accounting described in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of their report.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 of Elmwood Park'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 judgment, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Elmwood Park as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Elmwood Park. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.


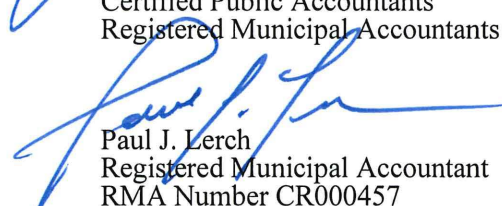
Other Information

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 18, 2025 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 solely 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 the effectiveness of the Borough of Elmwood Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Elmwood Park's internal control over financial reporting and compliance.


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

 Paul J. Lerch
 Registered Municipal Accountant
 RMA Number CR000457

FINANCIAL STATEMENTS

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Current Fund:			
Cash	A-4	\$ 10,341,277	\$ 11,428,461
Cash - Change Funds	A-5	<u>200</u>	<u>200</u>
		<u>10,341,477</u>	<u>11,428,661</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	574,219	846,738
Tax Title Liens Receivable	A-9	11,029	3,501
Property Acquired for Taxes - Assessed Valuation	A-10	23,450	23,450
Revenue Accounts Receivable	A-14	67,369	46,491
Due from General Capital Fund	A-18	700,194	
Due From Other Trust Fund- Payroll	A-18	30,436	128,941
Due from Animal Control Trust Fund	A-18	<u>5,648</u>	<u>6,175</u>
		<u>1,412,345</u>	<u>1,055,296</u>
Deferred Charges:			
Over-expenditure of Appropriation Reserve	A-15	31,167	5,134
Over-expenditure of Appropriations	A-15		58,652
Expenditure without Appropriations	A-15	179,584	
Special Emergency Authorizations	A-16	790,528	330,793
Emergency Appropriations	A-17	<u>-</u>	<u>1,063,296</u>
		<u>1,001,279</u>	<u>1,457,875</u>
		<u>12,755,101</u>	<u>13,941,832</u>
Federal and State Grant Fund:			
Due from Current Fund	A-11	137,211	134,807
Due from General Capital Fund	A-12	4,827	904
Due from Other Trust Fund	A-30	144,433	144,433
Over-Expenditure of Grant Reserve	A-33		12,600
Grants Receivable	A-13	<u>307,962</u>	<u>168,362</u>
		<u>594,433</u>	<u>461,106</u>
Total Assets		<u>\$ 13,349,534</u>	<u>\$ 14,402,938</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND**

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Current Fund:			
Appropriation Reserves	A-3,A-19	\$ 648,183	\$ 819,459
Encumbrances Payable	A-20	1,362,131	273,036
Accounts Payable	A-21	25,035	
Due to State of New Jersey-			
Senior Citizens' and Veterans' Deductions	A-7	77,696	76,197
Due to Federal and State Grant Fund	A-10	137,211	134,807
Due to Other Trust Fund	A-18		750
Due to General Capital Fund	A-18		12,498
Due to Water Utility Operating Fund	A-18		250,000
Due to Water Utility Capital Fund	A-18	250,000	1,348
Reserve for Municipal Relief Aid	A-22		152,485
Reserve for Tax Appeals	A-23	455,224	455,224
Tax Overpayments	A-24	239,241	12,518
Marriage License Fees Payable	A-26	675	675
School Taxes Payable	A-25	29	
County Taxes Payable	A27		135,864
Prepaid Taxes	A-28	433,726	332,859
Due to LOSAP - Plan Assets	A-29	-	102,752
		<u>3,629,151</u>	<u>2,760,472</u>
Reserve for Receivables	A	1,412,345	1,055,296
Fund Balance	A-1	<u>7,713,605</u>	<u>10,126,064</u>
		<u>12,755,101</u>	<u>13,941,832</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-31	445,314	275,307
Unappropriated Reserve for Grants	A-32	<u>149,119</u>	<u>185,799</u>
		<u>\$ 594,433</u>	<u>\$ 461,106</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 13,349,534</u>	<u>\$ 14,402,938</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUE AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 5,670,149	\$ 4,598,087
Miscellaneous Revenue Anticipated	9,269,492	8,805,075
Receipts from Delinquent Taxes	719,171	503,497
Receipts from Current Taxes	66,816,684	63,895,724
Non-Budget Revenues	527,285	508,547
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	579,912	450,192
Interfunds/Other Receivables Returned	135,116	60,954
Other Liabilities Cancelled	102,752	1,037,000
Statutory Excess	<u>5,635</u>	<u>-</u>
Total Income	<u>83,826,196</u>	<u>79,859,076</u>
EXPENDITURES		
Budget Appropriations		
Salaries and Wages	12,431,917	11,637,102
Other Expenses	15,754,736	14,711,740
Capital Improvement Fund	665,000	296,296
Municipal Debt Service	2,463,733	1,812,904
Deferred Charges and Statutory Expenditures	4,647,588	3,251,250
Local District School Tax	37,534,767	36,853,745
County Taxes Including Added Taxes	6,902,608	6,647,636
Refunds	-	32,749
Interfunds Advanced	736,278	89,547
Prior Year Senior Citizens and Veterans' Disallowed	<u>1,879</u>	<u>-</u>
Total Expenditures	<u>81,138,506</u>	<u>75,332,969</u>
Excess in Revenue Over Expenditures	2,687,690	4,526,107
Adjustments to Income before Surplus:		
Expenditures Included Above Which are By Statute Deferred		
Charges to Budget of Succeeding Year	<u>570,000</u>	<u>1,121,948</u>
Statutory Excess to Fund Balance	3,257,690	5,648,055
Fund Balance, January 1	<u>10,126,064</u>	<u>9,076,096</u>
	13,383,754	14,724,151
Decreased by:		
Utilization as Anticipated Revenue	<u>5,670,149</u>	<u>4,598,087</u>
Fund Balance, December 31	<u><u>\$ 7,713,605</u></u>	<u><u>\$ 10,126,064</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Anticipated <u>Budget</u>	Added by <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 5,670,149	-	\$ 5,670,149	-
Miscellaneous Revenues				
Licenses				
Alcoholic Beverages	15,000		22,430	\$ 7,430
Other	17,000		70,440	53,440
Fees and Permits	258,874		450,713	191,839
Fines and Costs				
Municipal Court	340,000		324,557	(15,443)
Interest and Costs on Taxes	110,000		65,190	(44,810)
Interest on Investments and Deposits	450,000		550,292	100,292
Energy Receipts Tax	1,479,336		1,479,336	-
Consolidated Municipal Property Tax Relief Act	152,485		152,485	-
Board of Education - School Resource Officers	180,000		187,100	7,100
Uniform Construction Code Fees	566,400		680,688	114,288
Public and Private Revenues Offset with Appropriations				-
Recycling Tonnage Grant	30,696	\$ 40,101	70,797	-
Safe and Secure Communities Program - Reserve	32,400		32,400	-
Clean Communities	35,539	45,276	80,815	-
Drunk Driving Enforcement Fund	7,000		7,000	-
Body Armor Replacement Fund	7,003		7,003	-
Alcohol Education and Rehabilitation Fund	9,274	1,348	10,622	-
Pedestrian Safety	12,600		12,600	-
Click It or Ticket	7,000		7,000	-
Body Worn Camera Grant		30,570	30,570	-
Local Recreational Improvement Grant		70,000	70,000	-
Spotted Lantern Fly Program		20,000	20,000	-
You Drink, You Drive, You Lose		13,720	13,720	-
American Rescue Plan Firefighter Grant		75,000	75,000	-
Utility Operating Surplus	2,300,000		2,300,000	-
Uniform Fire Safety Act	58,000		84,326	26,326
Trunk Sewer Revenue	1,643,007		1,643,338	331
EMS Services	500,000		499,045	(955)
Reserve for Payment of Debt	322,025	-	322,025	-
Total Miscellaneous Revenues	8,533,639	296,015	9,269,492	439,838
Receipts from Delinquent Taxes	590,000	-	719,171	129,171
Subtotal General Revenues	14,793,788	296,015	15,658,812	569,009
Amount to be Raised by Taxes for Support of:				
Municipal Budget	21,657,228		23,721,155	2,063,927
Municipal Library	948,423	-	948,423	-
Total Amount to be Raised by Taxes	22,605,651	-	24,669,578	2,063,927
Total General Revenues	\$ 37,399,439	\$ 296,015	40,328,390	\$ 2,632,936
Non-Budget Revenues			527,285	
			\$ 40,855,675	

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)

Analysis of Realized Revenues

Allocation of Current Tax Collections		
Revenues from Collections	\$	66,816,684
Less: Allocation to School, County, and Municipal Open Space Taxes		<u>44,437,375</u>
Balance for Support of Municipal Budget Appropriation		22,379,309
Add Appropriation - "Reserve for Uncollected Taxes"		<u>2,290,269</u>
Amount for Support of Municipal Budget Appropriations	\$	<u>24,669,578</u>
Receipts from Delinquent Taxes		
Delinquent Taxes	\$	716,815
Tax Title Liens		<u>2,356</u>
	\$	<u>719,171</u>
Verizon Franchise Fees	\$	97,596
Cable Franchise Fees		115,441
Hotel Franchise Tax		80,775
Police Outside Duty Admin Fees		148,726
Motor Vehicle Fines		9,350
Other		26,165
Signal Reimbursement		6,735
LOSAP Surrender		946
Senior Citizen & Veteran's Admin Fees		1,417
Stale Checks		39,548
Passaic Valley Water Commission		<u>586</u>
	\$	<u>527,285</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS						
Mayor and Council						
Salaries and Wages	\$ 57,500	\$ 58,500	\$ 58,499	\$ 1		
Municipal Clerk						
Salaries and Wages	240,000	213,700	213,669	31		
Other Expenses	90,000	76,000	72,557	3,443		
Grant Consultant	40,000	50,000	50,000			
Financial Administration						
Salaries and Wages	345,000	360,000	329,398	30,602		
Other Expenses	75,000	63,000	58,307	4,693		
Other Expenses - ADS Payroll	65,000	71,200	71,200			
Audit Services	55,000	74,350	74,350			
Collection of Taxes						
Salaries and Wages	125,000	124,000	118,751	5,249		
Other Expenses	30,000	32,500	31,399	1,101		
Postage	40,000	19,500	19,262	238		
Assessment of Taxes						
Salaries and Wages	100,000	108,000	105,468	2,532		
Other Expenses	17,500	22,500	20,777	1,723		
Emergency Revaluation		570,000	570,000			
Legal Services and Costs						
Salaries and Wages	120,000	120,000	102,569	17,431		
Other Expenses	130,000	146,000	143,509	2,491		
Engineering Services						
Other Expenses	90,000	90,000	84,999	5,001		
Municipal Land Use Law						
Planning Board						
Salaries and Wages	9,800	11,600	11,551	49		
Other Expenses	8,000	11,000	10,795	205		
Zoning Board of Adjustment						
Salaries and Wages	25,000	25,000	24,593	407		
Other Expenses	10,000	10,000	5,082	4,918		
Council on Affordable Housing						
Other Expenses	30,000	35,000	33,932	1,068		
Town Planner						
Other Expenses	20,000	5,000	1,450	3,550		
Insurance						
General Liability	804,959	557,719	557,719			
Workers Compensation Insurance	535,805	518,805	518,096	709		
Employee Group Health	3,321,404	3,566,637	3,537,409	29,228		
Other Insurance						
Insurance	20,000	20,000	9,118	10,882		
Municipal Court						
Salaries and Wages	255,000	267,000	260,845	6,155		
Other Expenses	25,000	25,000	15,716	9,284		
Public Defender						
Other Expenses	19,500	19,500	13,798	5,702		

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS"						
PUBLIC SAFETY FUNCTIONS						
Police Department						
Salaries and Wages	\$ 7,114,710	\$ 6,839,710	\$ 6,793,592	\$ 46,118		
Salaries and Wages - Crossing Guards	130,000	176,500	176,256	244		
Salaries and Wages - Other Police Person	728,900	553,900	550,924	2,976		
Other Expenses-Regular/Specials	500,000	512,000	508,167	3,833		
Police Dispatch/911:						
Salaries and Wages	275,000	301,000	298,701	2,299		
Office of Emergency Management						
Salaries and Wages	400,000	491,000	490,469	531		
Other Expenses	12,000					
Fire Department						
Stipend Program	150,000	215,000	174,857	40,143		
Other Expenses - Miscellaneous	185,000	185,000	156,474	28,526		
Other Expenses - Clothing Allowance	58,000	58,000	45,248	12,752		
Other Expenses - Rental of Firehouse	75,000	75,000	75,000			
Uniform Fire Safety Act (Ch. 383, PL 1983)						
Salaries and Wages - Fire Official	160,000	168,000	158,167	9,833		
Other Expenses	30,000	30,000	15,440	14,560		
Municipal Prosecutor						
Salaries and Wages	32,500	32,500	22,216	10,284		
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance						
Salaries and Wages	1,450,000	1,390,275	1,385,861	4,414		
Other Expenses	260,000	423,532	422,885	647		
Other Public Works Function						
Other Expenses - Traffic Lights	25,000	25,000	18,892	6,108		
Shade Tree Commission						
Other Expenses	9,000	19,000	17,400	1,600		
Solid Waste Collection						
Salaries and Wages	70,000	46,000	45,143	857		
Other Expenses - Recycling	399,231	620,231	519,347	100,884		
Other Expenses - Solid Waste Tipping	1,427,387	1,327,387	1,322,581	4,806		
Rent Leveling						
Salaries and Wages	1,600	1,600	1,337	263		
Vehicle Maintenance						
Other Expenses	80,000	80,000	72,450	7,550		
HEALTH AND HUMAN SERVICES FUNCTIONS						
Public Health Services						
Salaries and Wages	20,000	20,000	13,725	6,275		
Other Expenses	16,000	16,000	12,575	3,425		
PARKS AND RECREATION FUNCTIONS						
Recreation Services and Programs						
Salaries and Wages	440,000	422,000	406,854	15,146		
Other Expenses	175,000	175,000	167,136	7,864		
Maintenance of Parks						
Other Expenses	35,000	35,000	31,451	3,549		
Celebration of Public Events						
Other Expenses	105,000	135,000	133,605	1,395		
Senior Citizen's						
Other Expenses	15,000	15,100	15,019	81		

The Accompanying Notes are an Integral Part of these Financial Statements 10

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS"						
Utility Expenses and Bulk Purchases						
Electric and Gas	\$ 280,000	\$ 280,000	\$ 262,288	\$ 17,712		
Street Lighting	200,000	240,000	222,819	17,181		
Telephone	150,000	150,000	135,084	14,916		
Gasoline	215,000	205,000	198,321	6,679		
Compensated Absences:						
Salaries and Wages	39,142	39,142	39,142			
UNIFORM CONSTRUCTION CODE						
APPROPRIATIONS OFFSET BY DEDICATED REVENUES						
Uniform Construction Code Enforcement Functions						
Salaries and Wages	450,000	450,000	442,991	7,009		
Other Expenses	35,000	43,000	40,009	2,991	-	-
Total Operations Within "CAPS"	22,452,938	23,067,388	22,517,244	550,144	-	-
Contingent	10,000	10,000	-	10,000	-	-
Total Operations including Contingent - Within "CAPS"	22,462,938	23,077,388	22,517,244	560,144	-	-
Detail:						
Salaries and Wages	12,589,152	12,219,427	12,050,721	168,706	-	-
Other Expenses (including contingent)	9,873,786	10,857,961	10,466,523	391,438	-	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Contribution to:						
Public Employees' Retirement System	589,946	589,946	589,946			
Social Security System	585,000	610,000	590,548	19,452		
Police and Firemen's Retirement Fund of NJ	2,197,695	2,197,695	2,183,473	14,222		
Emergency Authorizations	251,161	251,161	251,161			
Overexpenditure 2023 Budget	82,625	82,625	76,386	-	-	\$ 6,239
Total Deferred Charges and Statutory Expenditures - Within "CAPS"	3,706,427	3,731,427	3,691,514	33,674	-	6,239
Total General Appropriations for Municipal Purposes within "CAPS"	26,169,365	26,808,815	26,208,758	593,818	-	6,239

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library	\$ 948,423	\$ 948,423	\$ 948,423			
Recycling Tax	60,828	51,378	43,675	\$ 7,703		
Sewerage Processing and Disposal						
Passaic Valley Sewer Commission						
Operating and Maintenance Costs	3,144,587	3,144,587	3,144,586	1		
Contribution to:			-	-		
Liability Insurance	25,648	25,648	23,372	2,276		
Garbage and Trash	150,769	150,769	121,099	29,670		
Workers Compensation	39,593	39,593	39,593	-	-	-
Total Other Operations - Excluded from "CAPS"	4,369,848	4,360,398	4,320,748	39,650	-	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Elmwood Park BOE School Resource Officers	180,000	180,000	180,000	-		
County of Bergen - Public Health Officer and Anima	120,000	120,000	108,827	11,173	-	-
Total Interlocal Municipal Service Agreements	300,000	300,000	288,827	11,173	-	-
PUBLIC AND PRIVATE PROGRAMS						
OFFSET BY REVENUES						
FEDERAL AND STATE GRANTS						
Safe and Secure Communities Act - Police						
State Share	32,400	32,400	32,400			
Local Share	11,340	11,340	11,340			
Drunk Driving Enforcement Fund	7,000	7,000	7,000			
Alcohol Education and Rehabilitation Fund	9,274	10,622	10,622			
Body Armor Replacement Fund	7,003	7,003	7,003			
Body Worn Cameras		30,570	30,570			
Recycling Tonnage Grant	30,696	70,797	70,797			
Click It or Ticket	7,000	7,000	7,000			
You Drink, You Drive, You Lose		13,720	13,720			
Pedestrian Safety	12,600	12,600	12,600			
DCA ARP Grant		75,000	75,000			
Lantern Fly Program		20,000	20,000			
Local Recreation Improvement Grant		70,000	70,000			
Clean Communities Grant	35,539	80,815	80,815	-	-	-
Total Public and Private Programs Offset by Revenues	152,852	448,867	448,867	-	-	-
Total Operations Excluded from "CAPS"	4,822,700	5,109,265	5,058,442	50,823	-	-
Detail:						
Salaries and Wages	180,000	180,000	180,000			
Other Expenses	4,822,700	4,929,265	4,878,442	50,823	-	-

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
CAPITAL IMPROVEMENTS -						
EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 500,000	\$ 500,000	\$ 500,000			
Purchase of Police Vehicles	<u>225,000</u>	<u>165,000</u>	<u>161,458</u>	\$ 3,542	-	-
Total Capital Improvements - Excluded from "CA"	<u>725,000</u>	<u>665,000</u>	<u>661,458</u>	<u>3,542</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -						
EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,520,000	1,520,000	1,520,000			
Interest on Bonds	458,213	458,213	458,212			\$ 1
Interest on Notes	229,167	229,167	229,167			-
New Jersey EIT Loans	<u>262,325</u>	<u>262,325</u>	<u>256,354</u>	-	-	5,971
Total Municipal Debt Service-Excluded from "CAPS"	<u>2,469,705</u>	<u>2,469,705</u>	<u>2,463,733</u>	<u>-</u>	<u>-</u>	<u>5,972</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-						
MUNICIPAL EXCLUDED FROM "CAPS"						
Special Emergency Authority -						
5 Years (N.J.S. 40A:4-55)	812,135	812,135	812,135			
Deferred Charges	<u>110,265</u>	<u>110,265</u>	<u>110,265</u>	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Excluded from "CAPS"	<u>922,400</u>	<u>922,400</u>	<u>922,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>8,939,805</u>	<u>9,166,370</u>	<u>9,106,033</u>	<u>54,365</u>	<u>-</u>	<u>5,972</u>
Subtotal General Appropriations	35,109,170	35,975,185	35,314,791	648,183		12,211
RESERVE FOR UNCOLLECTED TAXES	<u>2,290,269</u>	<u>2,290,269</u>	<u>2,290,269</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 37,399,439</u>	<u>\$ 38,265,454</u>	<u>\$ 37,605,060</u>	<u>\$ 648,183</u>	<u>\$ -</u>	<u>\$ 12,211</u>
Appropriation by NJSA 40A:4-87		\$ 296,015				
Emergency Appropriations by NJSA 40A:4-87		570,000				
Adopted Budget		<u>37,399,439</u>				
		<u>\$ 38,265,454</u>				
Reserve for Uncollected Taxes			\$ 2,290,269			
Federal and State Grants			448,867			
Deferred Charges			1,249,947			
Due to General Capital Fund			500,000			
Encumbrances			1,362,131			
Cash			<u>31,753,846</u>			
			<u>\$ 37,605,060</u>			

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-1	\$ 14,291	\$ 16,186
Due From Other Trust Fund	B-2	<u>13</u>	<u>13</u>
		<u>14,304</u>	<u>16,199</u>
OTHER TRUST FUND			
Cash	B-1	4,257,397	4,004,664
Due From Current Fund	B-2		750
Due From - General Capital Fund	B-2	<u>-</u>	<u>17,514</u>
		<u>4,257,397</u>	<u>4,022,928</u>
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND			
Cash	B-1	<u>194,436</u>	<u>194,344</u>
		<u>194,436</u>	<u>194,344</u>
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)			
Investment	B	543,983	495,936
Contribution Receivable	B	<u>-</u>	<u>93,184</u>
		<u>543,983</u>	<u>589,120</u>
Total Assets		<u>\$ 5,010,120</u>	<u>\$ 4,822,591</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Due to Current Fund	B-2	\$ 5,648	\$ 6,175
Due to State of New Jersey	B-3	2	
Reserve for Animal Control Expenditures	B-4	<u>8,654</u>	<u>10,024</u>
		<u>14,304</u>	<u>16,199</u>
OTHER TRUST FUND			
Due to Animal Control Trust Fund	B-2	13	13
Due to Federal and State Grant Fund	B-2	144,433	144,433
Due to Current Fund	B-2	30,436	128,941
Due to Bergen County Prosecutor	B-5		26,325
Reserve for Various Deposits	B-8	<u>4,082,515</u>	<u>3,723,216</u>
		<u>4,257,397</u>	<u>4,022,928</u>
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND			
Due to State of New Jersey	B-7	9,860	
Reserve for Expenditures	B-6	<u>184,576</u>	<u>194,344</u>
		<u>194,436</u>	<u>194,344</u>
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)			
Reserve for Length of Service Award Program	B	<u>543,983</u>	<u>589,120</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,010,120</u>	<u>\$ 4,822,591</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash	C-2,C-3	\$ 3,173,680	\$ 3,449,527
Grants Receivable	C-7	1,111,967	1,649,250
Infrastructure Loan Receivable	C-8	17,514	17,514
Contributions Receivable	C-9	5,355	5,355
Due from Current Fund	A-18		12,498
Deferred Charges to Future Taxation			
Funded	C-4	13,988,484	15,738,485
Unfunded	C-6	15,640,126	13,959,314
Overexpenditure of Ordinance Appropriation	C-14	<u>460,956</u>	<u>-</u>
 Total Assets		 <u>\$ 34,398,082</u>	 <u>\$ 34,831,943</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 13,280,000	\$ 14,800,000
Bond Anticipation Notes Payable	C-11	7,581,000	5,000,000
NJ Infrastructure Trust Loan Payable	C-17	708,484	938,485
Contracts Payable	C-15	3,648,943	3,956,798
Due to Current fund	C-5	700,194	
Due to Federal and State Grant Fund	C-5	4,827	904
Due to Other Trust Fund	C-5		17,514
Due to Water Utility Capital Fund	C-5		50,000
Reserve for			
Payment of Debt	C-16		322,025
Grants Receivable	C-21	1,038,822	1,576,105
Improvement Authorizations			
Funded	C-12	1,576,929	1,811,017
Unfunded	C-12	5,364,317	6,242,029
Capital Improvement Fund	C-13	377,500	
Fund Balance	C-1	<u>117,066</u>	<u>117,066</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 34,398,082</u>	 <u>\$ 34,831,943</u>

There were bonds and notes authorized but not issued of \$8,130,378 and \$8,959,314 at December 31, 2024 and December 31, 2023 respectively (Exhibit C-18)

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Balance, January 1	\$ <u>117,066</u>	\$ <u>3,341</u>
Increased by:		
Funded Improvement Authorizations Cancelled		108,750
Premium Received on Sale of Notes	<u>-</u>	<u>8,315</u>
	117,066	120,406
Decreased by:		
Anticipated as Current Fund Revenue	<u>-</u>	<u>3,340</u>
Balance, December 31	<u>\$ 117,066</u>	<u>\$ 117,066</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2024 AND 2023

ASSETS	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Water Utility Operating Fund			
Cash	D-5	\$ 5,313,860	\$ 6,454,026
Due from Current Fund	D-7	250,000	250,000
Due from Water Utility Capital Fund	D-7	<u>32,837</u>	<u>736</u>
		<u>5,596,697</u>	<u>6,704,762</u>
Receivables with Full Reserves			
Consumer Accounts Receivable	D-9	667,052	118,117
Inventory - Materials and Supplies	D-10	<u>500</u>	<u>500</u>
		<u>667,552</u>	<u>118,617</u>
Total Water Utility Operating Fund		<u>\$ 6,264,249</u>	<u>\$ 6,823,379</u>
Capital Fund			
Cash	D-5,D-6	\$ 1,819,552	\$ 1,756,753
Due from Current Fund	D-8		1,348
Due from General Capital Fund	D-8		50,000
Fixed Capital	D-11	8,652,408	8,652,408
Fixed Capital Authorized and Uncompleted	D-12	<u>4,985,000</u>	<u>4,985,000</u>
Total Capital Fund		<u>15,456,960</u>	<u>15,445,509</u>
		<u>\$ 21,721,209</u>	<u>\$ 22,268,888</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2024 AND 2023

LIABILITIES	Reference	2024	2023
Water Utility Operating Fund			
Appropriation Reserves	D-4,D-13	\$ 276,675	\$ 86,594
Reserve for Encumbrances	D-24	446,570	296,067
Prepaid Rent	D-15	209,852	
Accrued Interest on Bonds and Loans Payable	D-14	<u>24,282</u>	<u>25,873</u>
		957,379	408,534
Reserve for Receivables	D	667,052	118,117
Reserve for Inventory	D	500	500
Fund Balance	D-1	<u>4,639,318</u>	<u>6,296,228</u>
Total Water Utility Operating Fund		<u>6,264,249</u>	<u>6,823,379</u>
Capital Fund			
Due to Water Utility Operating Fund	D-7	32,837	736
Serial Bonds Payable	D-20	1,300,000	1,365,000
Environmental Infrastructure Loans Payable	D-21	436,205	682,745
Improvement Authorizations			
Funded	D-18	603,516	615,166
Unfunded	D-18	296,129	296,129
Capital Improvement Fund	D-17	1,418,000	1,418,000
Reserve for			
Payment of Debt Service	D-19	205,269	205,269
Amortization	D-16	8,148,710	7,837,170
Deferred Reserve for Amortization	D-23	2,884,000	2,884,000
Downpayments on Improvements	D-22		9,000
Fund Balance	D-2	<u>132,294</u>	<u>132,294</u>
Total Capital Fund		<u>15,456,960</u>	<u>15,445,509</u>
		<u>\$ 21,721,209</u>	<u>\$ 22,268,888</u>

There were bonds and notes authorized but not issued of \$868,493 and \$868,493 at December 31, 2024 and December 31, 2023 respectively (Exhibit D-25)

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - WATER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2024 AND 2023

REVENUE REALIZED	<u>2024</u>	<u>2023</u>
Fund Balance Utilized	\$ 396,665	
Water Rents	4,651,283	\$ 4,097,480
Miscellaneous Revenue	286,397	192,978
Unexpended Balance Appropriation Reserve	<u>174,898</u>	<u>573,314</u>
 Total Revenue and Other Income	 <u>5,509,243</u>	 <u>4,863,772</u>
 EXPENDITURES		
Budget Expenditures:		
Operating	4,010,000	3,094,000
Debt Service	390,459	353,291
Deferred Charges and Statutory Expenditures	<u>69,029</u>	<u>50,000</u>
 Total Expenditures	 <u>4,469,488</u>	 <u>3,497,291</u>
 Excess in Revenue	 1,039,755	 1,366,481
 Fund Balance, January 1	 <u>6,296,228</u>	 <u>6,204,747</u>
	7,335,983	7,571,228
Decreased by:		
Utilization by Current Fund Budget	2,300,000	1,275,000
Utilized by Water Operating Budget	<u>396,665</u>	<u>-</u>
 Fund Balance, December 31	 <u>\$ 4,639,318</u>	 <u>\$ 6,296,228</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF ELMWOOD PARK
STATEMENT OF FUND BALANCE - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Balance - December 31	\$ 132,294	\$ 132,294
Balance - December 31	<u>\$ 132,294</u>	<u>\$ 132,294</u>

**STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2024**

	<u>Anticipated</u>	<u>Realized</u>	Excess (Deficit)
ASSETS			
Fund Balance Utilized	\$ 396,665	\$ 396,665	
Water Rents	4,074,414	4,651,283	\$ 576,869
Miscellaneous	<u>-</u>	<u>286,397</u>	<u>286,397</u>
Total Assets	<u>\$ 4,471,079</u>	<u>\$ 5,334,345</u>	<u>\$ 863,266</u>
<u>Analysis of Miscellaneous</u>			
Interest on Investments		\$ 245,059	
Due from Water Capital Fund - Interest on Investments		40,138	
Water Permits		<u>1,200</u>	
		<u>\$ 286,397</u>	

**BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriations</u>				
	<u>Budget</u>	Budget after Modifi- cation	Paid or Charged	<u>Reserved</u>	<u>Canceled</u>
Operating:					
Salaries and Wages	\$ 560,000	\$ 503,000	\$ 496,972	\$ 6,028	
Other Expenses	<u>3,450,000</u>	<u>3,507,000</u>	<u>3,282,994</u>	<u>224,006</u>	<u>-</u>
Total Operating	<u>\$ 4,010,000</u>	<u>\$ 4,010,000</u>	<u>\$ 3,779,966</u>	<u>\$ 230,034</u>	<u>\$ -</u>
Deferred Charges and Statutory Expenditures					
Statutory Expenditures - Contribution to Social Security System (O.A.S.I.)	<u>75,000</u>	<u>69,029</u>	<u>22,388</u>	<u>46,641</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>75,000</u>	<u>69,029</u>	<u>22,388</u>	<u>46,641</u>	<u>-</u>
Debt Service					
Payment of Bond Principal	65,000	65,000	65,000		
Interest on Bonds	52,413	52,413	51,438		\$ 975
Environmental Infrastructure Principal and Interest	<u>268,666</u>	<u>274,637</u>	<u>274,021</u>	<u>-</u>	<u>616</u>
Total Debt Service	<u>386,079</u>	<u>392,050</u>	<u>390,459</u>	<u>-</u>	<u>1,591</u>
	<u>\$ 4,471,079</u>	<u>\$ 4,471,079</u>	<u>\$ 4,192,813</u>	<u>\$ 276,675</u>	<u>\$ 1,591</u>
Adopted Budg	<u>\$ 4,471,079</u>				

Cash Disbursed	\$ 3,665,733
Reserve for Encumbrances	446,570
Accrued Interest on Bonds and Loans	<u>80,510</u>
	<u>4,192,813</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
GENERAL FIXED ASSETS		
Land	\$ 13,664,400	\$ 13,664,400
Land Improvements	1,005,017	932,525
Buildings	7,224,893	7,165,455
Machinery and Equipment	<u>14,720,911</u>	<u>15,725,445</u>
	<u>36,615,221</u>	<u>37,487,825</u>
Investment in Fixed Assets	<u>\$ 36,615,221</u>	<u>\$ 37,487,825</u>

The Accompanying Notes are an Integral Part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Elmwood Park (the “Borough”) was incorporated in 1916 and operates under an elected form of government. The Mayor is elected to a four-year term and the six council members are elected at-large two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings, provides leadership in the development of community projects, and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor’s appointments, and all executive authority which is not specifically provided to the Mayor, by State law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough’s major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services and general administrative services.

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

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

B. Description of Regulatory Basis of Accounting

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

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

Public Assistance Fund – This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

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

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Reclassifications – Certain reclassifications may have been made to the December 31, 2023 balances to conform to the December 31, 2024 presentation.

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues/Receivables – Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

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

Grant and Similar Award Revenues/Receivables – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Deferred Charges – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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

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

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

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Pensions – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

General Fixed Assets purchased after December 31, 2003 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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

GAAP requires that capital assets, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), be recorded in proprietary funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary funds as well as in the government-wide financial statements.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund
Water Utility Capital Fund

The Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation “CAP”: The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the “cost of living adjustment” (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

2010 Levy “CAP”: The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year’s amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2024 the Borough Council increased the original Current Fund budget by \$866,015. The increases were attributable to a special emergency authorization of \$570,000 for the Borough-wide reassessment program and additional aid of \$296,015 allotted to the Borough. During 2023 the Borough increased the budget by \$1,229,958. The increases were attributable to emergency appropriations of \$1,063,296 and \$166,662 of additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2024 and 2023.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>Current Fund</u>	Modified		Unfavorable
<u>2024</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Appropriation Reserves			
Insurance - Workers Compensation	\$ (9,956)		\$ 9,956
First Aid Organization - Contribution	6,791	\$ 8,632	1,841
Streets and Roads			
Other Expenses	15,817	29,646	13,829
Recreation			
Other Expenses	11,770	17,311	5,541

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations (Continued)

2023

Appropriations

Public Safety

Police

Salaries and Wages - Regular	\$ 5,563,010	\$ 5,585,452	\$ 22,442
Salaries and Wages - Other Police Person	540,000	557,644	17,644
Other Expenses - Regulars/Specials	474,000	492,540	18,540

Uniform Construction Code

Construction Code Official

Other Expenses	41,400	41,426	26
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Appropriation Reserves

Assessment of Taxes	4,148	9,186	5,038
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Other Expenses

Council on Affordable Housing

Other Expenses	1,645	1,741	96
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In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2024 and 2023, the book value of the Borough's deposits were \$24,479,873 and \$20,247,084 and bank and brokerage firm balances of the Borough's deposits amounted to \$25,340,764 and \$21,017,862, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Insured	\$ 24,491,132	\$ 20,348,490
Uninsured and Collateralized	<u>849,632</u>	<u>669,372</u>
	<u>\$ 25,340,764</u>	<u>\$ 21,017,862</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2024 and 2023, the Borough's bank balances of \$849,632 and \$669,372, respectively, were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Uninsured and Collateralized		
Collateral held by Borough's Agent in the		
Borough's name	<u>\$ 849,632</u>	<u>\$ 669,372</u>

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2024 and 2023, the Borough had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	
	<u>2024</u>	<u>2023</u>
Investment:		
Lincoln Financial LOSAP Retirement		
Fund (Unaudited)		
N.J. Management Fund	\$ <u>543,983</u>	\$ <u>495,936</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2024 and 2023, \$1,178,803 and \$1,098,987 of the Borough's investments were exposed to custodial credit risk as follows:

	<u>2024</u>	<u>2023</u>
Uninsured and Collateralized:		
Collateral Held By Pledging Financial Institution's Trust		
Ddepartment But Not In The Borough's Name	\$ <u>1,178,803</u>	\$ <u>1,098,987</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2024 and 2023, the Borough's investment in Lincoln Financial Group, a subsidiary of Lincoln National Life Insurance Company, were rated A2, by Moody's Investor Service.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough's investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough's investments are in Lincoln Financial Group. These investments are 100% of the Borough's total investments.

Fair Value of Investments. The Borough of Elmwood Park measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments in the LOSAP plans are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the LOSAP plan investments held by the Borough at December 31, 2024 and 2023 are categorized as Level 2.

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2024 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2024</u>			
Property Taxes	\$ 574,219		\$ 574,219
Tax Title Liens	11,029		11,029
Utility Charges and Fees	<u>-</u>	<u>\$ 667,052</u>	<u>667,052</u>
	<u>\$ 585,248</u>	<u>\$ 667,052</u>	<u>\$ 1,252,300</u>

In 2024, the Borough collected \$719,171 and \$118,117 from delinquent taxes and water utility charges and fees, respectively which represented 85% and 100% of the delinquent tax and water receivable at December 31, 2023.

Receivables at December 31, 2023 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2023</u>			
Property Taxes	\$ 846,738		\$ 846,738
Tax Title Liens	3,501		3,501
Utility Charges and Fees	<u>-</u>	<u>\$ 118,117</u>	<u>118,117</u>
	<u>\$ 850,239</u>	<u>\$ 118,117</u>	<u>\$ 968,356</u>

In 2023, the Borough collected \$503,497 and \$110,365 from delinquent taxes and water utility charges and fees, respectively which represented 99% and 100% of the delinquent tax and water receivable at December 31, 2022.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2024</u>		<u>2023</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 736,278	\$ 387,211	\$ 135,116	\$ 399,403
Grant Fund	286,471		280,144	
Trust Fund:				
Animal Control	13	5,648	13	6,175
Other Trust		174,882	18,264	273,387
General Capital Fund		705,021	12,498	68,418
Water Utility Fund:				
Operating	282,837		250,736	
Capital	-	32,837	51,348	736
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>1,305,599</u>	\$ <u>1,305,599</u>	\$ <u>748,119</u>	\$ <u>748,119</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or deposits made or revenues earned in one fund which are for another fund.

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

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance</u> <u>December 31,</u>	<u>Subsequent Year</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
<u>2024</u>			
Current Fund			
Overexpenditure of Appropriation Reserves	\$ 31,167	\$ 31,167	
Special Emergency Authorizations (40A:4-55)	790,528	224,265	\$ 566,263
Expenditure without Appropriations	179,584	179,584	-
General Capital Fund			
Overexpenditure of Ordinance Appropriation	460,956	**	

*** Raised by Subsequent Year Bond Ordinance

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (Continued)

2023

Current Fund

Emergency Authorization	\$ 1,063,296	\$ 1,063,296	
Overexpenditure of Appropriation	58,652	58,652	
Overexpenditure of Appropriation Reserves	5,134	5,134	
Special Emergency Authorizations (40A:4-55)	330,793	110,265	\$ 220,528

Federal and State Grant Fund

Overexpenditure of Grant Reserve	12,600	12,600	-
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NOTE 7 FUND BALANCES APPROPRIATED

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

	2024		2023	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 6,712,326	\$ 5,285,000	\$ 8,668,189	\$ 5,670,149
Non-Cash Surplus	<u>1,001,279</u>	<u>-</u>	<u>1,457,875</u>	<u>-</u>
	<u>\$ 7,713,605</u>	<u>\$ 5,285,000</u>	<u>\$ 10,126,064</u>	<u>\$ 5,670,149</u>
Water Utility Operating Fund				
Cash Surplus	\$ 4,639,318		\$ 6,296,228	\$ 396,665
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,639,318</u>	<u>\$ -</u>	<u>\$ 6,296,228</u>	<u>\$ 396,665</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2024 and 2023.

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2024</u>
<u>2024</u>				
Land	\$ 13,664,400			\$ 13,664,400
Land Improvements	932,525	\$ 72,492		1,005,017
Buildings and Building Improvements	7,165,455	59,438		7,224,893
Machinery and Equipment	<u>15,725,445</u>	<u>576,298</u>	<u>\$ 1,580,832</u>	<u>14,720,911</u>
	<u>\$ 37,487,825</u>	<u>\$ 708,228</u>	<u>\$ 1,580,832</u>	<u>\$ 36,615,221</u>
	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Land	\$ 13,664,400			\$ 13,664,400
Land Improvements	923,675	\$ 8,850		932,525
Buildings and Building Improvements	7,138,516	26,939		7,165,455
Machinery and Equipment	<u>14,448,187</u>	<u>1,277,258</u>	<u>-</u>	<u>15,725,445</u>
	<u>\$ 36,174,778</u>	<u>\$ 1,313,047</u>	<u>\$ -</u>	<u>\$ 37,487,825</u>

B. Utility Funds Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2024 and 2023.

<u>Water Utility Fund</u>	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2024</u>
<u>2024</u>				
Fixed Capital				
Water System Improvements and Equipment	<u>\$ 8,652,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,652,408</u>
	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Fixed Capital				
Water System Improvements and Equipment	<u>\$ 8,652,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,652,408</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (NJSA 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. 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 and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2024</u>	<u>2023</u>
Issued		
General		
Bonds, Notes and Loans	\$ 21,569,484	\$ 20,738,485
Water Utility		
Bonds and Loans	<u>1,736,205</u>	<u>2,047,745</u>
	23,305,689	22,786,230
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	<u>276,521</u>	<u>527,294</u>
Net Debt Issued	23,029,168	22,258,936
Authorized But Not Issued		
General		
Bonds and Notes	8,130,378	8,959,314
Water Utility		
Bonds and Notes	<u>868,493</u>	<u>868,493</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 32,028,039</u>	<u>\$ 32,086,743</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of 1.015% and 1.106% at December 31, 2024 and 2023, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2024</u>			
General Debt	\$ 29,699,862	\$ 71,252	\$ 29,628,610
School Debt	13,265,000	13,265,000	-
Utility Debt	<u>2,604,698</u>	<u>2,604,698</u>	<u>-</u>
Total	<u>\$ 45,569,560</u>	<u>\$ 15,940,950</u>	<u>\$ 29,628,610</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ 29,697,799	\$ 322,025	\$ 29,375,774
School Debt	16,080,000	16,080,000	-
Utility Debt	<u>2,916,238</u>	<u>2,916,238</u>	<u>-</u>
Total	<u>\$ 48,694,037</u>	<u>\$ 19,318,263</u>	<u>\$ 29,375,774</u>

Statutory Borrowing Power

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

	<u>2024</u>	<u>2023</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 102,204,259	\$ 92,923,802
Less: Net Debt	<u>29,628,610</u>	<u>29,375,774</u>
Remaining Borrowing Power	<u>\$ 72,575,649</u>	<u>\$ 63,548,028</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2024</u>	<u>2023</u>
\$6,830,000, 2013 Bonds, due in annual installments of \$720,000 through August 1, 2025, interest at 3.00%	\$ 720,000	\$ 1,440,000
\$6,950,000, 2019 Bonds, due in annual installments of \$455,000 to \$750,000 through August 15, 2031, interest at 2.00%	4,895,000	5,335,000
\$8,025,000, 2023 Bonds, due in annual installments of \$370,000 to \$725,000 through August 15, 2036, interest at 4.00%	<u>7,665,000</u>	<u>8,025,000</u>
	<u>\$ 13,280,000</u>	<u>\$ 14,800,000</u>

General Intergovernmental Loans Payable

The Borough has entered into a loan agreement 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>2024</u>	<u>2023</u>
\$1,885,000, 2007 Trust Loan, due in annual installments of \$128,000 to \$138,000 through August 1, 2027, interest at 4.50%	\$ 399,000	\$ 522,000
\$2,042,471, 2007 Fund Loan, due in annual installments of \$98,138 to \$106,164 through August 1, 2027, interest free	<u>309,484</u>	<u>416,485</u>
	<u>\$ 708,484</u>	<u>\$ 938,485</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

Utility Bonds

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

Water Utility

	<u>2024</u>	<u>2023</u>
\$1,365,000, 2023 Water Utility Bonds, due in annual installments of \$75,000 to \$125,000 through August 15, 2036, interest at 4.00%	\$ 1,300,000	\$ 1,365,000

Water Utility Intergovernmental Loans Payable

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

Water Utility

	<u>2024</u>	<u>2023</u>
\$2,300,814, 2006 Trust Loan, due in annual installments of \$7,005 to \$177,252 through August 1, 2026, interest at 4.00%-5.00%	\$ 336,128	\$ 461,134
\$2,222,699, 2006 Fund Loan, due in annual installments of \$4,868 to \$114,005 through August 1, 2025, interest free	100,077	221,611
	<u>\$ 436,205</u>	<u>\$ 682,745</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2024 is as follows:

Calendar Year	General				Water Utility					
	Serial Bonds		Loans		Serial Bonds		Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2025	\$ 1,545,000	\$ 413,413	\$ 234,164	\$ 26,193	\$ 75,000	\$ 49,813	\$ 265,958	\$ 20,645	\$ 2,630,186	
2026	1,155,000	367,913	238,182	19,780	80,000	46,813	170,247	14,010	2,091,945	
2027	1,225,000	335,713	236,138	12,925	95,000	43,613			1,948,389	
2028	1,330,000	301,513			100,000	39,813			1,771,326	
2029	1,455,000	263,313			105,000	35,813			1,859,126	
2030-2034	5,120,000	706,365			595,000	112,065			6,533,430	
2035-2036	1,450,000	81,563	-	-	250,000	14,063	-	-	1,795,626	
	\$ 13,280,000	\$ 2,469,793	\$ 708,484	\$ 58,898	\$ 1,300,000	\$ 341,993	\$ 436,205	\$ 34,655	\$ 18,630,028	

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2024 and 2023 were as follows:

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within One Year
<u>2024</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 14,800,000	\$ -	\$ 1,520,000	\$ 13,280,000	\$ 1,545,000
Intergovernmental Loans Payable	<u>938,485</u>	<u>-</u>	<u>230,001</u>	<u>708,484</u>	<u>234,164</u>
General Capital Fund Long-Term Liabilities	<u>\$ 15,738,485</u>	<u>\$ -</u>	<u>\$ 1,750,001</u>	<u>\$ 13,988,484</u>	<u>\$ 1,779,164</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,365,000		\$ 65,000	\$ 1,300,000	\$ 75,000
Intergovernmental Loans Payable	<u>682,745</u>	<u>-</u>	<u>246,540</u>	<u>436,205</u>	<u>265,958</u>
Water Capital Fund Long-Term Liabilities	<u>\$ 2,047,745</u>	<u>\$ -</u>	<u>\$ 311,540</u>	<u>\$ 1,736,205</u>	<u>\$ 340,958</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 7,925,000	\$ 8,025,000	\$ 1,150,000	\$ 14,800,000	\$ 1,520,000
Intergovernmental Loans Payable	<u>1,156,605</u>	<u>-</u>	<u>218,120</u>	<u>938,485</u>	<u>230,001</u>
General Capital Fund Long-Term Liabilities	<u>\$ 9,081,605</u>	<u>\$ 8,025,000</u>	<u>\$ 1,368,120</u>	<u>\$ 15,738,485</u>	<u>\$ 1,750,001</u>
<u>Water Capital Fund</u>					
Bonds Payable	\$ 1,415,000	\$ 1,365,000	\$ 1,415,000	\$ 1,365,000	\$ 65,000
Intergovernmental Loans Payable	<u>957,485</u>	<u>-</u>	<u>274,740</u>	<u>682,745</u>	<u>246,540</u>
Water Capital Fund Long-Term Liabilities	<u>\$ 2,372,485</u>	<u>\$ 1,365,000</u>	<u>\$ 1,689,740</u>	<u>\$ 2,047,745</u>	<u>\$ 311,540</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2024 and 2023 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance December 31, <u>2023</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2024</u>
<u>2024</u>						
<u>General Capital Fund</u>						
Imps to Mola Blvd, Phase 2	3.50%	10/9/2025	\$ 238,000	\$ 238,000	\$ 238,000	\$ 238,000
2021 Curb & Gutter Replacement Program	3.50%	10/9/2025	309,500	309,500	309,500	309,500
2021 Road Improvement Program	3.50%	10/9/2025	971,000	971,000	971,000	971,000
Acq of New Pumper Fire Engine	3.50%	10/9/2025	938,000	938,000	938,000	938,000
Design/Engineering Phase for						-
Traffic Signalization Imp	3.50%	10/9/2025	104,700	104,700	104,700	104,700
Various Public Improvements	3.50%	10/9/2025	972,000	972,000	972,000	972,000
Acq of Vehicles & Equipment for Police Dept	3.50%	10/9/2025	152,000	152,000	152,000	152,000
Installation of Synthetic Turf Field at Borough Park	3.50%	10/9/2025	1,314,800	1,314,800	1,314,800	1,314,800
Improvement of Grove Street	3.50%	10/9/2025		53,024		53,024
Streetscape Improvements - Mola Blvd	3.50%	10/9/2025		501,000		501,000
Improvement of Grove Street	3.50%	10/9/2025		170,500		170,500
Various Public Improvements	3.50%	10/9/2025		656,000		656,000
2023 Road Resurfacing Program	3.50%	10/9/2025		953,223		953,223
Improvement of 14th Ave, East 53rd and 16th Ave	3.50%	10/9/2025	-	247,253	-	247,253
Total General Capital Fund			<u>\$ 5,000,000</u>	<u>\$ 7,581,000</u>	<u>\$ 5,000,000</u>	<u>\$ 7,581,000</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	Balance,
			December 31, <u>2022</u>			December 31, <u>2023</u>
<u>2023</u>						
<u>General Capital Fund</u>						
Rehabilitation of Veteran's Park	3.75%	8/23/2023	\$ 171,000		\$ 171,000	
Acquistion of Fire Truck	3.75%	8/23/2023	1,657,000		1,657,000	
Various Public Improvements	3.75%	8/23/2023	1,509,000		1,509,000	
Various Public Improvements	3.75%	8/23/2023	2,210,000		2,210,000	
Elmwood Park Marina Improvements	3.75%	8/23/2023	1,150,000		1,150,000	
Various Public Improvements	3.75%	8/23/2023	313,000		313,000	
Various Public Improvements	3.75%	8/23/2023	1,352,000		1,352,000	
Imps to Mola Blvd, Phase 2	5.00%	10/9/2024		\$ 238,000		\$ 238,000
2021 Curb & Gutter Replacement Program	5.00%	10/9/2024		309,500		309,500
2021 Road Improvement Program	5.00%	10/9/2024		971,000		971,000
Acq of New Pumper Fire Engine	5.00%	10/9/2024		938,000		938,000
Design/Engineering Phase for	5.00%	10/9/2024				
Traffic Signalization Imp	5.00%	10/9/2024		104,700		104,700
Various Public Improvements	5.00%	10/9/2024		972,000		972,000
Acq of Vehicles & Equipment for Police Dept	5.00%	10/9/2024		152,000		152,000
Installation of Synthetic Turf Field at Borough Park	5.00%	10/9/2024	-	1,314,800	-	1,314,800
Total General Capital Fund			\$ 8,362,000	\$ 5,000,000	\$ 8,362,000	\$ 5,000,000

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund. The amounts issued for the water utility activities are accounted for in the Water Utility Capital Funds.

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction/ Commitment</u>	<u>Estimated Date of Completion/Acquisition</u>
<u>2024</u>		
Streetscape Improvements to Mola Boulevard	\$222,726	2025
Improvements to Elmwood Drive Park	78,500	2025
2024 Road Improvements	165,000	2025
Fire Pumper Engine	929,941	2025
Fire Pumper Engine	1,455,189	2025
2023 Road Program	208,701	2025
<u>2023</u>		
Engineering Phase for Traffic Signalization Imps	\$41,136	2024
2021 Road Program	57,923	2024
Surveillance Trailer	60,786	2024
Fire Apparatus	929,941	2025
2023 Road Program	207,656	2025
Fire Pumper Engine	1,455,189	2025

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$3,273,742 and \$4,352,492 at December 31, 2024 and 2023, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2024 and 2023, the Borough has reserved in the Other Trust Fund \$389,791 and \$350,649, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2024 and 2023 were as follows:

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
Compensated Absences	\$ 4,352,492		\$ 1,078,750	\$ 3,273,742	
Net Pension Liability - PERS (1)	6,248,680			6,248,680	
Net Pension Liability - PFRS (1)	18,235,938			18,235,938	
Net OPEB Liability (1)	29,446,282	-	-	29,446,282	-
Total	<u>\$ 58,283,392</u>	<u>\$ -</u>	<u>\$ 1,078,750</u>	<u>\$ 57,204,642</u>	<u>\$ -</u>

(1) - GASB Statement Numbers 68 Pension and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits as of date of audit.

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 3,568,022	\$ 784,470		\$ 4,352,492	
Net Pension Liability - PERS	5,983,030	265,650		6,248,680	
Net Pension Liability - PFRS	18,962,970		\$ 727,032	18,235,938	
Net OPEB Liability	26,598,222	2,848,060	-	29,446,282	-
Total	<u>\$ 55,112,244</u>	<u>\$ 3,898,180</u>	<u>\$ 727,032</u>	<u>\$ 58,283,392</u>	<u>\$ -</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
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% (tier 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.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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.

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 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 a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower (formerly Prudential Retirement) is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was not available and for June 30, 2023 is \$14.6 billion, and the plan fiduciary net position as a percentage of the total pension liability is 65.22% at June 30, 2023. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was not available and for June 30, 2023 is \$13.1 billion and the plan fiduciary net position as a percentage of total pension liability is 70.16% at June 30, 2023.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2024 and 2023 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

For the years ended December 31, 2024 and 2023 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2024, 2023 and 2022 were equal to the required contributions.

During the years ended December 31, 2024, 2023 and 2022, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2024	\$ 2,197,138	\$ 576,589	\$ 69,026
2023	2,154,603	499,947	44,428
2022	2,024,530	470,132	38,824

(1) Includes Library portion of pension contribution for the year.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2024 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2023, the Borough reported a liability of \$6,248,680 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough's proportionate share was .04314 percent, which was an increase of .00349 percent from its proportionate share measured as of June 30, 2022 of .03965 percent.

For the year ended December 31, 2023, the pension system has determined the Borough's pension benefit to be \$118,608 for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$499,947. At December 31, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 59,745	\$ 25,543
Changes of Assumptions	13,727	378,697
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	28,776	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>467,905</u>	<u>269,140</u>
Total	<u>\$ 570,153</u>	<u>\$ 673,380</u>

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ (25,161)
2025	(25,161)
2026	(25,161)
2027	(25,161)
2028	(2,583)
Thereafter	<u>-</u>
	<u>\$ (103,227)</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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 generational basis. Mortality improvement is based on Scale MP-2021.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>2023</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. 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 in determining the total pension liability.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2023 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>2023</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,134,452</u>	<u>\$ 6,248,680</u>	<u>\$ 4,643,639</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2023. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2023, the Borough reported a liability of \$18,235,938 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough's proportionate share was .16505 percent, which was a decrease of .00062 percent from its proportionate share measured as of June 30, 2022 of .16567 percent.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2023, the pension system has determined the Borough pension expense to be \$1,317,988 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$2,154,603. At December 31, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 780,826	\$ 869,692
Changes of Assumptions	39,360	1,231,363
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	928,722	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>949,418</u>	<u>791,518</u>
Total	<u>\$ 2,698,326</u>	<u>\$ 2,892,573</u>

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	14,552
2025	14,552
2026	14,552
2027	14,550
2028	(217,629)
Thereafter	<u>(34,824)</u>
	<u>\$ (194,247)</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	2023	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. 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 in determining the total pension liability.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
<u>2023</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>25,408,586</u>	\$ <u>18,235,938</u>	\$ <u>12,262,836</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

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, 2023, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,360,184. For the years ended December 31, 2023, 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 \$382,214, which is less than the actual contributions the State made on behalf of the Borough of \$384,276. At December 31, 2023 (measurement date June 30, 2023) the State’s share of the PFRS net pension liability attributable to the Borough was .16505 percent, which was a decrease of .00062 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .16567 percent. 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 in the Borough’s financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – 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. 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 participating 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) retires 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) retires 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.

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 provided 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 coverage.

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	65,613
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>34,771</u>
Total	<u>100,384</u>
Contributing Employers	574
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2024 was not available and for June 30, 2023 is \$15.0 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.79)% at June 30, 2023.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2022 which was rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there can be a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$431.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$55.6 million for fiscal year 2023.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2024, 2023 and 2022 were \$1,179,695, \$1,337,265, and \$1,234,352, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2024 and 2023 were \$16,403 and \$16,678, respectively.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2024 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2023, the Borough reported a liability of \$29,446,282, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2023 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2023. As of the measurement date of June 30, 2023 the Borough's proportionate share was .19622 percent, which was an increase of .03152 percent from its proportionate share measured as of June 30, 2022 of .16470 percent.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended December 31, 2023, the Plan has determined the Borough's OPEB benefit to be \$348,187, based on the actuarial valuation which is less than the actual contributions reported in the Borough's financial statements of \$1,337,265. At December 31, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,357,911	\$ 7,996,648
Changes of Assumptions	3,814,398	8,323,521
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments		4,859
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>7,886,694</u>	<u>1,208,662</u>
Total	<u>\$ 13,059,003</u>	<u>\$ 17,533,690</u>

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ (649,956)
2025	(649,956)
2026	(649,956)
2027	(649,955)
2028	(648,741)
Thereafter	<u>(1,226,123)</u>
	<u>\$ (4,474,687)</u>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 date:

	<u>2023</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Mortality Rates

Pre-retirement and post-retirement mortality rates were based on the Pub-2010 Healthy "Safety" for PFRS and Healthy "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled "Safety" for PFRS and Disabled "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 6.50% and decreases to a 4.50% long-term trend rate after 9 years. For post-65 medical benefits PPO, the trend is, increasing to 14.80% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For HMO the trend is increasing to 17.40% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after 7 years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 measurement date was 3.65%. 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.

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2023 calculated using the discount rate of 3.65% 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 2.65% or 1-percentage-point higher 4.65% than the current rate:

<u>2023</u>	<u>1% Decrease 2.65%</u>	<u>Current Discount Rate 3.65%</u>	<u>1% Increase 4.65%</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 34,108,180	\$ 29,446,282	\$ 25,696,504

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2023. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2023 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2023</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 25,025,875	\$ 29,446,282	\$ 35,105,754

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2023. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 14 RISK MANAGEMENT

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14 RISK MANAGEMENT (Continued)

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

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

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

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

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, interest earned, 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>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024	\$ 12,403	\$ 22,171	\$ 184,576
2023	18,424	18,111	194,344
2022	17,619	13,244	194,031

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2024 and 2023. 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, 2024 and 2023, the Borough reserved \$455,224 and \$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.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 15 CONTINGENT LIABILITIES (Continued)

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2024 and 2023, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2024 and 2023, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Elmwood Park Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 16, 2001 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Elmwood Park approved the adoption of the Plan at the general election held on 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 Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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

The Borough, 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 2024 and 2023, 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.

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.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 18 SUBSEQUENT EVENTS

Debt Authorized

On March 20, 2025, the Borough adopted a bond ordinance authorizing the issuance of \$1,010,000 in Bonds or bond anticipation notes to fund streetscape improvements to Mola Boulevard. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On April 17, 2025, the Borough adopted a bond ordinance authorizing the issuance of \$285,000 in Bonds or Bond Anticipation Notes to fund the installation of a synthetic turf field at Borough Park.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

**BOROUGH OF ELMWOOD PARK
STATEMENT OF CASH AND INVESTMENTS**

Balance, December 31, 2023		\$ 11,428,461
Increased by Receipts		
Petty Cash	\$ 1,500	
Taxes Receivable	67,129,390	
Non Budget Revenue	527,285	
Tax Overpayments	249,095	
Due from State - Senior Citizen and Veteran Deductions	70,870	
Revenue Accounts Receivable	8,357,455	
Interfunds	432,290	
Prepaid Taxes	433,726	
Tax Title Lien Receivable	2,356	
Grants Receivable	195,815	
Municipal Relief Aid		
Unappropriated Reserves	<u>61,509</u>	
		<u>77,461,291</u>
		88,889,752
Decreased by Disbursements:		
Current Year Budget Appropriations	31,753,846	
Expenditures without Appropriation	179,584	
Petty Cash	1,500	
Tax Overpayments	22,372	
Appropriation Reserves	518,715	
Interfunds	1,220,388	
Local District School Taxes	37,534,738	
County Taxes Payable	7,038,472	
Appropriated Grant Reserves	<u>278,860</u>	
		<u>78,548,475</u>
Balance - December 31, 2024		<u>\$ 10,341,277</u>

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF CASH - CHANGE FUND**

	Balance, December 31, <u>2023</u>	Balance, December 31, <u>2024</u>
Balance, December 31 2023	\$ 200	\$ 200
Balance, December 31 2024	<u>\$ 200</u>	<u>\$ 200</u>

SCHEDULE OF CASH - PETTY CASH

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

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

Balance, December 31, 2023	\$ 76,197
Increased by:	
Senior Citizen Deductions Disallowed by Tax Collector - Prior Year Taxes	\$ 1,879
Cash Receipts	<u>70,870</u>
	<u>72,749</u>
	148,946
Decreased by:	
Veteran's Deductions Allowed by Tax Collector	\$ 1,000
Veteran's Deductions Per Tax Billings	54,500
Senior Citizen Deductions Per Tax Billings	<u>15,750</u>
	<u>71,250</u>
Balance, December 31, 2024	<u>\$ 77,696</u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF TAXES RECEIVABLE**

<u>Year</u>	<u>Balance, January 1, 2024</u>	<u>2024 Levy</u>	<u>Senior Citizens and Veterans Deduction Disallowed</u>	<u>Cash Collections</u>		<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Transferred To Tax Title Liens</u>	<u>Balance, December 31, 2024</u>
				<u>2023</u>	<u>2024</u>				
2023	\$ 846,738	-	\$ 1,879		\$ 716,815	-	\$ 130,174	\$ 1,628	-
2024	-	\$ 67,649,161	\$ -	\$ 332,859	66,412,575	\$ 71,250	250,002	8,256	\$ 574,219
	<u>\$ 846,738</u>	<u>\$ 67,649,161</u>	<u>\$ 1,879</u>	<u>\$ 332,859</u>	<u>\$ 67,129,390</u>	<u>\$ 71,250</u>	<u>\$ 380,176</u>	<u>\$ 9,884</u>	<u>\$ 574,219</u>

Analysis of 2024 Property Tax Levy

Tax Yield		
General Purpose Tax	\$ 66,983,051	
Added Taxes (54:4-63.1 et seq.)	<u>666,110</u>	
		<u>\$ 67,649,161</u>
Tax Levy		
Local District School Tax (Abstract)		\$ 37,534,767
County Tax (Abstract)	\$ 6,539,727	
County Open Space Tax (Abstract)	294,729	
Due for Added and Omitted Taxes (54:4-63.1 et seq.)	<u>68,152</u>	
		6,902,608
Local Tax for Municipal Purposes	21,657,228	
Minimum Library Tax	948,423	
Add Additional Tax Levies	<u>606,135</u>	
		<u>23,211,786</u>
		<u>\$ 67,649,161</u>

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF MUNICIPAL TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2023	\$ 3,501
Increased by:	
Transferred from Taxes Receivable	<u>9,884</u>
	13,385
Decreased by:	
Collections	<u>2,356</u>
Balance, December 31, 2024	<u><u>\$ 11,029</u></u>

STATEMENT OF PROPERTY ACQUIRED FO TAXES - ASSESSED VALUATION

Balance, December 31, 2023	<u>\$ 23,450</u>
Balance, December 31, 2024	<u><u>\$ 23,450</u></u>

**SCHEDULE OF AMOUNT DUE TO/(FROM) FEDERAL AND STATE GRANT FUND
CURRENT FUND**

Balance, December 31, 2023	\$ 134,807
Increased by:	
Grants Received - Unappropriated Reserves	\$ 61,509
Grants Received - Grants Receivable	195,815
Budget Appropriation	448,867
Deferred Charge Raised in Budget	<u>12,600</u>
	<u>718,791</u>
	853,598
Decreased by:	
Appropriated Grants - Expenditures	278,860
Anticipated Revenue	<u>437,527</u>
	<u>716,387</u>
Balance, December 31, 2024	<u><u>\$ 137,211</u></u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF DUE FROM GENERAL CAPITAL FUND
FEDERAL AND STATE GRANT FUND**

Balance, December 31, 2023	\$ 904
Increased by:	
Due from General Capital Fund	<u>3,923</u>
Balance, December 31, 2024	<u>\$ 4,827</u>

EXHIBIT A-13

**SCHEDULE OF GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2024**

	Balance, Dec. 31, <u>2023</u>	2024 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2024</u>
Municipal Alliance on Alcoholism	\$ 21,105			\$ 21,105
Recycling Tonnage Grant		\$ 30,696	\$ 30,696	
Safe and Secure Communities	32,400	32,400	64,800	
Clean Communities		35,539	35,539	
Drunk Driving Enforcement Fund		7,000		7,000
Body Armor Replacement Fund		7,003	7,003	
Alcohol Education and Rehabilitation Fund		9,274	9,274	
Pedestrian Safety Fund		12,600	12,600	
Click it or Ticket		7,000	7,000	
Local Recreation Improvement		70,000		70,000
Recycling Tonnage Grant		40,101	40,101	
Spotted Lantern Fly Program	15,000	20,000		35,000
Clean Communities		45,276	45,276	
Body Worn Camera		30,570	30,570	
Alcohol Education and Rehabilitation Fund		1,348	1,348	
You Drink, You Drive, You Lose		13,720	13,720	
ARP Firefighter Assistance Grant	33,657	75,000		108,657
DCA Recreation Grant	56,000			56,000
Senior Citizen COVID Project	10,200	-	-	10,200
	<u>\$ 168,362</u>	<u>\$ 437,527</u>	<u>\$ 297,927</u>	<u>\$ 307,962</u>
Cash Receipts			\$ 195,815	
Unappropriated Reserves				
Realized			<u>102,112</u>	
			<u>\$ 297,927</u>	

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2023</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2024</u>
Licenses:				
Alcoholic beverages		\$ 22,430	\$ 22,430	
Other		70,440	70,440	
Fees and Permits		450,713	450,713	
Municipal Court : Fines and Costs	\$ 20,813	337,709	324,557	\$ 33,965
Interest and Costs on Taxes		65,190	65,190	
Interest on Investments and Deposits		550,292	550,292	
Energy Receipts Tax		1,479,336	1,479,336	
Municipal Property Tax Relief		152,485	152,485	
Interlocal Service Agreements-SRO		187,100	187,100	
Uniform Construction Code Fees	25,678	688,414	680,688	33,404
Utility Operating Surplus of Prior Year		2,300,000	2,300,000	
Uniform Fire Safety Act - Local		84,326	84,326	
Trunk Sewer Revenue		1,643,338	1,643,338	
EMS Services	-	499,045	499,045	-
	<u>\$ 46,491</u>	<u>\$ 8,530,818</u>	<u>\$ 8,509,940</u>	<u>\$ 67,369</u>

Municipal Property Tax Relief	\$ 152,485
Cash Receipts	<u>8,357,455</u>
	<u>\$ 8,509,940</u>

EXHIBIT A-15

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
Overexpenditures of Appropriation Reserves	\$ 5,134	\$ 31,167	\$ 5,134	\$ 31,167
Overexpenditures of Appropriations	58,652		58,652	-
Expenditures Without Appropriations	-	179,584	-	179,584
	<u>\$ 63,786</u>	<u>\$ 210,751</u>	<u>\$ 63,786</u>	<u>\$ 210,751</u>

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF DEFERRED CHARGES
N.J.S.A 40A:4-53 SPECIAL EMERGENCY**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2023</u>	<u>Authorized</u> <u>in 2024</u>	<u>Reduced</u> <u>in 2024</u>	<u>Balance,</u> <u>December 31,</u> <u>2024</u>
12/17/2020	COVID-19 Revenue Losses	\$ 551,323	\$ 110,265	\$ 330,793		\$ 110,265	\$ 220,528
7/18/2024	Revaluation	570,000	114,000	-	\$ 570,000	-	570,000
				<u>\$ 330,793</u>	<u>\$ 570,000</u>	<u>\$ 110,265</u>	<u>\$ 790,528</u>

STATEMENT OF DEFERRED CHARGES - EMERGENCY APPROPRIATIONS

	<u>Balance,</u> <u>Dec. 31, 2023</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance,</u> <u>Dec. 31, 2024</u>
Emergency Appropriations:			
Down Payment on Improvements	\$ 46,296	\$ 46,296	
Police - Salaries & Wages	563,000	563,000	
Police - Other Expenses	54,000	54,000	
Police - Other Personnel	140,000	140,000	
Emergency Medical Services	<u>260,000</u>	<u>260,000</u>	<u>-</u>
Balance, December 31, 2024	<u>\$ 1,063,296</u>	<u>\$ 1,063,296</u>	<u>\$ -</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF INTERFUNDS RECEIVABLE (PAYABLE)

	December 31, <u>2023</u>	<u>Increases</u>	<u>Decreased</u>	December 31, <u>2024</u>
Animal Control Trust Fund	\$ 6,175	\$ 5,635	\$ 6,162	\$ 5,648
Other Trust Fund				-
Other Trust Fund	9,691		9,191	500
Escrow	5,365	5,598	5,365	5,598
Fire Prevention-Dedicated Penalties	24,338			24,338
Redemption Trust	89,547		89,547	-
Public Defender Trust	(750)	750		-
General Capital Fund	(12,498)	1,534,717	822,025	700,194
Water Utility Operating Fund	(250,000)			(250,000)
Water Utility Capital Fund	(1,348)	1,348	-	-
	<u>\$ (129,480)</u>	<u>\$ 1,548,048</u>	<u>\$ 932,290</u>	<u>\$ 486,278</u>
Due to Current Fund	\$ 135,116	\$ 1,533,452	\$ 932,290	736,278
Due from Current Fund	(264,596)	14,596	-	(250,000)
Balance, December 31, 2024	<u>\$ (129,480)</u>	<u>\$ 1,548,048</u>	<u>\$ 932,290</u>	<u>\$ 486,278</u>
Cash Receipts				\$ 432,290
Budget Appropriation - Capital Improvement Fund				500,000
Cash Disbursements				\$ 1,220,388
Anticipated as Current Fund Reserve				322,025
Statutory Excess				5,635
				<u>\$ 1,548,048</u>
				<u>\$ 932,290</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF APPROPRIATION RESERVES

	<u>Balance</u> December 31, <u>2023</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>	<u>Overexpended</u>
Salaries and Wages					
Mayor and Council	\$ 704	\$ 704		\$ 704	
Municipal Clerk	3,542	3,542		3,542	
Financial Administration	2,504	2,504		2,504	
Rev Admin/Tax Collection	4,870	4,870		4,870	
Tax Assessment	2,264	2,264		2,264	
Legal Services	5,629	5,629	\$ 2,255	3,374	
Planning Board	70	70		70	
Rent Leveling	172	172	-	172	
Zoning Board	1,240	1,240		1,240	
Construction Code Official	2,434	2,434		2,434	
Police	-	22,442		22,442	
Crossing Guards	847	847		847	
Dispatcher 911	635	635	-	635	
Emergency Medical Services	-	-		-	
Fire Prevention	156	156		156	
Prosecutor	2,896	2,896	852	2,044	
Streets and Roads	65	65		65	
Solid Waste Collection	2,631	2,631		2,631	
Board of Health	11,577	11,577		11,577	
Recreation	381	381		381	
Municipal Court	183	183		183	
Public Defender	6,225	6,225	-	6,225	-
Other Expenses					
Municipal Clerk	-	23,706	23,355	351	
General Admin Grants	2,400	2,400	-	2,400	
Financial Administration:	3,141	7,927	5,720	2,207	
Payroll Service	-	16,945	13,475	3,470	
Annual Audit	25,950	40,950	40,950	-	
Revenue Administration	136	15,354	12,161	3,193	
Postage	2,129	2,132	-	2,132	
Tax Assessment	50	1,456	931	525	
Legal Services and Costs	5,578	25,090	16,995	8,095	
Engineer Costs	694	22,065	16,995	5,070	
Planning Board	1,252	1,252	281	971	
Town Planner	6,649	6,649	1,125	5,524	
Rent Leveling	350	350	-	350	
Zoning Board	6,090	6,090		6,090	
Construction Code	-	2,787	991	1,796	
Insurance:		-		-	
Group Insurance	20,440	5,440	2,675	2,765	
Other Insurance	256,473	73,716		73,716	
Insurance	4,917	4,917		4,917	
Workers Compensation	1,744	(9,956)	-	-	\$ 9,956
Police	-	29,226	18,192	11,034	
Purchase of Police Vehicles	21,829	30,000	8,171	21,829	
Other Police Personnel	-	20,000		20,000	
Office of Emergency Management	1,488	1,488	-	1,488	
First Aid Organization - Contribution	9,768	6,791	8,632	-	1,841
Emergency Medical Services	-	-		-	-
Fire Prevention	3,176	3,382	271	3,111	
Fire Stipend Program	38,791	38,791		38,791	
Fire	36,560	85,311	57,754	27,557	
Firemen Clothing Allowance	1,825	1,825		1,825	
Streets and Roads	799	15,817	29,646	-	13,829
Traffic Lights	9,627	9,627	277	9,350	
Shade Tree	-	4,500		4,500	
Recycling Contractual	-	42,933	42,933	-	

BOROUGH OF ELMWOOD PARK
STATEMENT OF APPROPRIATION RESERVES

	Balance December 31, 2023	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed	Overexpended
Solid Waste	\$ 2,387	\$ 2,387		\$ 2,387	
Solid Waste	65,908	105,908	\$ 102,505	3,403	
Vehicle Maintenance	5,075	16,835	1,063	15,772	
Board of Health	2,632	2,632	1,205	1,427	
Recreation	157	11,770	17,311	-	\$ 5,541
Senior Citizens Other Expense	7,516	7,516	5,393	2,123	
Maintenance of Parks	8,951	8,951	1,866	7,085	
Celebration of Public Events	150	6,671	6,521	150	
Electricity, Gas & Oil	988	26,989	26,894	95	
Street Lighting	2,836	46,836	26,142	20,694	
Telephone	402	7,767	6,773	994	
Passaic Valley					
Gasoline	3,854	27,055	13,670	13,385	
COAH	29,833	32,861	5,344	27,517	
Contingent	10,000	10,000	-	10,000	
Municipal Court	8,130	8,130	39	8,091	-
	-				-
Social Security System (O.A.S.I.)	376	376	-	376	-
Operations - Excluded from "CAPS"					
Maintenance Public Library	20,627	20,627	20,627	-	
Recycling Tax	23,170	23,170	1,967	21,203	
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission					
Operating and Maintenance Cost	1	1	1	-	-
Contribution to:					
Health Insurance	112,847	112,847		112,847	
Garbage and Trash	2,738	2,738	1,792	946	-
	<u>\$ 819,459</u>	<u>\$ 1,092,495</u>	<u>\$ 543,750</u>	<u>\$ 579,912</u>	<u>\$ 31,167</u>

Appropriation Reserves	\$ 819,459
Encumbrances	273,036
	<u>\$ 1,092,495</u>
Cash Disbursed	\$ 518,715
Accounts Payable	25,035
	<u>\$ 543,750</u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2023	\$ 273,036
Increased by:	
2024 Budget Appropriations	<u>1,362,131</u>
	1,635,167
Decreased by:	
Restored to Appropriation Reserves	<u>273,036</u>
Balance, December 31, 2024	<u><u>\$ 1,362,131</u></u>

EXHIBIT A-21

STATEMENT OF ACCOUNTS PAYABLE

Increased by:	
Transferred from Appropriation Reserve	<u>\$ 25,035</u>
Balance, December 31, 2024	<u><u>\$ 25,035</u></u>

EXHIBIT A-22

STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND AID

Balance, December 31, 2023	\$ 152,485
Decreased by:	
Utilized in 2024 Budget	<u>152,485</u>
Balance, December 31, 2024	<u><u>\$ -</u></u>

EXHIBIT A-23

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2023	<u>\$ 455,224</u>
Balance, December 31, 2024	<u><u>\$ 455,224</u></u>

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF TAX OVERPAYMENTS**

	<u>Total</u>
Balance, December 31 2023	\$ 12,518
Increased by: Collections	<u>249,095</u>
	261,613
Decreased by: Refunds	<u>22,372</u>
Balance, December 31, 2024	<u><u>\$ 239,241</u></u>

STATEMENT OF LOCAL SCHOOL DISTRICT TAX PAYABLE

Increased by: 2024 Levy	\$ 37,534,767
Decreased by: Payments	<u>37,534,738</u>
Balance, December 31, 2024	<u><u>\$ 29</u></u>

STATEMENT OF MARRIAGE LICENSE FEES PAYABLE

Balance, December 31 2023	<u>\$ 675</u>
Balance, December 31, 2024	<u><u>\$ 675</u></u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2023	\$ 135,864
Increased by:	
Tax Levy - General	\$ 6,539,727
Tax Levy - Open Space	294,729
Added Taxes (54:4-63.1)	<u>68,152</u>
	<u>6,902,608</u>
	7,038,472
Decreased by:	
Payments	<u>7,038,472</u>
Balance, December 31, 2024	<u><u>\$ -</u></u>

EXHIBIT A-28

STATEMENT OF PREPAID TAXES

Balance, December 31, 2023	\$ 332,859
Increased by:	
Collection of 2025 Taxes	<u>433,726</u>
	766,585
Decreased by:	
Application to 2024 Taxes	<u>332,859</u>
Balance, December 31, 2024	<u><u>\$ 433,726</u></u>

EXHIBIT A-29

DUE TO LOSAP - PLAN ASSETS

Balance, December 31, 2023	\$ 102,752
Decreased by:	
Cancellation	<u><u>\$ 102,752</u></u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF DUE FROM OTHER TRUST FUND
FEDERAL AND STATE GRANT FUND**

Balance, December 31, 2023	\$ 144,433
Balance, December 31, 2024	<u>\$ 144,433</u>

SCHEDULE OF APPROPRIATED GRANT RESERVES

	Balance December 31, <u>2023</u>	Transferred From Budget <u>Appropriations</u>	<u>Expended</u>	Balance, December 31, <u>2024</u>
Alcohol Education and Rehabilitation	\$ 12,533	\$ 10,622		\$ 23,155
American Rescue Plan Firefighter Grant		75,000	\$ 60,542	14,458
ARP Firefighters Grant	58,301			58,301
Bergen Co. Stigma Free Grant	1,860			1,860
Bergen County-Historical Restoration Grant	126	-	-	126
Body Armor Replacement Fund	1,227	7,003		8,230
Body Worn Camera		30,570	30,570	-
Childcare NJ ARP Stabilization	6,051			6,051
Clean Communities	4,092	35,539	35,539	4,092
Clean Communities		45,276	41,092	4,184
DCA - Recreation Grant	56,000			56,000
Drunk Driving Enforcement Fund	16,394			16,394
Drunk Driving Enforcement Fund	14,000	7,000	14,000	7,000
Highway Safety Grant - Click it or Ticket	960			960
Highway Safety Grant - Click it or Ticket	379	7,000	7,000	379
Juvenile Justice Grant	2,309			2,309
Lantern Fly Program	15,000	20,000		35,000
Lead Based Paint Grant	45,200			45,200
Local Recreational Improvement Grant		70,000		70,000
Municipal Alliance on Alcohol and Drug Abuse- 2017	1,201			1,201
NJ Workforce Registry Stabilization Grant	16			16
Pedestrian Safety	2,200	12,600	12,600	2,200
Recycling Tonnage		30,696	30,696	-
Recycling Tonnage		40,101	40,101	-
Recycling Tonnage Grant	37,458			37,458
Safe and Secure Communities				
Local Share		11,340		11,340
State Share		32,400		32,400
You Drink, You Drive, You Lose	-	13,720	6,720	7,000
	<u>\$ 275,307</u>	<u>\$ 448,867</u>	<u>278,860</u>	<u>\$ 445,314</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF UNAPPROPRIATED GRANT RESERVES

	Balance, December 31, <u>2023</u>	<u>Receipts</u>	Utilized in <u>2025 Budget</u>	Balance, December 31, <u>2024</u>
Stormwater Assistance Grant	\$ 15,000			\$ 15,000
Opioid Settlement	42,507	\$ 48,759		91,266
Occupant Protection - Click it or Ticket	13,440		\$ 7,000	6,440
Non-Motorized Safety Enforcement Grant	12,600		12,600	-
Body Armor Replacement Grant	7,003	3,923	7,003	3,923
Distracted Driving Enforcement	14,980			14,980
Alcohol Education and Rehabilitation	9,274	-	9,274	-
Impaired Driving	4,760			4,760
Clean Communities	35,539	12,750	35,539	12,750
Recycling Tonnage Grant	<u>30,696</u>	<u>-</u>	<u>30,696</u>	<u>-</u>
	<u>\$ 185,799</u>	<u>\$ 65,432</u>	<u>\$ 102,112</u>	<u>\$ 149,119</u>
	Cash Receipts	\$ 61,509		
Due from General Capital Fund		<u>3,923</u>		
		<u>\$ 65,432</u>		

EXHIBIT A-33

STATEMENT OF UNAPPROPRIATED GRANT RESERVES

	Balance, December 31, <u>2023</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
Overexpenditure of Grant Reserved	<u>\$ 12,600</u>	<u>\$ 12,600</u>	<u>\$ -</u>

TRUST FUNDS

**BOROUGH OF ELMWOOD PARK
STATEMENT OF TRUST CASH**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>
Balance, December 31, 2023	\$ 16,186	\$ 4,004,664	\$ 194,344
Increased by Receipts:			
Interest on Deposits		\$ 5,598	
Escrow and Miscellaneous Reserves		28,320,032	
License Fees Collected	4,265		
Due to State of New Jersey	712		
Payroll and Payroll Deductions		26,696,215	\$ 12,403
Receipts from Current Fund		750	
Receipts from General Capital Fund	-	17,514	-
	<u>4,977</u>	<u>55,040,109</u>	<u>12,403</u>
	21,163	59,044,773	206,747
Decreased by Disbursements:			
Payments to Current Fund	6,162	104,103	
Payments to State of NJ	710		
Unemployment Reserve Expenditures			12,311
Due to Bergen County Prosecutor		26,325	
Payroll and Payroll Deductions Payable		26,692,551	
Escrow and Miscellaneous Reserves	-	27,964,397	-
	<u>6,872</u>	<u>54,787,376</u>	<u>12,311</u>
Balance, December 31, 2024	<u>\$ 14,291</u>	<u>\$ 4,257,397</u>	<u>\$ 194,436</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF INTERFUNDS RECEIVABLE/(PAYABLE)

	Balance, December 31, <u>2023</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2024</u>
Other Trust Fund				
Federal and State Grant Fund	\$ (144,433)			\$ (144,433)
General Capital Fund	17,514	\$ 17,514		-
Current Fund				-
Escrow Trust Fund	(5,365)	5,598	\$ 5,365	(5,598)
Public Defender Trust Fund	750	750		-
Fire Prevention - Dedicated Penalties	(24,338)			(24,338)
Redemption Trust Fund	(89,547)		89,547	-
Other Trust Fund	(9,691)	-	9,191	(500)
	<u>(255,110)</u>	<u>23,862</u>	<u>104,103</u>	<u>(174,869)</u>
Total Other Trust Fund				
	<u>(255,110)</u>	<u>23,862</u>	<u>104,103</u>	<u>(174,869)</u>
Animal Control Trust Fund				
Current Fund	(6,175)	5,635	6,162	(5,648)
	<u>(6,175)</u>	<u>5,635</u>	<u>6,162</u>	<u>(5,648)</u>
Intrafunds				
Animal License Trust Fund	13			13
Other Trust Fund	(13)	-	-	(13)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (261,285)</u>	<u>\$ 29,497</u>	<u>\$ 110,265</u>	<u>\$ (180,517)</u>
		Receipts \$ 18,264		
		Disbursements	\$ 110,265	
		Statutory Excess 5,635		
		Interest on Investments 5,598	-	-
		<u>\$ 29,497</u>	<u>\$ 110,265</u>	<u>\$ -</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF AMOUNT DUE TO STATE OF NEW JERSEY -
ANIMAL LICENSE TRUST FUND

Increased by:		
State Fees Collected	\$	<u>712</u>
Decreased by:		
Payments to the State of New Jersey		<u>710</u>
Balance, December 31, 2024	\$	<u><u>2</u></u>

STATEMENT OF RESERVE FOR ANIMAL TRUST FUND EXPENDITURES

Balance, December 31, 2023	\$	10,024	
Increased by:			
Dog License Fees	\$	3,837	
Cat License Fees		368	
Late Fees - Dog		<u>60</u>	
			<u>4,265</u>
			14,289
Decreased by:			
Statutory Excess Due Current Fund			<u>5,635</u>
Balance, December 31, 2024	\$		<u><u>8,654</u></u>

STATEMENT OF AMOUNT DUE TO BERGEN COUNTY PROSECUTOR

Balance, December 31, 2023	\$	<u>26,325</u>
Decreased by:		
Cash Disbursements	\$	<u><u>26,325</u></u>

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

Balance, December 31, 2023			\$	194,344
Increased by:				
Employee Payroll Deductions				<u>12,403</u>
				206,747
Decreased by:				
Cash Disbursements	\$	12,311		
Due to State of New Jersey		<u>9,860</u>		
				<u>22,171</u>
Balance, December 31, 2024			\$	<u>184,576</u>

**STATEMENT OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY -
UNEMPLOYMENT INSURANCE TRUST FUND**

Increased by:				
Benefits Due to the State of New Jersey			\$	<u>9,860</u>
Balance, December 31, 2024			\$	<u>9,860</u>

**STATEMENT OF VARIOUS RESERVES AND DEPOSITS
TRUST FUNDS**

	Balance, December 31, <u>2023</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2024</u>
Escrow Deposits	\$ 613,988	\$ 318,910	\$ 146,197	\$ 786,701
Public Defender	8,050	5,086		13,136
Multiple Dwelling Emergency Deposits	43,454	8		43,462
Recreation	408,549	546,394	933,884	21,059
Parking Offenses Adjudication Axt	3,924	1,568	1,072	4,420
Lien Redemptions		93,275	94,293	(1,018)
Tax Title Lien Premiums	180,700	50,500	96,400	134,800
Accumulated Absences	350,649	39,142		389,791
Federal Equitable Sharing Program - Treasurer	2,026			2,026
Federal Equitable Sharing Program - Justice	50,983			50,983
COAH	1,981,659	389,436		2,371,095
Fire Prevention - Dedicated Penalties	48,162	31,671		79,833
Drunk Driving	197			197
Miscellaneous	1,000			1,000
Police Outside Duty	29,875	151,491		181,366
Payroll	<u>-</u>	<u>26,696,215</u>	<u>26,692,551</u>	<u>3,664</u>
	<u>\$ 3,723,216</u>	<u>\$ 28,323,696</u>	<u>\$ 27,964,397</u>	<u>\$ 4,082,515</u>

GENERAL CAPITAL FUND

**BOROUGH OF ELMWOOD PARK
STATEMENT OF GENERAL CAPITAL CASH**

Balance, December 31, 2023		\$ 3,449,527
Increased by :		
Bond Anticipation Notes	\$ 2,581,000	
Interfunds		
Receipts from Current Fund	1,212,692	
Grants Received	754,188	
Federal and State Grant Fund Receipts		
Deposited in General Capital Fund	<u>3,923</u>	
		<u>4,551,803</u>
		8,001,330
Decreased by:		
Improvement Authorizations	481,313	
Contracts Payable	3,956,798	
Interfund		
Payments to Current Fund	322,025	
Payments to Water Capital Fund	50,000	
Payments to Other Trust Fund	<u>17,514</u>	
		<u>4,827,650</u>
Balance, December 31, 2024		<u><u>\$ 3,173,680</u></u>

**BOROUGH OF ELMWOOD PARK
ANALYSIS OF GENERAL CAPITAL CASH
AS OF DECEMBER 31, 2024**

Fund Balance	\$ 117,066
Capital Improvement Fund	377,500
Interfunds Payable	705,021
Grants Receivable	(73,145)
Contributions Receivable	(5,355)
Environmental Infrastructure Loan Receivable	(17,514)
Contracts Payable	3,648,943
Deferred Charges - Overexpenditures	(460,956)
Excess Note Proceeds	71,252

Improvement Authorizations:

<u>Ord. No.</u>	<u>Improvement Description</u>	
2013-21	Streetscape Improvements	(118,977)
2014-12	Sanitary Sewer Pump Station	(62,692)
2015-17	Resurfacing of Loiza Terrace, Franklin & Court St.	(108,366)
2016-12	2016 Road Resurfacing Program	42,653
2017-13	Improvement of the Boulevard, Sec. 10, Phase 2	(31,890)
2017-20	UST Removal and Environmental Remediation	(40,468)
2018-05/2018-23	Resurfacing of Franklin, Orchard & Lee Street	(64,939)
2019-09	ADA Accessible Playground Equipment at Cherry Hill Park	61,494
2019-15/2020-34	Various Public Improvements	(60,669)
2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd and 3rd Streets	(25,258)
2020-04	Various Public Improvements	109,050
2020-17	Improvements to Donor Place & Echo Place	(280,399)
2020-22	Elmwood Park Marina Improvements	986,550
2020-27	Various Public Improvements	34,353
2021-09/2022-12	Improvement of 13th and 14th Avenue	(159,268)
2021-11	Various Public Improvements	312,829
2021-23	Improvement of Mola Blvd, Phase 2	14,109
2021-25	2021 Curb & Gutter Replacement Program	76,762
2021-27	2021 Road Improvement Program	310,605
2022-03	Acquisition of Pumper Fire Engine	55,059
2022-07	Design/Engineering Phase for Traffic Signalization Imps.	22,500
2022-16	Various Public Improvements	156,706
2022-22	Improvement of 15th Avenue	17,755
2023-07/2023-28	Synthetic Turf Athletic Field at Borough Park	(799,514)
2023-12	Various Public Improvements	112,814

**BOROUGH OF ELMWOOD PARK
ANALYSIS OF GENERAL CAPITAL CASH
AS OF DECEMBER 31, 2024**

2023-23	2023 Road Resurfacing Program	\$ (180,355)
2023-27	Storm and Sanitary Sewer Improvements	(4,800)
2023-29	Improvements to Elmwood Drive Park	(98,000)
2023-34	Various Public Improvements, supp. 22-03 & 20-04	(15,484)
2023-38	Imp. of 14th Ave, East 53rd and 16th Ave.	207,768
2023-39	Acquisition of new Pumper Fire Engine	(1,384,674)
2024-15	2024 Road Resurfacing Program	(156,000)
2024-16	Borough Park Pavilion & Amphitheater Project	30,000
2024-17	Various Public Improvements & Acquisitions	<u>(148,386)</u>
		<u>\$ 3,173,680</u>

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

Balance, December 31, 2023			\$15,738,485
Decreased By:			
Budget Appropriation			
NJ Infrastructure Trust Loans	\$	230,001	
Serial Bonds		<u>1,520,000</u>	
			<u>1,750,001</u>
Balance, December 31, 2024			<u>\$ 13,988,484</u>

EXHIBIT C-5

STATEMENT OF INTERFUNDS RECEIVABLE (PAYABLE)

	Balance December 31, 2023	Increased	Decreased	Balance December 31, 2024
Current Fund	\$ 12,498	\$ 822,025	\$ 1,534,717	\$ (700,194)
Water Capital	(50,000)	50,000		-
Federal and State Grant Fund	(904)		3,923	(4,827)
Other Trust Fund	<u>(17,514)</u>	<u>17,514</u>	<u>-</u>	<u>-</u>
	<u>\$ (55,920)</u>	<u>\$ 889,539</u>	<u>\$ 1,538,640</u>	<u>\$ (705,021)</u>
Cash Receipts		\$ -	\$ 1,212,692	
Cash Disbursements		389,539		
Budget Appropriation Capital		500,000		
Improvement Fund				
Anticipated as Current Fund Revenue			322,025	
Federal and State Grant Fund Receipt				
Deposited in General Capital Fund		<u>-</u>	<u>3,923</u>	
		<u>\$ 889,539</u>	<u>\$ 1,538,640</u>	

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

Ord. No.	Improvement Description	Balance January 1, 2023	2024 Authorizations	Budget Appropriation	Grant Proceeds	Balance December 31, 2024	Analysis of Balance December 31, 2024		Unexpended Improvement Authorizations
							Bond Anticipation Notes	Expenditures	
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	31,890				31,890		31,890	
2017-20	Underground Storage Tank Removal & Environmental Remediation	40,468				40,468		40,468	
2018-05	Resurfacing of Franklin, Orchard, and Lee Streets	61,389				61,389		61,389	
2018-23	Additional Appropriation: 2018-05	3,550				3,550		3,550	
2019-23	Resurfacing of Portions of Miller & Summit Avenue, and 1st, 2nd and 3rd Streets	48,000				48,000		25,258	22,742
2020-17	Improvements to Donor Avenue & Echo Place	290,000				290,000		280,399	9,601
2020-22	Elmwood Park Marina Improvements	250,000			\$ 37,500	212,500			212,500
2020-34	Additional Appropriation: 2019-15	85,500				85,500		60,669	24,831
2021-09	Improvement of 13th Avenue	162,795				162,795		159,268	3,527
2021-11	Various Public Improvements	12,000				12,000			12,000
2021-23	Improvement of Mola Blvd, Phase 2	238,000				238,000	\$ 238,000		
2021-25	2021 Curb & Gutter Replacement Program	309,500				309,500		309,500	
2021-27	2021 Road Improvement Program	971,000				971,000		971,000	
2022-03	Acquisition of Pumper Fire Engine	938,000				938,000		938,000	
2022-07	Design/Engineering Phase for Traffic Signalization Imps	104,700				104,700		104,700	
2022-12	Imps to 13th and 14th Avenue	65,413				65,413			65,413
2022-16	Various Public Improvements	972,000				972,000		972,000	
2022-20	Acquisition of equipment including Police Vehicles	152,000				152,000		152,000	
2022-22	Improvement of 15th Avenue	53,024				53,024		53,024	
2022-27	Streetscape Improvements - Mola Blvd	330,750			79,502	251,248		251,248	
2022-28	Improvement of Grove Street	170,500			51,500	119,000		119,000	
2023-07	Installation of Synthetic Turf Athletic Field at Borough Park	2,200,000			585,686	1,614,314	1,314,800	299,514	-
2023-12	Various Public Improvements	831,000				831,000		656,000	175,000
2023-11	Supp. 2022-27: Streetscape Imps. To Mola Blvd	230,000				230,000		230,000	
2023-23	2023 Road Resurfacing Program	1,352,000				1,352,000	953,223	180,355	218,422
2023-27	Storm and Sanitary Sewer Improvements	123,800				123,800		4,800	119,000
2023-28	Supp. 2023-07: Synthetic Turf Athletic Field	500,000				500,000		500,000	
2023-29	Improvements to Elmwood Drive Park	600,000				600,000		98,000	502,000
2023-34	Various Public Improvements, supp. 22-03 & 20-04	695,000				695,000		15,484	679,516
2023-38	Imp of 14th Ave, East 53rd and 16th Ave	371,000				371,000	247,253		123,747
2023-39	Acquisition of new Pumper Fire Engine	1,419,000				1,419,000		1,384,674	34,326
2024-15	2024 Road Resurfacing Program		\$ 1,271,000			1,271,000		156,000	1,115,000
2024-16	Borough Park Pavilion & Amphitheater Project		595,000			595,000			595,000
2024-17	Various Public Improvements and Acquisitions		569,000			569,000		148,386	420,614
		<u>\$ 13,959,314</u>	<u>\$ 2,435,000</u>	<u>\$ -</u>	<u>\$ 754,188</u>	<u>\$ 15,640,126</u>	<u>\$ 7,509,748</u>	<u>\$ 3,740,139</u>	<u>\$ 4,390,239</u>
							Bond Anticipation Notes	\$ 7,581,000	
							Less: Excess Note Proceeds		
							Ordinance 2022-	\$ 19,752	
							Ordinance 2022-	51,500	
								<u>71,252</u>	
								<u>\$ 7,509,748</u>	
									Improvement Authorizations - Unfunded
									\$ 5,364,317
									Less: Unexpended Proceeds of Bond Anticipation Notes
									Ordinance:
									2021-23
									\$ 14,109
									2021-25
									76,762
									2021-27
									310,605
									2022-03
									55,059
									2022-07
									22,500
									2022-16
									156,706
									2022-22
									17,755
									2023-12
									112,814
									2023-38
									207,768
									<u>974,078</u>
									<u>4,390,239</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF GRANTS RECEIVABLE

<u>Grantor Agency</u>	Balance January 1, 2024	Grants <u>Awarded</u>	Grant <u>Receipts</u>	Balance December 31, 2024
Department of Transportation				
Ord. No. 2017-13	\$ 43,888			\$ 43,888
Ord. No. 2022-27	59,750	\$ 19,752	\$ 79,502	-
Ord. No. 2022-28	51,500		51,500	-
Community Development Block Grant				-
Ord. No. 2020-17	191,508			191,508
Ord. No. 2023-07	144,447		144,447	-
Ord. No. 2023-38	123,747			123,747
Bergen County Open Space Grant				-
Ord. No. 2019-09	73,145			73,145
Ord. No. 2023-07	441,239		441,239	-
Ord. No. 2024-16		197,153		197,153
Green Acres Trust Fund				-
Ord. No. 2020-22	250,407		37,500	212,907
Ord. No. 2020-22	269,619	-	-	269,619
	<u>\$ 1,649,250</u>	<u>\$ 216,905</u>	<u>\$ 754,188</u>	<u>\$ 1,111,967</u>
		Pledged to Ordinance		\$ 73,145
		Reserve for Grants Receivable		<u>1,038,822</u>
				<u>\$ 1,111,967</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE

Balance, December 31, 2023	\$ <u>17,514</u>
Balance, December 31, 2024	\$ <u><u>17,514</u></u>

STATEMENT OF CONTRIBUTIONS RECEIVABLE

Balance, December 31, 2023	\$ <u>5,355</u>
Balance, December 31, 2024	\$ <u><u>5,355</u></u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2024</u>		<u>Interest Rate</u>		<u>Balance, December 31, 2023</u>		<u>Balance, December 31, 2024</u>	
			<u>Date</u>	<u>Amount</u>				<u>Decreased</u>		
General Improvements	8/1/2013	\$ 6,830,000	08/01/25	\$ 720,000	3.00 %		\$ 1,440,000	\$ 720,000	\$ 720,000	
General Improvements	8/15/2019	6,950,000	08/15/25	455,000	2.00 %		5,335,000	440,000	4,895,000	
			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					
General Improvements	8/15/2023	8,025,000	08/15/25	370,000	4.00 %		8,025,000	360,000	7,665,000	
			08/15/26	455,000	4.00					
			08/15/27	485,000	4.00					
			08/15/28	580,000	4.00					
			08/15/29	705,000	4.00					
			08/15/30	720,000	4.00					
			08/15/31	725,000	4.00					
			08/15/32	725,000	4.00					
			08/15/33	725,000	4.00					
			08/15/34	725,000	4.00					
			08/15/35	725,000	4.00					
			08/15/36	725,000	4.00					
							-	-	-	
							<u>\$ 14,800,000</u>	<u>\$ 1,520,000</u>	<u>\$ 13,280,000</u>	

BOROUGH OF ELMWOOD PARK
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2023	Increased	Decreased	Balance, December 31, 2024
2021-23	Imps to Mola Blvd, Phase 2	11/9/23	11/9/23	10/9/24	5.00%	\$ 238,000		\$ 238,000	-
		10/9/24	10/9/24	10/9/25	3.50%		\$ 238,000		\$ 238,000
2021-25	2021 Curb & Gutter Replacement Program	11/9/23	11/9/23	10/9/24	5.00%	309,500		309,500	-
		10/9/24	10/9/24	10/9/25	3.50%		309,500		309,500
2021-27	2021 Road Improvement Program	11/9/23	11/9/23	10/9/24	5.00%	971,000		971,000	-
		10/9/24	10/9/24	10/9/25	3.50%		971,000		971,000
2022-03	Acquisition of new Pumper Fire Engine	11/9/23	11/9/23	10/9/24	5.00%	938,000		938,000	-
		10/9/24	10/9/24	10/9/25	3.50%		938,000		938,000
2022-07	Design/Engineering Phase for Traffic Signalization Imps.	11/9/23	11/9/23	10/9/24	5.00%	104,700		104,700	-
		10/9/24	10/9/24	10/9/25	3.50%		104,700		104,700
2022-16	Various Public Improvements	11/9/23	11/9/23	10/9/24	5.00%	972,000		972,000	-
		10/9/24	10/9/24	10/9/25	3.50%		972,000		972,000
2022-20	Acq. Of Vehicles & Equipment for Police Dept.	11/9/23	11/9/23	10/9/24	5.00%	152,000		152,000	-
		10/9/24	10/9/24	10/9/25	3.50%		152,000		152,000
2023-07/2023-28	Installation of Synthetic Turf Field at Borough Park	11/9/23	11/9/23	10/9/24	5.00%	1,314,800		1,314,800	-
		10/9/24	10/9/24	10/9/25	3.50%		1,314,800		1,314,800
2022-22	Improvement of Grove Street	10/9/24	10/9/24	10/9/25	3.50%		53,024		53,024
2022-27/2023-11	Streetscape Improvements - Mola Blvd	10/9/24	10/9/24	10/9/25	3.50%		501,000		501,000
2022-28	Improvement of Grove Street	10/9/24	10/9/24	10/9/25	3.50%		170,500		170,500
2023-12	Various Public Improvements	10/9/24	10/9/24	10/9/25	3.50%		656,000		656,000
2023-23	2023 Road Resurfacing Program	10/9/24	10/9/24	10/9/25	3.50%		953,223		953,223
2023-38	Improvement of 14th Ave, East 53rd and 16th Ave	10/9/24	10/9/24	10/9/25	3.50%	-	247,253	-	247,253
						<u>\$ 5,000,000</u>	<u>\$ 7,581,000</u>	<u>\$ 5,000,000</u>	<u>\$ 7,581,000</u>
						Note Issued	\$ 2,581,000		
						Renewals	<u>5,000,000</u>	<u>\$ 5,000,000</u>	
							<u>\$ 7,581,000</u>	<u>\$ 5,000,000</u>	

BOROUGH OF ELMWOOD PARK
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
GENERAL CAPITAL FUND
YEAR ENDED DECEMBER 31, 2024

Ord. No.	Improvement Description	Ordinance Amount	Balance December 31, 2024		2024 Authorizations	Paid or Charged	Balance December 31, 2024		Over- Expended
			Funded	Unfunded			Funded	Unfunded	
2016-12	2016 Road Resurfacing Program	\$ 480,000	\$ 42,653	\$ 57,000		-	\$ 42,653	\$ 57,000	
2019-09	ADA Accessible Playground Equipment at Cherry Hill Park	308,350	99,359			\$ 37,865	61,494		
2019-15/2020-34	Various Public Improvements	1,675,000		37,713		12,882		24,831	
2019-23	Resurfacing of Portions of Miller & Summit Avenues, 1st, 2nd & 3rd Streets	245,000		22,742		-		22,742	
2020-04	Various Public Improvements	2,585,000	109,050			-	109,050		
2020-17	Improvements to Donor Ave & Echo Place	305,000		9,601		-		9,601	
2020-22	Elmwood Park Marina Improvements	1,400,000	949,050	250,000		-	986,550	212,500	
2020-27	Various Public Improvements	330,000	34,353			-	34,353	-	
2021-09/2022-12	Improvement of 13th & 14th Avenue	300,000		68,940		-		68,940	
2021-11	Various Public Improvements	1,520,000	312,829	12,000		-	312,829	12,000	
2021-23	Improvement of Mola Blvd, Phase 2	250,000		14,324		215		14,109	
2021-25	2021 Curb & Gutter Replacement Program	325,000		76,762		-		76,762	
2021-27	Road Improvement Program	1,020,000		310,605		-		310,605	
2022-03	Acquisition of New Pumper Fire Engine	985,000		55,059		-		55,059	
2022-07	Design/Engineering Phase for Traffic Signalization Imps	110,000		22,500		-		22,500	
2022-16	Various Public Improvements	1,156,500		185,314		28,608		156,706	
2022-22	Improvement of 15th Avenue	200,000		17,755		-		17,755	
2022-27/	Streetscape Imps to Mola Boulevard	510,000		24,176		241,202		-	\$ 217,026
2023-11		230,000							
2023-07/2023-28	Synthetic Turf Athletic Field at Borough Park	3,160,000	210,208	2,700,000		3,154,138		-	243,930
2023-12	Various Public Improvements	872,700		357,790		69,976		287,814	
2023-23	2023 Road Resurfacing Program	1,420,000		218,422		0		218,422	
2023-27	Storm and Sanitary Sewer Improvements	130,000		119,000		-		119,000	
2023-29	Improvements to Elmwood Drive Park	600,000		582,000		80,000		502,000	
2023-34	Various Imps Supp to 2022-03 & 2020-04	730,000	35,000	695,000		50,484		679,516	
2023-38	Imp of 14th Ave, East 53rd & 16th Ave	390,000	18,515	371,000		58,000		331,515	
2023-39	Acquisition of New Pumper Fire Engine	1,490,000		34,326		-		34,326	
2024-15	2024 Road Resurfacing Program	1,335,000			\$ 1,335,000	220,000		1,115,000	
2024-16	Borough Park Pavilion & Amphitheater Project	625,000			625,000	-	30,000	595,000	
2024-17	Various Public Improvements & Acquisitions	597,500	-	-	597,500	176,886	-	420,614	-
			<u>\$ 1,811,017</u>	<u>\$ 6,242,029</u>	<u>\$ 2,557,500</u>	<u>\$ 4,130,256</u>	<u>\$ 1,576,929</u>	<u>\$ 5,364,317</u>	<u>\$ 460,956</u>
			Deferred Charges Unfunded		\$ 2,435,000				
			Capital Improvement Fund		122,500				
					<u>\$ 2,557,500</u>				
					Cash Disbursements	\$ 481,313			
					Contracts Payable	<u>3,648,943</u>			
						<u>4,130,256</u>			

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

Increased by:	
Current Fund Budget Appropriation	\$ 500,000
Decreased by:	
Appropriated to Finance Department Authorizations	<u>122,500</u>
Balance, December 31, 2024	<u>\$ 377,500</u>

STATEMENT OF OVEREXPENDITURE OF ORDINANCE APPROPRIATION

Increased by:	
Overexpenditure of Improvement Authorizations	\$ 460,956
Balance, December 31, 2024	<u>\$ 460,956</u>
Ord. # 2023-07/2023-28 Synthetic Turf Athletic Field at Borough Park	\$ 243,930
Ord. # 22-27/23-11 Streetscape Imps to Mola Boulevard	<u>217,026</u>
	<u>\$ 460,956</u>

STATEMENT OF CONTRACTS PAYABLE

Balance, December 31, 2023	\$ 3,956,798
Increased by:	
Charges to Improvement Authorizations	<u>3,648,943</u>
	7,605,741
Decreased by:	
Cash Disbursements	<u>3,956,798</u>
Balance, December 31, 2024	<u>\$ 3,648,943</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2023	\$ 322,025
Decreased by:	
Anticipated as Current Fund Revenue	<u>322,025</u>
Balance, December 31, 2024	<u>\$ -</u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF NJ INFRASTRUCTURE LOAN PAYABLE**

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Improvement Description	Date of Issue of Original Note	Original Issue	Maturities of Bonds Outstanding December 31, 2024		Interest Rate	Balance,	Decreased	Balance,
			Date	Amount		December 31, 2023		December 31, 2024
Sewer Main Extension and De-icing Material Storage Bldg. Trust Loan	11/8/2007	\$ 1,885,000	08/01/2025	128,000	4.50%	\$ 522,000	\$ 123,000	\$ 399,000
			08/01/2026	133,000	4.50%			-
			08/01/2027	138,000	4.50%	-	-	-
Sewer Main Extension and De-icing Material Storage Bldg. Trust Loan	11/8/2007	\$ 2,042,471	08/01/2025	106,164	0.00%	416,485	107,001	309,484
			08/01/2026	105,182	0.00%			-
			08/01/2027	98,138	0.00%	-	-	-
						\$ 938,485	\$ 230,001	\$ 708,484

BOROUGH OF ELMWOOD PARK
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
GENERAL CAPITAL FUND
YEAR ENDED DECEMBER 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2023</u>	<u>2024 Authorizations</u>	<u>Grant Proceeds</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2024</u>
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	31,890				31,890
2017-20	Removal of Underground Storage Tank & Remediation	40,468				40,468
2018-05	Resurfacing of Franklin, Orchard and Lee Streets	61,389				61,389
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
2020-17	Imp Donor Ave./Echo Pl.	290,000				290,000
2020-22	Elmwood Park Marina Imp.	250,000		\$ 37,500		212,500
2020-34	Amend 2019-15: Various Public Improvements	85,500				85,500
2021-09	Improvement of 13th Avenue	162,795				162,795
2021-11	Various Public Improvements	12,000				12,000
2022-12	Imps. To 13th and 14th Avenue	65,413				65,413
2022-22	Improvement of 15th Avenue	53,024			\$ 53,024	-
2022-27	Streetscape Improvements - Mola Blvd.	330,750		79,502	251,248	-
2022-28	Improvement of Grove Street	170,500		51,500	119,000	-
2023-07	Installation of Synthetic Turf Athletic Field at Borough Park	885,200		585,686	-	299,514
2023-12	Various Public Improvements	831,000			656,000	175,000
2023-11	Supp. 2022-27: Streetscape Imps. To Mola Blvd.	230,000			230,000	-
2023-23	2023 Road Resurfacing Program	1,352,000			953,223	398,777
2023-27	Storm and Sanitary Sewer Improvements	123,800				123,800
2023-28	Supp. 2023-07: Synthetic Turf Athletic Field	500,000				500,000
2023-29	Improvements to Elmwood Drive Park	600,000				600,000
2023-34	Various Public Improvements, Supp. 22-03 & 20-04	695,000				695,000
2023-38	Imp. Of 14th Ave, East 53rd and 16th Ave.	371,000			247,253	123,747
2023-39	Acquisition of New Pumper Fire Engine	1,419,000				1,419,000
2024-15	2024 Road Resurfacing Program		\$ 1,271,000			1,271,000
2024-16	Borough Park Pavilion & Amphitheater Project		595,000			595,000
2024-17	Various Public Improvements & Acquisitions	-	569,000	-	-	569,000
		<u>\$ 8,959,314</u>	<u>\$ 2,435,000</u>	<u>\$ 754,188</u>	<u>\$ 2,509,748</u>	<u>\$ 8,130,378</u>

WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2023	\$ 6,454,026	\$ 1,756,753
Increased by Receipts:		
Rents	\$ 4,651,283	
Interest on Investments	245,059	\$ 40,138
Other Miscellaneous	1,200	
Prepaid Water Rents	209,852	
Receipts from Current Fund		1,348
Receipts from General Capital Fund		50,000
Receipts from Water Utility Capital Fund	<u>8,037</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>5,115,431</u>	<u>91,486</u>
	11,569,457	1,848,239
Decreased by Disbursements:		
Budget Appropriations	3,665,733	
Appropriation Reserves	207,763	
Payments to Water Utility Operating Fund	2,300,000	
Payments to Current Fund		8,037
Accrued Interest on Notes	82,101	
Improvement Authorizations		11,650
Downpayment on Improvement	<u>-</u>	<u>9,000</u>
	<u>6,255,597</u>	<u>28,687</u>
Balance, December 31, 2024	<u>\$ 5,313,860</u>	<u>\$ 1,819,552</u>

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

Fund Balance	\$ 132,294
Reserve for Payment of Debt Service	205,269
Capital Improvement Fund	1,418,000
Due to Water Utility Operating Fund	32,837
Improvement Authorizations:	
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)
2018-14 Water Tank Replacement	102,179
2018-15 Replace of Water Lines	(94,589)
2019-28 Water Main Replacement - Tuella Avenue	45,159
2020-05 Replacement/Rehabilitation of Water Mains & Lines	179,113
2022-15 Various Upgrades to the Pump Station at the Gilbert Avenue Well Field	199,552
	<u>\$ 1,819,552</u>

EXHIBIT D-7

**SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)
WATER UTILITY OPERATING FUND**

	Balance, December 31, 2023	Increased	Decreased	Balance, December 31, 2024
Water Utility Capital Fund	\$ 736	\$ 40,138	\$ 8,037	\$ 32,837
Current Fund	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
	<u>\$ 250,736</u>	<u>\$ 40,138</u>	<u>\$ 8,037</u>	<u>\$ 282,837</u>
Interest Earned on Investments	\$ 40,138			
Cash Receipts			\$ 8,037	
Cash Disbursements		<u>-</u>	<u>-</u>	
		<u>\$ 40,138</u>	<u>\$ 8,037</u>	

BOROUGH OF ELMWOOD PARK
SCHEDULE OF INTERFUNDS RECEIVABLE (PAYABLE)
WATER UTILITY CAPITAL FUND

	Balance, <u>December 31, 2023</u>	<u>Increased</u>	<u>Decreased</u>	Balance, <u>December 31, 2024</u>
Water Utility Operating Fund	\$ (736)	\$ 8,037	\$ 40,138	\$ (32,837)
Current Fund	1,348		1,348	-
General Capital Fund	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
	<u>\$ 50,612</u>	<u>\$ 8,037</u>	<u>\$ 91,486</u>	<u>\$ (32,837)</u>
Interest Earned on Investments			\$ 40,138	
Cash Receipts			51,348	
Cash Disbursements		<u>8,037</u>	<u>-</u>	
		<u>\$ 8,037</u>	<u>\$ 91,486</u>	

STATEMENT OF CONSUMERS ACCOUNTS RECEIVABLE
WATER UTILITY OPERATING FUND

Balance, December 31, 2023	\$ 118,117
Increased by:	
Water Rents Levied	<u>5,200,218</u>
	5,318,335
Decreased by:	
Cash Receipts	<u>4,651,283</u>
Balance, December 31, 2024	<u>\$ 667,052</u>

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

Balance, December 31, 2023	\$ 500
Balance, December 31, 2024	<u>\$ 500</u>

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

	Balance, December 31, 2023	Balance, December 31, 2024
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 Expenses	2,449	2,449
Engineering and Supervision	19,095	19,095
Interest During Course of Construction	21,571	21,571
Legal	1,301	1,301
Hydrants	16,267	16,267
Truck - Water Utility Share	1,268	1,268
Meters and Hydrants	266,967	266,967
Accounting Equipment	5,444	5,444
Land - Pumping Station	670	670
Appraisal - Garfield Water Works	2,500	2,500
Acquisition of Land to Erect Water Tank	74,689	74,689
Acquisition of Lease Rights	9,800	9,800
Water Infrastructure Improvements	4,640,331	4,640,331
Various System Improvements and Computer Mapping	755,104	755,104
Replacement of Water Meters	<u>789,070</u>	<u>789,070</u>
	<u>\$ 8,652,408</u>	<u>\$ 8,652,408</u>

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

<u>Ord. No.</u>		<u>Ordinance</u>		<u>Balance</u>	<u>Balance</u>
		<u>Date</u>	<u>Amount</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
2005-39	Water Meters	12/29/05	\$ 140,000	\$ 140,000	\$ 140,000
2006-07	Water Improvements	02/16/06	76,000	80,000	80,000
2011-17	Various Water Main Projects	10/20/12	340,000	340,000	340,000
2017-35	Water Tank Replacement	12/21/17	2,330,000	2,330,000	2,330,000
2018-14	Water Tank Replacement	07/19/18	210,000	210,000	210,000
2018-15	Replacement of Water Lines	07/19/18	270,000	270,000	270,000
2019-24	Water Main Replacement at Tuella Avenue	09/20/19	1,050,000	1,050,000	1,050,000
2019-28	Water Main Replacement at Tuella Avenue	11/15/2019	125,000	125,000	125,000
2020-05	Rehabilitation/Replacement of Water Mains & Lines	03/19/2020	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	<u>200,000</u>	<u>200,000</u>
				<u>\$ 4,985,000</u>	<u>\$ 4,985,000</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF 2023 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND

	Balance, December 31, <u>2023</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 57,156	\$ 57,156		\$ 57,156
Other Expenses		296,067	\$ 207,763	88,304
Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>29,438</u>	<u>29,438</u>	<u>-</u>	<u>29,438</u>
	<u>\$ 86,594</u>	<u>\$ 382,661</u>	<u>\$ 207,763</u>	<u>\$ 174,898</u>
Appropriation Reserves		\$ 86,594		
Restored from Encumbrances Payable		<u>296,067</u>		
		<u>\$ 382,661</u>		
Cash Disbursements			<u>\$ 207,763</u>	

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

Balance, December 31, 2023	\$ 25,873
Increased by:	
2024 Budget Appropriation	<u>80,510</u>
	106,383
Decreased by:	
Payments	<u>82,101</u>
Balance, December 31, 2024	<u>\$ 24,282</u>

Analysis of Accrued Interest, December 31, 2024

Principal Outstanding <u>Dec. 31, 2024</u>	<u>From</u>	<u>To</u>	<u>Rate</u>	<u>Amount</u>
\$ 436,205	8/1/2024	12/31/2024	4.00-5.00%	\$ 5,602
1,300,000	8/15/2024	12/31/2024	3.00-4.00%	<u>18,680</u>
				<u>\$ 24,282</u>

**BOLROUGH OF ELMWOOD PARK
STATEMENT OF PREPAID WATER RENTS
WATER UTILITY OPERATING FUND**

Increased by:	
Cas Receipts	\$ <u>209,832</u>
Balance, December 31, 2024	\$ <u>209,832</u>

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

Balance, December 31, 2023	\$ 7,837,170
Increased by:	
Payment of Environmental Infrastructure Loan Principal	\$ 246,540
Payment of Bond Principal	<u>65,000</u>
	<u>311,540</u>
Balance, December 31, 2024	\$ <u>8,148,710</u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2023	\$ <u>1,418,000</u>
Balance, December 31, 2024	\$ <u>1,418,000</u>

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

Ord. No.	Improvement Description	Ordinance		Balance, December 31, 2023		Expended	Balance, December 31, 2024	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
2005-39	Water Meters	12/29/05	\$ 140,000	\$ 77,513			\$ 77,513	
2006-07	Water Improvements	02/16/06	80,000		\$ 73,970			\$ 73,970
2011-17	Various Water Main Projects	10/20/12	340,000		46,748			46,748
2018-14	Water Tank Replacement	07/19/18	210,000	102,179			102,179	
2018-15	Replace of Water Lines	07/19/18	270,000		175,411			175,411
2019-28	Water Main Replacement at Tuella Avenue	11/15/19	125,000	45,159			45,159	
2020-05	Rehabilitation/Replacement of Water Mains & Lines	03/19/20	240,000	190,763		11,650	179,113	
2022-15	Various Upgrades to the Pump Station at the Gilbert Avenue Well Field	05/19/22	200,000	199,552	-	-	199,552	-
				<u>\$ 615,166</u>	<u>\$ 296,129</u>	<u>\$ 11,650</u>	<u>\$ 603,516</u>	<u>\$ 296,129</u>
						<u>\$ 11,650</u>		

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

Balance, December 31, 2023	<u>\$ 205,269</u>
Balance, December 31, 2024	<u><u>\$ 205,269</u></u>
	<u>Analysis of Balance</u>
	Ord. # 2005-12 <u><u>\$ 205,269</u></u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2024</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2023</u>	<u>Decreased</u>	<u>Balance, December 31, 2024</u>
			<u>Date</u>	<u>Amount</u>				
Water Bonds	8/15/2023	\$ 1,365,000	8/15/25	\$ 75,000	4.00%			
			8/15/26	80,000	4.00%			
			8/15/27	95,000	4.00%			
			8/15/28	100,000	4.00%			
			8/15/29	105,000	4.00%			
			8/15/30	110,000	4.00%			
			8/15/31	115,000	4.00%			
			8/15/32	120,000	4.00%			
			8/15/33	125,000	4.00%			
			8/15/34	125,000	4.00%			
			8/15/35	125,000	4.00%			
			8/15/36	125,000	4.00%			
						<u>\$ 1,365,000</u>	<u>\$ 65,000</u>	<u>\$ 1,300,000</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2024</u>		<u>Interest Rate</u>	<u>Balance,</u>	<u>Decreased</u>	<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31, 2023</u>		<u>December 31, 2024</u>
Water System Improvements	11/9/2006	\$4,523,513	2/1/2025	\$ 4,868	4.00-5.00%	\$ 682,745	\$ 246,540	\$ 436,205
			8/1/2025	261,090				
			8/1/2026	170,247				
						-	-	-
						<u>\$ 682,745</u>	<u>\$ 246,540</u>	<u>\$ 436,205</u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF DOWN PAYMENTS ON IMPROVEMENTS
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2023	\$ 9,000
Decreased by:	
Charges to Improvement Authorization	<u>9,000</u>
Balance, December 31, 2024	<u>\$ -</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance December 31, <u>2023</u>	Balance December 31, <u>2024</u>
2005-39	Water Meters	12/29/05	\$ 140,000	\$ 140,000
2006-07	Water Improvements	02/16/06	4,000	4,000
2017-35/2018-14	Water Tank Replacement	12/21/17	2,540,000	2,540,000
2022-15	Various Upgrades to the Pump Station at the Gilbert Avenue Well Field	5/19/2022	<u>200,000</u>	<u>200,000</u>
			<u>\$ 2,884,000</u>	<u>\$ 2,884,000</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2023	\$ 296,067
Increased by:	
Charges to Budget Appropriations	<u>446,570</u>
	742,637
Decreased by:	
Payables Restored to Appropriation Reserves	<u>296,067</u>
	<u>\$ 446,570</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
WATER UTILITY CAPITAL FUND

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2023</u>	Balance, December 31, <u>2024</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 Improvements	340,000	340,000
2018-15	Replacement of Water Lines	<u>270,000</u>	<u>270,000</u>
		<u>\$ 868,493</u>	<u>\$ 868,493</u>

BOROUGH OF ELMWOOD PARK

BERGEN COUNTY, NEW JERSEY

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Elmwood Park, which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated August 18, 2025. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

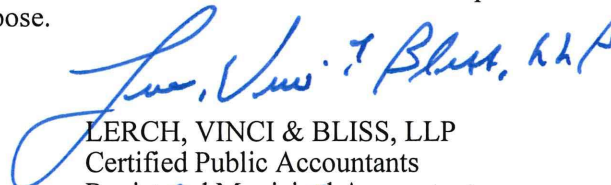
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Elmwood Park in Part III of this report of audit entitled; "Letter of Comments and Recommendations".


Borough of Elmwood Park's Response to Finding

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

Purpose of this Report

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


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


Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
August 18, 2025

BOROUGH OF ELMWOOD PARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Federal Program</u>	<u>AL Number</u>	<u>Grant Year</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2023</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2024</u>	<u>(Memo Only) Cumulative Expenditures</u>
U.S. Department of Health and Human Services								
Low Income Household Water Assistance Program	93.499	2024	\$ 9,667		\$ 9,667	\$ 9,667		\$ 9,667
National Opioid Settlement	93.788	2024	48,759					
National Opioid Settlement		2023						
National Opioid Settlement		2022						
Department of Housing and Urban Development								
Community Development Block Grant	14.218							
Ord. 2023-07 - Turf Athletic Field at Borough Park		2023	144,447		144,477	144,477	-	144,477
Ord. 2023-38 - 14th Avenue, East 53rd & 16th Ave		2023					-	
Ord. 2020-17 - ADA Sidewalk Imp. - Donor Ave & Echo Pl		2020					-	
Federal and State Grant Fund								
U.S. Department of the Treasury								
Coronavirus State and Local Fiscal Recovery Funds	21.027							
Childcare NJ ARP Stabilization				\$ 6,051			\$ 6,051	73,949
ARP Firefighter				58,301			58,301	18,356
ARP Firefighter		2024			75,000	60,542	14,458	60,542
U.S. Department of Transportation								
National Highway Traffic Safety Administration								
Non-Motorized Safety	20.616	2021		2,200			2,200	
Non-Motorized Safety - Pedestrian Safety		2023		12,600		12,600	-	12,600
Occupant Protection Program - Click It or Ticket		2021		960			960	
Occupant Protection Program - Click It or Ticket		2023		7,000		7,000	-	7,000
Occupant Protection Program - Click It or Ticket		2022						
Distracted Driving - U Drive, U Text, U Pay		2023						
Distracted Driving - U Drive, U Text, U Pay		2022						
Distracted Driving - U Drive, U Text, U Pay		2019		379			379	5,253
You Drink, You Drive, You Lose		2024	13,720		13,720	6,720	7,000	6,720
Impaired Driving		2023					-	
U.S. Department of Justice								
Juvenile Justice and Delinquency Prevention Grant	16.540	2020		2,309			2,309	
				-	-	-	-	
				<u>\$ 89,800</u>	<u>\$ 242,864</u>	<u>\$ 241,006</u>	<u>\$ 91,658</u>	

This schedule is not subject to a single audit as defined by U.S. Uniform Guidance

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

BOROUGH OF ELMWOOD PARK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>2024 Grant Receipts</u>	<u>Balance, December 31, 2023</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2024</u>	<u>(Memo Only) Cumulative Expenditures</u>
Department of Environmental Protection Agency Recycling Tonnage Grant	4900-752-042-4900-001-V42Y	2024	\$ 40,101	\$	\$ 40,101	\$ 40,101	\$	40,101
		2023		\$ 37,458		\$ 37,458		
		2022			30,696	30,696	-	30,696
Clean Communities	4900-765-042-4900-004-V42Y	2024	45,276		45,276	41,092	4,184	41,092
		2023		4,092		4,092	4,092	35,770
		2022			35,539	35,539	-	35,539
Stormwater Assistance Grant	NA	2023						
Administrative Offices of the Courts Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2024	1,348		1,348		1,348	
		2023			3,115		3,115	
		2022			6,159		6,159	
		2021		7,270			7,270	
		Prior		5,263			5,263	26,678
								-
Department of Law and Public Safety Division of Criminal Justice Safe and Secure Grant		2024	32,400		32,400		32,400	
							-	
Body Worn Camera		2024	30,570		30,570	30,570	-	30,570
Drunk Driving and Enforcement Fund	6400-100-078-6400	2024			7,000		7,000	-
		2023		14,000		14,000	-	14,000
		Prior		16,394			16,394	
Division of Criminal Justice Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2024	3,923					
		2023			3,763		3,763	
		2022			3,240		3,240	
		2021		239			239	2,962
		2020		988			988	3,289
Department of Human Services Division of Family Development NJ Workforce Grant - Stabilization		2021		16			16	3,984
Department of Community Affairs Lead Assistance Grant	23-100-027-8020-304	2023		41,800			41,800	
Lead Assistance Grant		Prior		3,400			3,400	
Recreation Grant		2024			70,000		70,000	
Recreation Grant		2023		56,000			56,000	
Department of Agriculture Spotted Lantern Fly Program	NA	2024			20,000		20,000	
		2023		15,000			15,000	
Municipal Alliance for Alcohol & Drug Abuse (Passed through Bergen County)		2017		1,201			1,201	
Department of Transportation Imp. Of the Boulevard, Sec. 10, Phase 2	Ord. 2017-13	2017		43,888			43,888	
Streetscape Imps. To Mola Blvd	Ord. 2022-27	2022	79,502		19,752	19,752	-	258,752
Improvements to Grove St	Ord. 2022-28	2022	51,500				-	206,000
Green Acres	Imps. To Elmwood Drive Park	2023					-	
Green Acres	Elmwood Park Marina - Ord 2020-22	2020		-	37,500	37,500	-	37,500
Total State Financial Assistance				247,009	386,459	249,250	384,218	

This schedule is not subject to a single audit as defined by OMB Circular 15-08.

See Accompanying Notes to the Schedule of Expenditures of State Financial Assistance

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

BOROUGH OF ELMWOOD PARK
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

NOTE 1 REPORTING ENTITY

The Borough of Elmwood Park (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the 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 New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the 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 regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 88,720	\$ 329,207	\$ 417,927
General Capital Fund	144,477	57,252	201,729
Water Utility Operating Fund	<u>9,667</u>	<u>-</u>	<u>9,667</u>
	<u>\$ 242,864</u>	<u>\$ 386,459</u>	<u>\$ 629,323</u>

BOROUGH OF ELMWOOD PARK
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 STATE LOANS OUTSTANDING

Certain state loans at the beginning of the year and loans made during the year are included in the schedules while others are not required to be included. The Borough's state loans outstanding at December 31, 2024, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

Loan Program

Environmental Infrastructure Loan - 2007

Trust Loan	\$ 399,000	
Fund Loan	<u>309,484</u>	
		\$ 708,484

Environmental Infrastructure Loan - 2006

Trust Loan	336,128	
Fund Loan	<u>100,077</u>	
		<u>436,205</u>
		<u>\$ 1,144,689</u>

NOTE 7 INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements Modified, Presentation of Unaudited LOSAP Trust Fund

Internal control over financial reporting:

1) Material weakness(es) identified _____ yes X no

2) Significant deficiency(ies) that are not
considered to be material weakness(es)? X yes _____ none reported

Noncompliance material to the financial
statements noted? _____ yes X no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2024-001

Maintenance of the General Ledger

Our audit revealed that the Borough did not properly maintain their general ledger during the period under audit. There were instances noted where the beginning balances were not in agreement with the prior year annual audit, certain cash transactions were not recorded, and control accounts were not in agreement with subsidiary reports.

Criteria

N.J.A.C. 5:30-5.7 requires all municipalities in the State of New Jersey to maintain a general ledger to support financial reporting and budgetary compliance.

Condition

The general ledger was not maintained in accordance with the requirements of the N.J.A.C.

Cause

This was primarily due to changing roles and responsibilities in the finance department.

Effect or Potential Effect

An inadequately maintained general ledger increases the risk of misstatements in the financial statements and may hinder the Borough's ability to effectively monitor and manage the financial operations. Furthermore, it may result in non-compliance with state regulation and jeopardize the timely completion of the annual audit.

Recommendation

It is recommended that all financial activity be recorded in the general ledger system, that the opening balances be in agreement with the prior year's audit balances and control account balances be in agreement with subsidiary reports.

Management's Response

Management has reviewed the recommendation, and corrective action will be taken.

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF ELMWOOD PARK
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

This section identifies the status of prior year findings related to the 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. Uniform Guidance and NJ OMB Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Tax Rate</u>	<u>\$3.069</u>	<u>\$2.992</u>	<u>\$3.012</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.992	.903	.914
Library	.043	.042	.038
County	.300	.295	.273
Local District School	1.720	1.739	1.775

Assessed Valuation

2024	<u>\$2,182,569,189</u>	
2023		<u>\$2,120,011,389</u>
2022		<u>\$2,097,212,789</u>

Comparison of Tax Levies and Collection

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2024	\$ 67,649,161	\$ 66,816,684	98.77%
2023	64,750,558	63,895,724	98.68%
2022	63,203,348	62,671,813	99.16%

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	\$ 574,219	\$ 11,029	\$ 585,248	0.87%
2023	846,738	3,501	850,239	1.31%
2022	504,469	914	505,383	0.80%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2024	\$23,450
2023	23,450
2022	23,450

Comparison Of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection*</u>
2024	\$5,200,218	\$4,651,283	0.89%
2023	4,105,232,	4,097,480	0.99%
2022	3,531,240	3,928,594	1.11%

* Includes collection of prior year receivables.

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>
Robert Colletti	Mayor
Thersea Sheridan	Council President
Tanisha Dennis	Councilmember
Francesco Fasolo	Councilmember
Daniel Golabek	Councilmember
Lorraine Pellegrine	Councilmember
Pamela J. Troisi	Councilmember
Michael Foligno	Administrator/Police Chief
Shanee Morris	Borough Clerk
Arthur R. Thibault Jr., Esq.	Borough Attorney
Roy Riggitano	Chief Finance Officer/Treasurer/Utility Collector

BOROUGH OF ELMWOOD PARK

LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

Prior Year Findings Unresolved

Finding – Our audit noted that there are Capital Fund Improvement Authorizations greater than five years old that have unfunded portions outstanding.

Recommendation – 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.

Finding – Cash receipts/revenues, other than tax collections, are not being recorded through the Borough's accounting software, but are rather being compiled manually through use of an excel spreadsheet. This makes it difficult to tie our revenues to departments and subsequent postings to the client's manual general ledger.

Recommendation – 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.

Finding – Our audit revealed overexpenditures in the 2023 budget appropriations, expenditures without appropriations and overexpenditures of capital ordinance appropriations resulting in deferred charges.

Recommendation – Internal procedures be reviewed to ensure that sufficient budget appropriations are available prior to expenditure of funds.

Finding – Our audit noted instances where purchase orders were not created until the goods or services were rendered or an invoice was received from the vendors.

Recommendation – Purchase orders be encumbered when contracts are awarded and prior to the ordering of goods and services.

Current Year Findings

Finding – Our audit of the bidding/window contract process revealed the following:

- Certain instances were noted where contract awards were made under a state contract or cooperative purchase agreements where the state contract or cooperative supporting documentation was not obtained and verified to the vendor invoice.
- Contract requirements for a contract awarded through national cooperative purchasing agreement was not adhered to.
- Contracts greater than \$2.5 million but below \$12.5 million was not reported to the OSC.
- Quotes were not always available for purchases made more than \$17,500 but below the bid threshold of \$44,000.

Recommendation – Amounts paid per vendor invoices through state contract or cooperative purchasing agreements be verified to state contract or cooperative purchasing programs award documentation. In addition, contract requirements for national cooperative purchasing contract awards be adhered to as well as all quotes be maintained for review. Also contracts greater than \$2.5 million but below \$12.5 million be reported to the OSC.

**BOROUGH OF ELMWOOD PARK
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Current Year Findings (Continued)

Finding – Our audit unrecorded contracts revealed that a contract which was awarded in December was not encumbered at year end.

Recommendation – That all contracts approved by the governing body be encumbered when awarded.

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement." If the municipality has a qualified purchasing agent ("QPA"), the bid threshold can be increased to \$44,000. The Borough has approved the Chief Financial Officer as its QPA and has set the bid threshold at the higher threshold.

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:

Revaluation
Road Improvements

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Collection of Taxes on Delinquent Taxes and Assessments

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

The Governing Body adopted a resolution authorizing interest to be charged on delinquent taxes and assessments.

Delinquent Taxes and Tax Title Liens

Inspection of tax 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>
2024	3
2023	4
2022	1

BOROUGH OF ELMWOOD PARK
LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

Suggestions to Management

1. Set up a separate bank account for police security deposits.
2. Recreation refunds be printed and reviewed from Community Pass by Chief Financial Officer on a monthly basis.
3. Old grants receivable and unspent appropriated grant reserves in the federal and state grant fund be reviewed for validity and cancelled.
4. Continued efforts be made to review outstanding grant receivables and submit grant reimbursement requests for completed projects.
5. Uncollected receivable balances be reviewed and cancelled.
6. Tax payments be verified to the EFTPS system.

**BOROUGH OF ELMWOOD PARK
LETTER OF COMMENTS AND RECOMMENDATIONS**

RECOMMENDATIONS

It is recommended that:

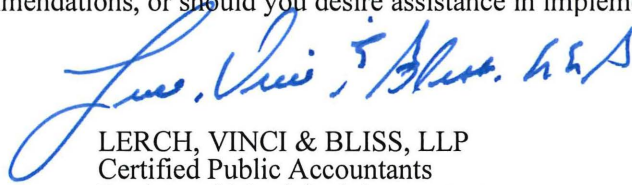
1. All financial activity be recorded in the general ledger system, and that the opening balances be in agreement with the prior year's audit balances and control account balances be in agreement with subsidiary reports.
- * 2. Unfunded improvement authorizations that are over five years old, where projects have been completed, be funded through either a budget appropriation or through the issuance of temporary or permanent debt.
- * 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. Internal procedures be reviewed to ensure that sufficient budget appropriations are available prior to expenditure of funds.
- * 5. Purchase orders be encumbered when contracts are awarded and prior to the ordering of goods and services.
6. Amounts paid per vendor invoices through state contract or cooperative purchasing agreements be verified to state contract or cooperative purchasing programs award documentation. In addition, contract requirements for national cooperative purchasing contract awards be adhered to as well as all quotes be maintained for review. Also contracts greater than \$2.5 million but below \$12.5 million be reported to the OSC.
7. All contracts approved by the governing body be encumbered when awarded.

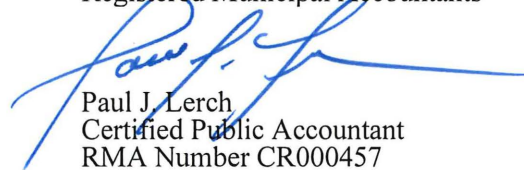
* * * * *

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

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

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


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


Paul J. Lerch
Certified Public Accountant
RMA Number CR000457