

BOROUGH OF ELMWOOD PARK

BERGEN COUNTY, NEW JERSEY

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2011



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BOROUGH OF ELMWOOD PARK

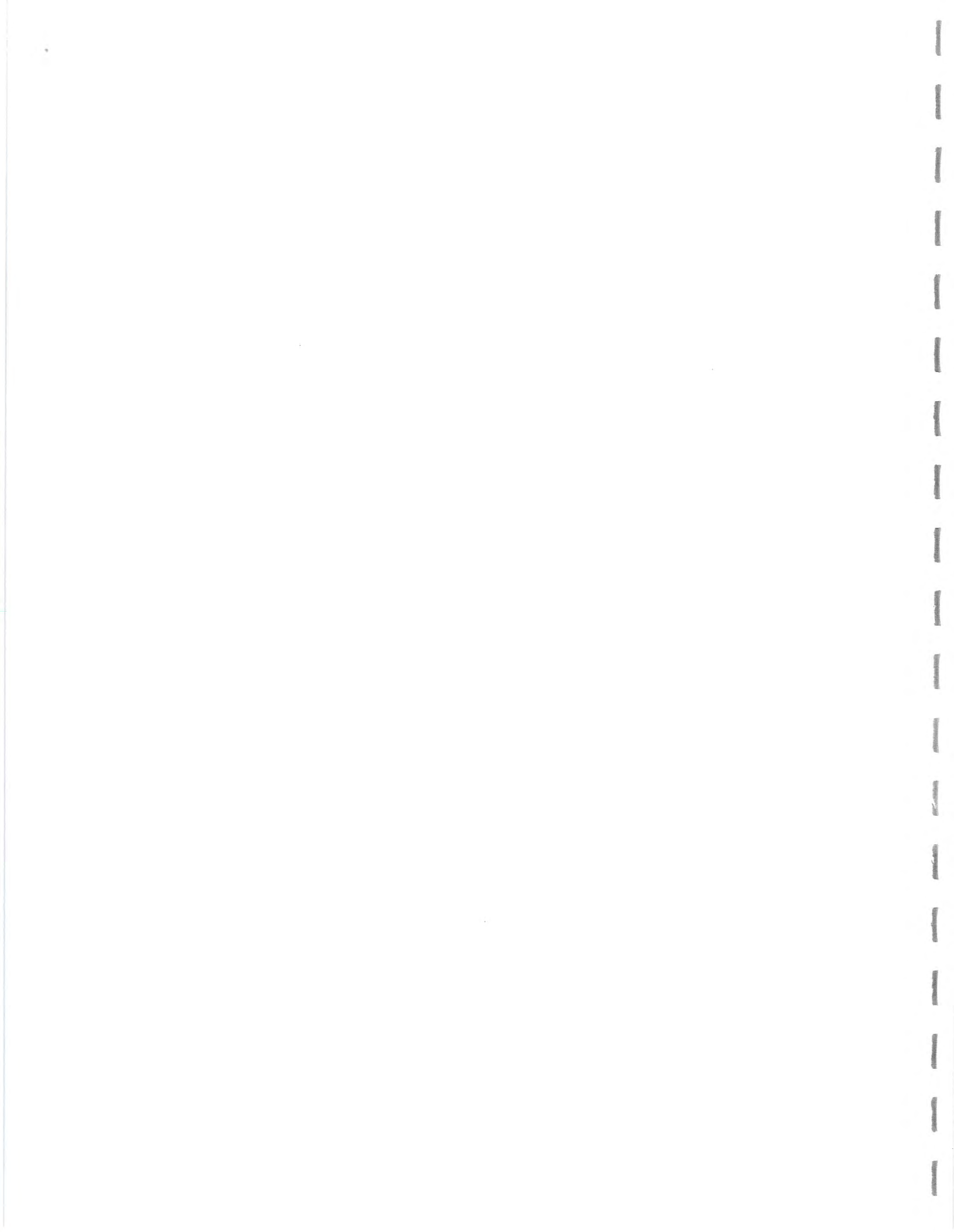
BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2011



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Elmwood Park as of December 31, 2011 and 2010 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the Borough of Elmwood Park's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the fourth paragraph, 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In addition, the financial statements 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 Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Trust Fund financial activities are included in the Borough's Trust Fund, and represent 13 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2011 and 2010.

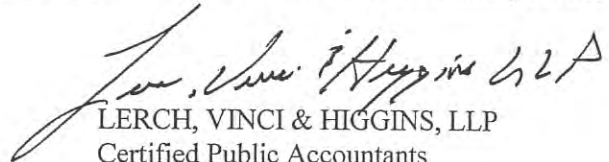
INDEPENDENT AUDITOR'S REPORT (Continued)

In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Elmwood Park as of December 31, 2011 and 2010, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited, the financial statements - regulatory basis referred to previously 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, 2011 and 2010 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated April 20, 2012 on our consideration of the Borough of Elmwood Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Elmwood Park. The supplementary schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.


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


Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
April 20, 2012

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash	A-4	\$ 6,868,815	\$ 7,007,847
Cash - Change Funds	A-5	850	850
Grants Receivable	A-7	<u>28,548</u>	<u>26,642</u>
		<u>6,898,213</u>	<u>7,035,339</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	746,426	708,220
Tax Title Liens Receivable	A-9	566,040	564,057
Property Acquired for Taxes - Assessed Valuation	A-10	23,450	23,450
Revenue Accounts Receivable	A-11	53,882	53,882
Due From Library	A-12	6,521	
Due From General Capital Fund	C-9	2	3,798
Due From Other Trust Fund- Escrow	B-6	101	2,129
Due From Other Trust Fund- Tax Title Lien	B-7	144	
Due From Other Trust Fund- Payroll	B-8	<u>1,233</u>	<u>969</u>
		<u>1,397,799</u>	<u>1,356,505</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-23	<u>-</u>	<u>39,408</u>
		<u>-</u>	<u>39,408</u>
Total Assets		<u>\$ 8,296,012</u>	<u>\$ 8,431,252</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-13	\$ 1,369,801	\$ 1,629,765
Encumbrances Payable	A-14	303,956	317,436
Due to LOSAP	B	33,000	24,000
Due to State of New Jersey- Senior Citizens' and Veterans' Deductions	A-6	59,725	48,258
Due to Other Trust Fund - Reserve for Accumulated Absences	B-16	345,000	286,786
Prepaid Taxes	A-15	288,978	223,657
Tax Overpayments Payable	A-16	67,921	44,447
Due County for Added Taxes	A-19	2,018	7,289
Miscellaneous Reserves	A-20	745,048	1,205,293
Appropriated Grant Reserves	A-21	211,018	219,664
Unappropriated Grant Reserves	A-22	<u>118,619</u>	<u>85,355</u>
		3,545,084	4,091,950
Reserve for Receivables	A	1,397,799	1,356,505
Fund Balance	A-1	<u>3,353,129</u>	<u>2,982,797</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,296,012</u>	<u>\$ 8,431,252</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 2,140,000	\$ 1,738,329
Miscellaneous Revenue Anticipated	A-2	7,524,428	7,364,817
Receipts from Delinquent Taxes	A-2	710,325	614,495
Receipts from Current Taxes	A-2	49,765,528	49,071,283
Non-Budget Revenues	A-2	440,505	328,452
Other Credits to Income:			
Prior Year Reserve for Pre-Paid School Tax	A-1		672,410
Interfunds Returned	A	5,416	
Unexpended Balance of Appropriation Reserves	A-13	<u>1,100,553</u>	<u>1,194,477</u>
Total Income		<u>61,686,755</u>	<u>60,984,263</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	8,261,400	8,037,459
Other Expenses	A-3	12,331,593	12,083,045
Capital Improvements	A-3	100,000	100,000
Municipal Debt Service	A-3	1,851,926	1,839,141
Deferred Charges and Statutory Expenditures	A-3	2,184,215	2,105,921
County Taxes	A-18	4,849,850	4,921,718
Amount Due County for Added and Omitted Taxes	A-19	2,019	7,289
Local District School Tax	A-17	29,579,763	29,038,163
Prior Year Senior and Veteran's Deductions Disallowed	A-6	9,136	3,950
Prior Year Interfunds Returned	A		6,756
Due from Municipal Library Receivable	A-12	<u>6,521</u>	<u>-</u>
Total Expenditures		<u>59,176,423</u>	<u>58,143,442</u>
Excess in Revenue		2,510,332	2,840,821
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-23	<u>-</u>	<u>39,408</u>
Statutory Excess to Surplus		2,510,332	2,880,229
Fund Balance, January 1	A	<u>2,982,797</u>	<u>1,840,897</u>
		5,493,129	4,721,126
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>2,140,000</u>	<u>1,738,329</u>
Fund Balance, December 31	A	<u>\$ 3,353,129</u>	<u>\$ 2,982,797</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Special Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 2,140,000	-	\$ 2,140,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-12	25,000		24,030	\$ (970)
Other	A-12	10,000		17,590	7,590
Fees and Permits	A-2	100,000		145,280	45,280
Fines and Costs					
Municipal Court	A-11	650,000		1,116,945	466,945
Interest and Costs on Taxes	A-11	75,000		192,095	117,095
Interest on Investments and Deposits	A-2	20,000		22,553	2,553
Energy Receipts Tax	A-11	1,215,542		1,215,581	39
Consolidated Municipal Property Tax Relief Act	A-11	246,362		246,362	
Uniform Construction Code Fees	A-11	325,000		482,161	157,161
Uniform Fire Safety Act	A-11	41,282		44,887	3,605
Trunk Sewer Revenue	A-11	3,304,008		3,304,007	(1)
Municipal Alliance on Alcoholism and Drug Abuse	A-7		\$ 8,782	8,782	
H1N1 - Health Services Grant	A-7/A-22	19,369	10,000	29,369	
Highway Safety Grant- Over the Limit	A-7	-	9,000	9,000	
Clean Communities Program - Reserve	A-22	27,213		27,213	
Drunk Driving Enforcement Fund	A-7/A-22	38,773	30,482	69,255	
Recycling Tonnage	A-7	-	14,166	14,166	
Utility Operating Surplus of Prior Year	D-1	300,000		300,000	
Reserve for Payment of Debt Service	C-10	155,152		155,152	
Reserve for Recreation	B-11	100,000	-	100,000	-
Total Miscellaneous Revenues	A-1	<u>6,652,701</u>	<u>72,430</u>	<u>7,524,428</u>	<u>\$ 799,297</u>
Receipts from Delinquent Taxes	A-2,A-1	<u>600,000</u>	-	<u>710,325</u>	<u>110,325</u>
Amount to be Raised by Taxes for Support of Municipal Budget					
Local Tax for Municipal Purposes	A-2	<u>16,864,197</u>	-	<u>16,933,896</u>	<u>69,699</u>
Budget Totals	A-3	<u>\$ 26,256,898</u>	<u>\$ 72,430</u>	<u>27,308,649</u>	<u>\$ 979,321</u>
Non-Budget Revenues	A-2,A-1			<u>440,505</u>	
				<u>\$ 27,749,154</u>	

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-8	\$ 50,265,528
Less: Transfer to Reserve for Tax Appeals	A-20	<u>500,000</u>
	A-1	\$ 49,765,528
Less: Allocated to School and County Taxes	A-19,A-17,A-18	<u>34,431,632</u>
		15,333,896
Add: Reserve for Uncollected Taxes	A-3	<u>1,600,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 16,933,896</u>
Fees and Permits - Other:		
Borough Clerk	A-11	\$ 7,188
Planning/Zoning	A-11	5,075
Police	A-11	35,892
Tax Collector	A-11	1,605
Department of Public Works	A-11	12,754
Board of Health and Registrar of Vital Statistics	A-11	<u>82,766</u>
	A-2	<u>\$ 145,280</u>
Interest on Investments and Deposits		
Cash Receipts	A-11	\$ 20,361
Due from General Capital Fund	C-9	685
Due from Other Trust Fund- Escrow	B-6	1,099
Due from Other Trust Fund-Tax Title Lien	B-7	144
Due from Other Trust Fund- Payroll	B-8	<u>264</u>
	A-2	<u>\$ 22,553</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)

Reference

ANALYSIS OF NON-BUDGET REVENUES

Verizon Franchise Fees		\$ 55,251
Cable Franchise Fees		169,258
Hotel Franchise Tax		51,957
FEMA		54,060
Voided Checks		11,070
Division of Motor Vehicles		52,103
Bus Shelter		6,750
Other		<u>40,056</u>
	A-1	<u>\$ 440,505</u>
	A-2	<u>\$ 440,505</u>
	Cash Receipts	

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balances</u> <u>Cancelled</u>
GENERAL APPROPRIATIONS					
OPERATIONS - WITHIN "CAPS"					
 GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 174,000	\$ 189,500	\$ 188,507	\$ 993	
Other Expenses	74,500	89,500	77,920	11,580	
Mayor and Council					
Salaries and Wages	37,000	37,000	35,753	1,247	
Financial Administration					
Salaries and Wages	188,000	131,500	107,631	23,869	
Other Expenses	34,000	34,000	5,951	28,049	
Other Expenses - ADP Payroll Service	34,500	34,500	30,448	4,052	
Audit Services					
Other Expenses	39,000	59,000	49,000	10,000	
Revenue Administration (Tax Collection)					
Salaries and Wages	210,000	210,000	176,947	33,053	
Other Expenses	28,000	48,000	34,975	13,025	
Postage	37,000	37,000	26,910	10,090	
Tax Assessment Administration					
Salaries and Wages	41,000	41,000	32,768	8,232	
Other Expenses	11,000	26,000	18,539	7,461	
Legal Services and Costs					
Salaries and Wages	62,000	62,000	53,841	8,159	
Other Expenses	29,000	14,000	1,135	12,865	
Engineering Services and Costs					
Other Expenses	39,000	39,000	21,779	17,221	
 LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	8,000	8,000	7,445	555	
Other Expenses	8,000	8,000	4,817	3,183	
Master Plan	10,000	25,000	23,134	1,866	
Zoning Board of Adjustment					
Salaries and Wages	8,000	8,000	6,235	1,765	
Other Expenses	5,000	5,000	4,123	877	
Council on Affordable Housing					
Other Expenses	20,000	20,000		20,000	
Municipal Court					
Salaries and Wages	194,000	215,000	208,229	6,771	
Other Expenses	19,000	34,000	27,055	6,945	
Public Defender					
Salaries and Wages	16,000	16,000	11,399	4,601	
 INSURANCE					
General Liability	411,025	411,025	347,361	63,664	
Workers Compensation	387,500	387,500	387,500		
Group Insurance Plan for Employees	2,344,826	2,175,326	2,123,566	51,760	

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

GENERAL APPROPRIATIONS OPERATIONS WITHIN "CAPS" (Cont'd.)	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
PUBLIC SAFETY FUNCTIONS					
Department of Police					
Salaries and Wages-Regular	\$ 4,922,800	\$ 5,122,800	\$ 5,048,627	\$ 74,173	
Salaries and Wages-Crossing Guards	91,500	56,500	49,721	6,779	
Salaries and Wages-Other Police Pers.	66,000	66,000	62,579	3,421	
Salaries and Wages-Police and Fire Surgeons	1,500	1,500		1,500	
Other Expenses - Regular	210,000	210,000	180,473	29,527	
Other Expenses - Clothing Allowance	38,000	38,000	30,225	7,775	
Other Expenses - Police Specials	15,000				
Purchase of Police Vehicles	30,000	30,000		30,000	
Police Dispatch/911					
Salaries and Wages	51,000	51,000	46,441	4,559	
Office of Emergency Management					
Other Expenses	4,700	4,700		4,700	
Aid to Volunteer Ambulance Companies					
First Aid Organization-Contribution	34,000	35,000	35,000		
Ambulance Stipend	9,000	9,000	3,980	5,020	
Fire Department					
Salaries and Wages-Exempt Firemen	13,000	13,000	12,600	400	
Other Expenses-Miscellaneous	90,000	95,000	87,956	7,044	
Other Expenses-Clothing Allowance	49,000	49,000	43,180	5,820	
Other Expenses-Rental of Firehouse	50,000	50,000	50,000	-	
Uniform Fire Safety (Ch. 383, P.L. 1983)					
Salaries and Wages - Fire Official	45,000	47,500	47,253	247	
Other Expenses	7,500	7,500	730	6,770	
Municipal Prosecutor					
Prosecutor - Contractual	21,000	24,500	22,903	1,597	
PUBLIC WORKS FUNCTION					
Streets and Roads Maintenance					
Salaries and Wages	1,264,000	1,199,000	1,065,820	133,180	
Other Expenses	330,000	345,000	336,776	8,224	
Other Public Works Functions					
Other Expenses - Traffic Lights	45,000	75,000	64,552	10,448	
Shade Tree					
Other Expenses	6,000	6,000	1,900	4,100	
Solid Waste Collection					
Salaries and Wages	80,000	80,000	71,346	8,654	
Contract - Collections -Recycling	255,000	255,000	193,429	61,571	
Contract - Collections - Solid Waste/Tipping Fees	850,000	739,455	647,835	91,620	
Vehicle Maintenance					
Other Expense - Police	88,000	88,000	542	87,458	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Board of Health					
Salaries and Wages	148,000	148,000	116,515	31,485	
Other Expenses	62,500	62,500	60,844	1,656	

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS (Cont'd.)					
OPERATIONS WITHIN "CAPS" (Cont'd.)					
HEALTH AND HUMAN SERVICES					
FUNCTIONS (Continued)					
Animal Control Services					
Other Expenses	\$ 39,000	\$ 39,000	\$ 30,091	\$ 8,909	
Veterans Services Bureau					
Other Expenses	4,200	4,200	4,200		
PARKS AND RECREATION FUNCTIONS					
Recreation Commission RS 40:12-1					
Salaries and Wages	303,000	328,000	323,775	4,225	
Other Expenses	66,500	77,500	75,375	2,125	
Senior Citizen Committee					
Other Expenses	28,000	28,000	17,291	10,709	
Maintenance of Parks					
Other Expenses	27,000	27,000	550	26,450	
OTHER COMMON OPERATING					
FUNCTIONS					
Celebration of Public Events					
Other Expenses	12,000	18,000	13,874	4,126	
CODE ENFORCEMENT AND					
ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries and Wages	204,000	204,000	196,444	7,556	
Other Expenses	70,000	73,000	72,557	443	
Rent Leveling					
Salaries and Wages	1,600	1,600		1,600	
Other Expenses	350	350		350	
UTILITY EXPENSES AND BULK					
PURCHASES					
Electricity and Gas	340,000	340,000	223,879	116,121	
Street Lighting	308,250	308,250	262,423	45,827	
Telephone/Communications	61,000	61,000	50,061	10,939	
Gasoline	155,000	177,000	173,086	3,914	
Total Operations Within "CAPS"	14,966,751	14,960,706	13,737,801	1,222,905	-
Contingent	10,000	10,000	-	10,000	-
Total Operations including Contingent-Within "CAPS"	14,976,751	14,970,706	13,737,801	1,232,905	-
Detail:					
Salaries and Wages	8,150,400	8,261,400	7,892,779	368,621	-
Other Expenses	6,826,351	6,709,306	5,845,022	864,284	-

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balances Cancelled</u>
GENERAL APPROPRIATIONS (Cont'd.)					
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Overexpenditure of Budget Appropriation	\$ 39,408	\$ 39,408	\$ 39,408		
Statutory Charges					
Social Security System (O.A.S.I.)	354,000	354,000	287,649	\$ 66,351	
Police and Firemen's Retirement System	1,189,367	1,189,367	1,189,367		
Public Employees Retirement System	376,048	376,048	376,048	-	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	<u>1,958,823</u>	<u>1,958,823</u>	<u>1,892,472</u>	<u>66,351</u>	<u>-</u>
Total General Appropriation for Municipal Purposes within "CAPS"	<u>16,935,574</u>	<u>16,929,529</u>	<u>15,630,273</u>	<u>1,299,256</u>	<u>-</u>
OPERATIONS EXCLUDED FROM "CAPS"					
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission					
Operating and Maintenance Costs	3,702,836	3,702,836	3,702,836		
Debt Service	857,869	857,869	857,869		
Landfill/Solid Waste Disposal Costs					
Recycling Tax	20,000	20,000	19,099	901	
EDUCATION FUNCTIONS					
Maintenance of Free Public Library					
Other Expenses	789,248	789,248	789,248		
PUBLIC SAFETY FUNCTIONS					
LOSAP	60,000	60,000	33,000	27,000	
INSURANCE					
Group Insurance Plan for Employees	5,174	5,174	-	5,174	-
Total Other Operations Excluded from "CAPS"	<u>5,435,127</u>	<u>5,435,127</u>	<u>5,402,052</u>	<u>33,075</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Alliance Program					
State Share		8,782		8,782	
Local Share	3,375	3,375	3,375		
Safe and Secure Communities Act-Police					
State Share					
Local Share	26,000	26,000	26,000		
Recycling Tonnage Grant		14,166		14,166	
Clean Communities Grant	27,213	27,213	12,691	14,522	
Highway Safety- Over the Limit		9,000	9,000		

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balances Cancelled</u>
GENERAL APPROPRIATIONS (Cont'd.)					
OPERATIONS EXCLUDED FROM "CAPS" (Cont'd.)					
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES (Cont'd.)					
H1N1 - Health Services Grant	\$ 19,369	\$ 29,369	\$ 29,369		
DDEF/DWI Enforcement Grant - Reserve	<u>38,773</u>	<u>69,255</u>	<u>69,255</u>	-	-
Total Public and Private Programs Offset by Revenues	<u>114,730</u>	<u>187,160</u>	<u>149,690</u>	\$ 37,470	-
Total Operations Excluded from "CAPS"	<u>5,549,857</u>	<u>5,622,287</u>	<u>5,551,742</u>	<u>70,545</u>	-
Detail:					
Salaries and Wages					
Other Expenses	<u>5,549,857</u>	<u>5,622,287</u>	<u>5,551,742</u>	<u>70,545</u>	-
CAPITAL IMPROVEMENTS -					
EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	-	-
Total Capital Improvement Fund -					
Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	-	-
MUNICIPAL DEBT SERVICE -					
EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,030,000	1,030,000	1,030,000		
Payment of Capital Notes	194,243	194,243	194,243		
Interest on Bonds	281,222	281,222	281,221		\$ 1
Interest on Notes	68,610	68,610	68,417		193
Loan Repayments for Principal and					
Interest - EIT Loan	<u>272,000</u>	<u>278,045</u>	<u>278,045</u>	-	-
Total Municipal Debt Service -					
Excluded from "CAPS"	<u>1,846,075</u>	<u>1,852,120</u>	<u>1,851,926</u>	-	194
DEFERRED CHARGES MUNICIPAL-					
EXCLUDED FROM "CAPS"					
General Capital Unfunded Grants					
Ordinance #05-07	43,152	43,152	43,152		
Ordinance #05-11	70,240	70,240	70,240		
Ordinance #04-08/05-38	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	-	-
Total Deferred Charges Municipal -					
Excluded from "CAPS"	<u>225,392</u>	<u>225,392</u>	<u>225,392</u>	-	-
Total General Appropriations for Municipal					
Purposes Excluded from "CAPS"	<u>7,721,324</u>	<u>7,799,799</u>	<u>7,729,060</u>	<u>70,545</u>	<u>194</u>
Subtotal General Appropriations	24,656,898	24,729,328	23,359,333	1,369,801	194
Reserve for Uncollected Taxes	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	-	-
Total General Appropriations	<u>\$26,256,898</u>	<u>\$ 26,329,328</u>	<u>\$ 24,959,333</u>	<u>\$ 1,369,801</u>	<u>\$ 194</u>
	<u>Reference</u>	A-2		A	A-23

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Reference</u>	<u>Budget</u> After <u>Modification</u>	<u>Expended</u> Paid or <u>Charged</u>
Budget as Adopted	A-3	\$ 26,256,898	
Added by N.J.S.A. 40A:4-87	A-2	<u>72,430</u>	
		<u>\$ 26,329,328</u>	
Cash Disbursements	A-4		\$ 22,982,969
Reserve for Uncollected Taxes	A-2		1,600,000
Deferred Charge - Overexpenditure	A-23		39,408
Encumbrances Payable	A-14		303,956
Due to LOSAP	B		<u>33,000</u>
			<u>\$ 24,959,333</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-1	\$ 16,192	\$ 7,543
Due from State Department of Health	B-3	<u>296</u>	<u>302</u>
		<u>16,488</u>	<u>7,845</u>
OTHER TRUST FUND			
Cash	B-1	1,822,968	1,640,695
Due from Current Fund - Reserve for Accumulated Absences	B-16	345,000	286,786
Due from Water Operating - Reserve for Accumulated Absences	B-17	<u>125,000</u>	<u>25,000</u>
		<u>2,292,968</u>	<u>1,952,481</u>
UNEMPLOYMENT TRUST FUND			
Cash	B-1	167,071	192,939
Due from Water Operating Fund	D-22	<u>-</u>	<u>15,000</u>
		<u>167,071</u>	<u>207,939</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B-1	328,880	306,888
Due form Current Fund- LOSAP	A	<u>33,000</u>	<u>24,000</u>
		<u>361,880</u>	<u>330,888</u>
Total Assets		<u>\$ 2,838,407</u>	<u>\$ 2,499,153</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Reserve for Animal Control Expenditures	B-2	\$ 16,488	\$ 7,845
		<u>16,488</u>	<u>7,845</u>
OTHER TRUST FUND			
Multiple Dwelling Emergency Deposits	B-9	43,226	43,203
Other Deposits	B-10	1,384,032	844,746
Reserve for Recreation Expenditures	B-11	275,645	400,030
Reserve for Fire Prevention Expenditures	B-14	112,166	110,832
Reserve for Developer's Escrow Deposits	B-15	467,326	462,824
Reserve for Payroll Deductions Payable	B-12	7,611	70,442
Reserve for Payroll Salary and Wages Payable	B-13	1,484	17,306
Due to Current Fund- Escrow	B-6	101	2,129
Due to Current Fund- Tax Title Lien	B-7	144	
Due to Current Fund- Payroll	B-8	1,233	969
		<u>2,292,968</u>	<u>1,952,481</u>
UNEMPLOYMENT TRUST FUND			
Due to the State of New Jersey	B-5	1,413	11,745
Reserve for Unemployment Compensation Insurance	B-4	165,658	196,194
		<u>167,071</u>	<u>207,939</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Net Assets Available for Benefits	B	361,880	330,888
		<u>361,880</u>	<u>330,888</u>
LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,838,407</u>	<u>\$ 2,499,153</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash	C-2,C-3	\$ 1,973,844	\$ 856,785
Grants Receivable	C-6	1,513,916	1,776,410
Infrastructure Loan Receivable	C-5	23,431	300,970
Deferred Charges to Future Taxation:			
Funded	C-4	9,983,941	11,200,434
Unfunded	C-7	<u>5,873,459</u>	<u>5,794,129</u>
 Total Assets		 <u>\$ 19,368,591</u>	 <u>\$ 19,928,728</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-13	\$ 6,466,000	\$ 7,496,000
NJ Infrastructure Loan Payable	C-14	3,517,941	3,704,434
Bond Anticipation Notes Payable	C-15	5,900,000	4,573,850
Due to Current Fund	C-9	2	3,798
Reserve for Payment of Debt	C-10	29,238	184,390
Contracts Payable	C-11	556,719	757,123
Reserve for Grants Receivable	C-6	279,433	324,333
Improvement Authorizations:			
Funded	C-12	609,653	892,647
Unfunded	C-12	1,000,008	1,257,516
Capital Improvement Fund	C-8	317,230	262,730
Fund Balance	C-1	<u>692,367</u>	<u>471,907</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 19,368,591</u>	 <u>\$ 19,928,728</u>

There were bonds and notes authorized but not issued of \$415,353 and \$1,403,841 at December 31, 2011 and 2010, respectively (Exhibit C-16).

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	C	\$ <u>471,907</u>	\$ <u>441,675</u>
Increased by:			
Premium on Sale of Notes	C-2	20,119	30,232
Cancellation of Funded Improvement Authorizations	C-12	<u>200,341</u>	<u>-</u>
		<u>220,460</u>	<u>30,232</u>
Balance, December 31	C	\$ <u><u>692,367</u></u>	\$ <u><u>471,907</u></u>

**BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2011 AND 2010**

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
ASSETS			
Cash	D-5	\$ 1,788,025	\$ 1,232,654
Due from Water Capital Fund	D-9	<u>2</u>	<u>150,061</u>
		<u>1,788,027</u>	<u>1,382,715</u>
Receivables and Inventory			
Consumer Accounts Receivable	D-7	703,307	579,488
Inventory	D-10	<u>500</u>	<u>500</u>
		<u>703,807</u>	<u>579,988</u>
Total Assets		<u>\$ 2,491,834</u>	<u>\$ 1,962,703</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	D-4/D-13	\$ 678,691	\$ 297,005
Encumbrances Payable	D-19	102,534	86,478
Due to Unemployment Trust Fund	D-20		15,000
Due to Other Trust Fund - Reserve for Accumulated Absences	B-17	125,000	25,000
Accrued Interest on Bonds and Loans	D-14	<u>39,961</u>	<u>42,465</u>
		946,186	465,948
Reserve for Receivables	D	703,307	579,488
Reserve for Inventory	D	500	500
Fund Balance	D-1	<u>841,841</u>	<u>916,767</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,491,834</u>	<u>\$ 1,962,703</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2011 AND 2010**

ASSETS	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash	D-5,D-6	\$ 1,692,128	\$ 1,901,327
Infrastructure Trust Loans Receivable	D-8	41,974	41,974
Fixed Capital	D-11	6,889,503	6,889,503
Fixed Capital Authorized and Uncompleted	D-25	<u>3,095,994</u>	<u>2,755,994</u>
 Total Assets		 <u>\$ 11,719,599</u>	 <u>\$ 11,588,798</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	D-21	\$ 600,000	\$ 740,000
Infrastructure Loans Payable	D-22	3,723,885	3,941,658
Due to Water Operating Fund	D-9	2	150,061
Reserve for Amortization	D-18	4,106,389	3,748,616
Deferred Reserve for Amortization	D-12	836,000	836,000
Reserve for Payment of Debt	D-23	335,000	335,000
Improvement Authorizations:			
Funded	D-15	838,117	878,173
Unfunded	D-15	428,244	107,328
Capital Improvement Fund	D-16	818,000	818,000
Downpayments on Improvements	D-17	9,000	9,000
Fund Balance	D-2	<u>24,962</u>	<u>24,962</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 11,719,599</u>	 <u>\$ 11,588,798</u>

There were bonds and notes authorized but not issued of \$719,223 and \$379,223 at December 31, 2011 and 2010, respectively (Exhibit D-24).

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

REVENUE REALIZED	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Surplus Anticipated	D-1		\$ 139,407
Rents	D-3	\$ 2,753,706	2,777,315
Reserve for Payment of Debt Service	D-1		150,000
Non-Budget Revenues	D-3	9,480	5,959
Other Credits to Income			
Cancellation of Appropriated Reserve	D-1		97,576
Unexpended Balance of Appropriation Reserves	D-13	<u>163,311</u>	<u>89,390</u>
		<u>2,926,497</u>	<u>3,259,647</u>
EXPENDITURES			
Budget Expenditures:			
Operations			
Salaries and Wages	D-4	530,000	530,000
Other Expenses	D-4	1,657,612	1,607,612
Debt Service	D-4	463,811	330,449
Deferred Charges and Statutory Expenditures	D-4	<u>50,000</u>	<u>50,000</u>
		<u>2,701,423</u>	<u>2,518,061</u>
Excess in Revenue		225,074	741,586
Fund Balance, January 1	D	<u>916,767</u>	<u>614,588</u>
		1,141,841	1,356,174
Decreased by:			
Utilized as Anticipated Revenue	D-1	-	139,407
Anticipated Revenue in Current Fund Budget	A-2	<u>300,000</u>	<u>300,000</u>
		<u>300,000</u>	<u>439,407</u>
Fund Balance, December 31	D	<u>\$ 841,841</u>	<u>\$ 916,767</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Balance, January 1	D	\$ 24,962	\$ 24,962
Balance, December 31	D	<u>\$ 24,962</u>	<u>\$ 24,962</u>

EXHIBIT D-3

STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Reference</u>	<u>Anticipated</u>	<u>Revenues Realized</u>	<u>Excess or (Deficit)</u>
Rents		\$ 2,710,741	\$ 2,753,706	\$ 42,965
	D-1	<u>\$ 2,710,741</u>	2,753,706	<u>\$ 42,965</u>
Non-Budget Revenues	D-1,D-3		<u>9,480</u>	
			<u>\$ 2,763,186</u>	
ANALYSIS OF NON-BUDGET REVENUES				
Interest on Investments	D-3		\$ 8,352	
Miscellaneous	D-5		<u>1,128</u>	
	D-1		<u>\$ 9,480</u>	
ANALYSIS OF INTEREST ON INVESTMENTS				
Due From Water Capital Fund	D-9		\$ 1,067	
Cash Receipts	D-5		<u>7,285</u>	
	D-3		<u>\$ 8,352</u>	

See Accompanying Notes to Financial Statements

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Appropriations</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating					
Salaries and Wages	\$ 530,000	\$ 530,000	\$ 315,441	\$ 214,559	
Other Expenses	<u>1,657,612</u>	<u>1,657,612</u>	<u>1,229,969</u>	<u>427,643</u>	<u>-</u>
Total Operating	<u>2,187,612</u>	<u>2,187,612</u>	<u>1,545,410</u>	<u>642,202</u>	<u>-</u>
Debt Service					
Payment of Bond Principal	140,000	140,000	140,000		
Interest on Bonds	20,100	20,100	19,575		\$ 525
Environmental Infrastructure Principal and Interest	<u>313,029</u>	<u>313,029</u>	<u>304,236</u>	<u>-</u>	<u>8,793</u>
Total Debt Service	<u>473,129</u>	<u>473,129</u>	<u>463,811</u>	<u>-</u>	<u>9,318</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>50,000</u>	<u>50,000</u>	<u>13,511</u>	<u>36,489</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>50,000</u>	<u>50,000</u>	<u>13,511</u>	<u>36,489</u>	<u>-</u>
	<u>\$ 2,710,741</u>	<u>\$ 2,710,741</u>	<u>\$ 2,022,732</u>	<u>\$ 678,691</u>	<u>\$ 9,318</u>
	<u>Reference</u>	<u>D-3</u>		<u>D</u>	<u>D</u>
Cash Disbursed	D-5		\$ 1,814,160		
Encumbrances Payable	D-19		102,534		
Accrued Interest	D-14		<u>106,038</u>		
			<u>\$ 2,022,732</u>		

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - GENERAL FIXED ASSETS ACCOUNT GROUP
REGULATORY BASIS
AS OF DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Land	\$ 12,705,246	\$ 12,567,746
Buildings and Improvements	7,593,338	6,769,502
Vehicles and Equipment	<u>8,062,961</u>	<u>8,008,570</u>
	<u>\$ 28,361,545</u>	<u>\$ 27,345,818</u>
 LIABILITIES		
Investment in General Fixed Assets	<u>\$ 28,361,545</u>	<u>\$ 27,345,818</u>

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NOTES TO FINANCIAL STATEMENTS



**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

A. Reporting Entity

The Borough of Elmwood Park (the "Borough") was incorporated in 1916 and operates under an elected (Mayor/Council) form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 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 - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Trust Funds
General Capital Fund
Water Utility Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011 and 2010 the Borough Council increased the original budget by \$72,430 and \$20,449. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2011 and 2010.

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Excess Expenditures Over Appropriations

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

2011

There are none.

<u>2010</u>	<u>Modified</u>		<u>Unfavorable</u>
<u>Current Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Uniform Construction Code Enforcement Functions			
Construction Code Official			
Other Expenses	\$ 20,000	\$ 46,665	\$ 26,665
Landfill/Solid Waste Disposal			
Tipping Fees	670,000	681,645	11,645
Statutory Expenditures			
Public Employees Retirement System	282,149	282,348	199
Municipal Debt Service			
Interest on Bonds	322,495	323,394	899

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.

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

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

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

General Fixed Assets (Continued)

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

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

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

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

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

Reclassifications - Certain reclassifications have been made to the December 31, 2010 balances to conform to the December 31, 2011 presentation.

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.

C. Basic Financial Statements

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 financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 DEPOSITS AND INVESTMENTS

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

Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2011 and 2010, the book value of the Borough's deposits were \$14,329,893 and \$12,840,640 and bank and brokerage firm balances of the Borough's deposits amounted to \$14,543,837 and \$12,985,323, 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>2011</u>	<u>2010</u>
Insured	\$ 14,189,639	\$ 12,454,024
Uninsured and Collateralized	<u>354,198</u>	<u>531,299</u>
	<u>\$ 14,543,837</u>	<u>\$ 12,985,323</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, 2011 and 2010, the Borough's bank balances of \$354,198 and \$531,299 were exposed to custodial credit risk as follows:

	<u>2011</u>	<u>2010</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Borough's name	<u>\$ 354,198</u>	<u>\$ 531,299</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 DEPOSITS AND INVESTMENTS

Investments

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

As of December 31, 2011 and 2010, the Borough had the following investments:

	<u>Fair Value</u>	
	<u>2011</u>	<u>2010</u>
Investment:		
Length of Service Award Program (Unaudited)	<u>\$ 328,880</u>	<u>\$ 306,888</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 risk. As of December 31, 2011 and 2010, \$328,880 and \$306,888 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>	
	<u>2011</u>	<u>2010</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 328,880</u>	<u>\$ 306,888</u>

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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

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

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

The fair value of the above-listed investment(s) was/were based on quoted market prices.

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

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2011 consisted of the following:

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE (Continued)

Receivables at December 31, 2010 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2010</u>			
Property Taxes	\$ 708,220		\$ 708,220
Tax Title Liens	564,057		564,057
Utility Rents	-	\$ 579,488	579,488
	<u>\$ 1,272,277</u>	<u>\$ 579,488</u>	<u>\$ 1,851,765</u>

In 2010, the Borough collected \$614,495 and \$479,709 from delinquent taxes and utility rents, which represented 51% and 100% of the delinquent tax and water charges receivable at December 31, 2009.

NOTE 4 MUNICIPAL DEBT

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

The Borough's debt is summarized as follows:

	<u>2011</u>	<u>2010</u>
Issued		
General		
Bonds, Notes and Loans	\$ 15,883,941	\$ 15,774,284
Water Utility		
Bonds, Notes and Loans	4,323,885	4,681,658
Less Funds Temporarily Held to Pay Bonds and Notes	<u>(1,436,132)</u>	<u>(1,422,953)</u>
Net Debt Issued	18,771,694	19,032,989
Authorized But Not Issued		
General		
Bonds and Notes	415,353	1,403,841
Water Utility		
Bonds and Notes	<u>719,223</u>	<u>379,223</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,906,270</u>	<u>\$ 20,816,053</u>

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .62% and .63% at December 31, 2011 and 2010, respectively.

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Statutory Net Debt (Continued)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2010</u>			
General Debt	\$ 17,178,126	\$ 1,422,953	\$ 15,755,173
School Debt	27,482,000	27,482,000	
Water Utility Debt	<u>5,060,880</u>	<u>5,060,880</u>	<u>-</u>
Total	<u>\$ 49,721,006</u>	<u>\$ 33,965,833</u>	<u>\$ 15,755,173</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>2011</u>	<u>2010</u>
3-1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 83,233,159 <u>14,863,162</u>	\$ 86,495,128 <u>15,755,173</u>
Remaining Borrowing Power	<u>\$ 68,369,997</u>	<u>\$ 70,739,955</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt

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

General Obligation Bonds

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

	<u>2011</u>	<u>2010</u>
\$2,175,000, 2000 Bonds, due in annual installments of \$275,000 through June, 2012, interest at 5.38%	\$ 275,000	\$ 555,000
\$1,465,000, 2003 Taxable Pension Refunding Bonds, due in annual installments of \$100,000 to \$180,000 through March 15, 2018, interest at 4.85%	965,000	1,055,000
\$2,950,000, 2003 Bonds, due in annual installments of \$270,000 to \$280,000 through March 15, 2015, interest at 3.00%	1,101,000	1,361,000
\$5,385,000, 2006 General Improvement Bonds, due in annual installments of \$425,000 to \$810,000 through February 18, 2018, interest at 4.00%	<u>4,125,000</u>	<u>4,525,000</u>
	<u>\$ 6,466,000</u>	<u>\$ 7,496,000</u>

General Intergovernmental Loans Payable

The Borough has entered into loan agreements with the New Jersey Department of Environmental Protection Agency for the financing relating to the removal of underground storage tanks in the Borough and New Jersey Environmental Infrastructure Trust for the financing related to a sewer main extension and de-icing material storage building. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

	<u>2011</u>	<u>2010</u>
\$4,108,388 2007 EIT Loan, due in semi-annual installments of \$183,917 to \$259,055 through August 8, 2027, interest at 3%-5%	\$ 3,517,941	\$ 3,704,434
	<u>\$ 3,517,941</u>	<u>\$ 3,704,434</u>

Water Utility Bonds

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

	<u>2011</u>	<u>2010</u>
\$1,580,000, 2003 Bonds, due in annual installments of \$145,000 to \$150,000 through March 15, 2015, interest at 3.00%	\$ 600,000	\$ 740,000

Water Utility Intergovernmental Loans Payable

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

	<u>2011</u>	<u>2010</u>
\$4,711,076, 2006 Loans, due in semi-annual installments of \$180,000 to \$286,535 through August 1, 2026, interest rate at 4%-5%	\$ 3,723,885	\$ 3,941,658

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2011 is as follows:

Calendar Year	General Bonds		General Loans		Water Bonds		Water Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$ 1,070,000	\$ 237,248	\$ 183,917	\$ 81,372	\$ 145,000	\$ 15,825	\$ 222,934	\$ 90,506	\$ 2,046,802
2013	815,000	199,515	190,385	78,652	150,000	11,400	219,708	85,506	1,750,166
2014	850,000	243,695	196,689	75,578	155,000	6,825	224,708	80,506	1,833,001
2015	881,000	135,047	194,602	72,438	150,000	2,250	237,774	75,256	1,748,367
2016	910,000	99,370	199,924	67,938			242,289	69,506	1,589,027
2017-2021	1,940,000	81,396	1,075,977	266,790			1,281,929	265,530	4,911,622
2022-2026			1,217,392	128,988			1,294,543	112,540	2,753,463
2027	-	-	259,055	6,586	-	-	-	-	265,641
Total	<u>\$ 6,466,000</u>	<u>\$ 996,271</u>	<u>\$ 3,517,941</u>	<u>\$ 778,342</u>	<u>\$ 600,000</u>	<u>\$ 36,300</u>	<u>\$ 3,723,885</u>	<u>\$ 779,350</u>	<u>\$ 16,898,089</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2011 and 2010 were as follows:

	Balance, January 1, 2011	Additions	Reductions	Balance, December 31, 2011	Due Within One Year
<u>2011</u>					
General Capital Fund					
Bonds Payable	\$ 7,496,000		\$ 1,030,000	\$ 6,466,000	\$ 1,070,000
Intergovernmental Loans Payable	3,704,434	-	186,493	3,517,941	183,917
General Capital Fund Long-Term Liabilities	<u>\$ 11,200,434</u>	<u>\$ -</u>	<u>\$ 1,216,493</u>	<u>\$ 9,983,941</u>	<u>\$ 1,253,917</u>
Water Utility Capital Fund					
Bonds Payable	\$ 740,000		\$ 140,000	\$ 600,000	\$ 145,000
Intergovernmental Loans	3,941,658	-	217,773	3,723,885	222,934
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 4,681,658</u>	<u>\$ -</u>	<u>\$ 357,773</u>	<u>\$ 4,323,885</u>	<u>\$ 367,934</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, January 1, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within <u>One Year</u>
<u>2010</u>					
General Capital Fund					
Bonds Payable	\$ 8,431,000		\$ 935,000	\$ 7,496,000	\$ 1,030,000
Intergovernmental Loans Payable	<u>3,955,679</u>	<u>\$ -</u>	<u>251,245</u>	<u>3,704,434</u>	<u>186,493</u>
General Capital Fund Long-Term Liabilities	<u>\$ 12,386,679</u>	<u>\$ -</u>	<u>\$ 1,186,245</u>	<u>\$ 11,200,434</u>	<u>\$ 1,216,493</u>
Water Utility Capital Fund					
Bonds Payable	\$ 875,000		\$ 135,000	\$ 740,000	\$ 140,000
Intergovernmental Loans	<u>4,297,207</u>	<u>-</u>	<u>355,549</u>	<u>3,941,658</u>	<u>217,773</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 5,172,207</u>	<u>\$ -</u>	<u>\$ 490,549</u>	<u>\$ 4,681,658</u>	<u>\$ 357,773</u>

Short-Term Debt

The Borough's short-term capital debt activity for the years ended December 31, 2011 and 2010 was as follows:

	Balance, January 1, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2011</u>
<u>2011</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 4,573,850	\$ 5,900,000	\$ 4,573,850	\$ 5,900,000
Total	<u>\$ 4,573,850</u>	<u>\$ 5,900,000</u>	<u>\$ 4,573,850</u>	<u>\$ 5,900,000</u>
	Balance, January 1, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Bond Anticipation Notes				
General Capital Fund	\$ 4,497,500	\$ 4,573,350	\$ 4,497,500	\$ 4,573,350
Total	<u>\$ 4,497,500</u>	<u>\$ 4,573,350</u>	<u>\$ 4,497,500</u>	<u>\$ 4,573,350</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2011 and 2010.

	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2011</u>
<u>2011</u>					
Land	\$ 12,567,746			\$ 137,500	\$ 12,705,246
Buildings and Building Improvements	6,769,502	\$ 6,136		817,700	7,593,338
Machinery and Equipment	<u>8,008,570</u>	<u>243,225</u>	<u>188,834</u>	<u>-</u>	<u>8,062,961</u>
	<u>\$ 27,345,818</u>	<u>\$ 249,361</u>	<u>\$ 188,834</u>	<u>\$ 955,200</u>	<u>\$ 28,361,545</u>
	Balance January 1, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2010</u>
<u>2010</u>					
Land	\$ 12,567,746				\$ 12,567,746
Buildings and Building Improvements	6,761,869	\$ 7,633			6,769,502
Machinery and Equipment	<u>7,737,980</u>	<u>270,590</u>	<u>-</u>	<u>-</u>	<u>8,008,570</u>
	<u>\$ 27,067,595</u>	<u>\$ 278,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,345,818</u>

Water Utility Fund Fixed Assets

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2011 and 2010.

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5 FIXED ASSETS (Continued)

Water Utility Fund Fixed Assets

	Balance, January 1, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Fixed Capital				
Water System Improvements and Equipment	\$ 6,889,503	\$ -	-	\$ 6,889,503
 Total	 <u>\$ 6,889,503</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 6,889,503</u>

NOTE 6 DUE TO/FROM OTHER FUNDS

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

	<u>2011</u>		<u>2010</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 1,480	\$ 345,000	\$ 6,896	\$ 286,786
Trust Fund:				
Other Trust- Reserve for Accumulated Absences	470,000		311,786	
Other Trust-Escrow		101		2,129
Other Trust- Tax Title Lien		144		
Other Trust- Payroll Unemployment		1,233	15,000	969
General Capital Fund		2		3,798
Water Utility Fund:				
Operating	2	125,000	150,061	40,000
Capital	<u>-</u>	<u>2</u>	<u>-</u>	<u>150,061</u>
 Total	 <u>\$ 471,482</u>	 <u>\$ 471,482</u>	 <u>\$ 483,743</u>	 <u>\$ 483,743</u>

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 7 FUND BALANCES APPROPRIATED

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

	Fund Balance December 31, <u>2011</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2010</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 3,324,581	\$ 2,540,000	\$ 2,916,747	\$ 2,140,000
Non-Cash Surplus	<u>28,548</u>	<u>-</u>	<u>66,050</u>	<u>-</u>
	<u>\$ 3,353,129</u>	<u>\$ 2,540,000</u>	<u>\$ 2,982,797</u>	<u>\$ 2,140,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 841,841	\$ -	\$ 916,767	\$ -
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 841,841</u>	<u>\$ -</u>	<u>\$ 916,767</u>	<u>\$ -</u>

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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:

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2011</u>			
There are none.			
<u>2010</u>			
Current Fund			
Overexpenditure of Appropriations	<u>\$39,408</u>	<u>\$39,408</u>	

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 9 COMPENSATED ABSENCES

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$2,283,832 and \$2,928,410 at December 31, 2011 and 2010, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2011 and 2010, the Borough has reserved in the Other Trust Fund \$954,733 and \$530,652 respectively to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

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. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds

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

The State also administers the Pensions Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

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.

Basis of Accounting

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

Investment Valuation

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Significant Legislation

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

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

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and to attain age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years, PFRS and PERS Prosecutors Part active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 78.5 percent and \$10.7 billion, respectively.

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

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

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Methods and Assumptions

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS, 8.50% for PFRS and 5.50% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2011, 2010 and 2009, 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 year:

<u>Year Ended December 31</u>	<u>PFRS</u>	<u>PERS</u>
2011	\$ 1,189,367	\$ 376,048
2010	1,074,772	302,136
2009	1,030,202	272,608

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 547 state and local participating employers and contributing entities for Fiscal Year 2011.

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

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

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

Basis of Accounting

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

Investment Valuation

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

Significant Legislation

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Significant Legislation

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

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$21.1 billion for state active and retired members and \$38.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$108.1 million for 8,161 eligible retired members for Fiscal Year 2011. This benefit covers the PFRS.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$34.2 million in Fiscal Year 2011 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2011, 2010 and 2009 were \$690,178, \$648,895 and \$667,521, respectively, which equaled the required contributions for each year. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2011, 2010 and 2009 were \$64,285, \$63,003 and \$61,809, respectively.

NOTE 12 RISK MANAGEMENT

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

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

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

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 12 RISK MANAGEMENT (Continued)

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, 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 December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011		\$ 1,183	\$ 32,363	\$ 165,658
2010			35,847	196,194
2009			25,410	229,782

NOTE 13 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, 2011 and 2010. 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, 2011 and 2010, the Borough reserved \$694,410 and \$1,154,655, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2011 and 2010, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 14 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, 2011 and 2010, the Borough had no estimated earnings due back to the IRS.

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

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

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

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

The Borough of Elmwood Park has contributed \$600 and \$600 for 2011 and 2010, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$600 and \$600 for 2011 and 2010, respectively for each eligible volunteer first aid squad members into the Plan.

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

AIG (Valic) is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

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

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

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (Continued)

Reporting Requirements

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

NOTE 16 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2011</u> Road Resurfacing Program	<u>\$133,982</u>	2012
<u>2010</u> Replacement of Van Riper Ave Culvert	<u>\$408,751</u>	2012

CURRENT FUND



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

Balance, January 1, 2011		\$ 7,007,847
Increased by Receipts:		
Taxes Receivable	\$ 50,539,446	
Prepaid Taxes	288,978	
Revenue Accounts Receivable	6,809,299	
Due from State of NJ Senior Citizens' and Veterans Deductions	215,081	
Tax Overpayments	38,340	
Due from General Capital Fund- Anticipated Revenue	155,152	
Due from Water Utility Operating Fund- Anticipated Revenue	300,000	
Due from Other Trust- Reserve for Recreation - Anticipated Revenue	100,000	
Receipts from General Capital Fund	4,481	
Due from Other Trust - Escrow	3,127	
Miscellaneous Revenue Not Anticipated	440,505	
Grants Receivable	70,524	
Unappropriated Grant Reserves	<u>118,619</u>	
		<u>59,083,552</u>
		66,091,399
Decreased by Disbursements:		
2011 Appropriations	22,982,969	
2010 Appropriation Reserves	513,049	
County Taxes	4,849,850	
Local District School Taxes	29,579,763	
Due County for Added Taxes	7,290	
Due from Library - Accrued Salary & Wages Paid on Behalf of the Library	6,521	
Payments made to Other Trust- Reserve for Compensated Absences	286,786	
Various Reserves	960,245	
Tax Overpayments	14,866	
Appropriated Grant Reserves	<u>21,245</u>	
		<u>59,222,584</u>
Balance, December 31, 2011		<u>\$ 6,868,815</u>

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

<u>Office</u>	Balance, January 1, <u>2011</u>	Balance, December 31, <u>2011</u>
Collector/Treasurer	\$ 500	\$ 500
Magistrate's Office - Court	175	175
Magistrate's Office - Violations Clerk	<u>175</u>	<u>175</u>
	<u>\$ 850</u>	<u>\$ 850</u>

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

Balance, January 1, 2011		\$ 48,258
Increased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	\$ 215,081	
Deductions Disallowed by Tax Collector - 2011	9,000	
Deductions Disallowed by Tax Collector - 2010	<u>9,636</u>	
		<u>233,717</u>
		281,975
Decreased by:		
Senior Citizen Deductions per Tax Billing	70,750	
Veterans Deductions per Tax Billing	149,750	
Veterans Deductions Allowed by Tax Collector	1,250	
Senior Citizen Deductions Allowed by Tax Collector - 2010	<u>500</u>	
		<u>222,250</u>
Balance, December 31, 2011		<u>\$ 59,725</u>

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

	Balance, January 1, 2011	Accrued	Cash Receipts	Balance, December 31, 2011
Recycling Tonnage		\$ 14,166	\$ 14,166	
Municipal Alliance on Alcohol & Drug Abuse	\$ 16,328	8,782	6,876	\$ 18,234
Local Domestic Preparedness Equipment	3,762			3,762
Hazardous Discharge Site Remediation	2,718			2,718
Aggressive Driving Grant	174			174
H1N1 - Health Services Grant		10,000	10,000	
Highway Safety Grant		9,000	9,000	
Drunk Driving		30,482	30,482	
Public Health Priority Funding	3,660	-	-	3,660
	<u>\$ 26,642</u>	<u>\$ 72,430</u>	<u>\$ 70,524</u>	<u>\$ 28,548</u>

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

Year	Balance, January 1, 2011	2011 Levy	Added Taxes	Senior Citizens' and Veterans Deductions Disallowed	2010	Collected In 2011	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2011
2010	\$ 708,220	-	\$ 21,146	\$ 9,636	-	\$ 710,325	\$ 500	\$ 26,049	-	\$ 2,128
2011	-	\$ 51,300,916	-	9,000	\$ 223,657	49,829,121	221,750	289,107	\$ 1,983	744,298
	\$ 708,220	\$ 51,300,916	\$ 21,146	\$ 18,636	\$ 223,657	\$ 50,539,446	\$ 222,250	\$ 315,156	\$ 1,983	\$ 746,426

Analysis of 2011 Tax Levy

Tax Yield	
General Purpose Tax	\$ 51,300,916
Added Taxes (54:4-63.1 et seq.)	-
	<u>\$ 51,300,916</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 29,579,763
County Taxes (Abstract)	4,790,491
County Open Space	59,359
Due County for Added Taxes(54:4-63.1 et seq.)	<u>2,019</u>
	\$ 34,431,632
Local Tax for Municipal Purposes (Abstract)	16,864,197
Additional Tax Levied	<u>5,087</u>
	<u>16,869,284</u>
	<u>\$ 51,300,916</u>

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

Balance, January 1, 2011	\$ 564,057
Increased by:	
Transfers from Taxes Receivable	<u>1,983</u>
Balance, December 31, 2011	<u>\$ 566,040</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

Balance, January 1, 2011	<u>\$ 23,450</u>
Balance, December 31, 2011	<u>\$ 23,450</u>

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

	Balance, January 1, <u>2011</u>	Accrued in 2011	<u>Collected</u>	Balance, December 31, <u>2011</u>
Borough Clerk				
Liquor Licenses		\$ 24,030	\$ 24,030	
Licenses - Other		17,590	17,590	
Fees and Permits - Other		7,188	7,188	
Board of Health				
Fees and Permits - Other		82,766	82,766	
Police				
Fees and Permits- Other		35,892	35,892	
Planning/Zoning				
Fees and Permits- Other		5,075	5,075	
Tax Collector/Dept. of Public Works				
Fees and Permits- Other		14,359	14,359	
Construction Code Official				
Fees and Permits		482,161	482,161	
Interest on Investments		20,361	20,361	
Interest and Costs on Taxes		192,095	192,095	
Municipal Court				
Fines and Costs	\$ 53,882	1,116,945	1,116,945	\$ 53,882
Energy Receipts Tax		1,215,581	1,215,581	
Consolidated Municipal Property Tax Relief Aid		246,362	246,362	
Uniform Fire Safety Act		44,887	44,887	
Trunk Sewer Revenue	-	3,304,007	3,304,007	-
	<u>\$ 53,882</u>	<u>\$ 6,809,299</u>	<u>\$ 6,809,299</u>	<u>\$ 53,882</u>

EXHIBIT A-12

STATEMENT OF DUE FROM LIBRARY

Increase by:	
Accrued Salary & Wages paid on Behalf of the Municipal Library	<u>\$ 6,521</u>
Balance, December 31, 2011	<u>\$ 6,521</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF 2010 APPROPRIATION RESERVES

	Balance, January 1, <u>2011</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 939	\$ 939			\$ 939
Mayor & Council	5	5			5
Revenue Administration	612	612			612
Tax Assessment Administration	36,113	36,113		\$ 35,000	1,113
Legal Services & Costs	6,955	6,955			6,955
Planning Board	23	23			23
Zoning Board	765	765			765
Police	89,237	89,237		85,000	4,237
Police - Crossing Guard	21,217	21,217		20,000	1,217
Police - Police & Fire Surgeons	1,445	1,445			1,445
Police - Other Personnel	2,496	2,496			2,496
Police- Dispatch 911	1,907	1,908			1,908
Fire Official	4,560	4,560			4,560
Fire Department	12,000				
Public Defender	4,615	4,615			4,615
Streets & Roads	185,109	185,109		180,000	5,109
Solid Waste Collections	23,786	23,786		20,000	3,786
Parks & Recreation	2,155	2,155			2,155
Construction Code Official	25,318	3			3
Rent Monitoring Board	1,500	1,500			1,500
Municipal Court	25	25			25
Municipal Prosecutor	9,915	9,915		5,000	4,915
Other Expenses					
General Administration	23,033	26,188	\$ 5,207		20,981
Financial Administration	498	812	651		161
Financial Administration-ADP Payroll Service	11,805	11,805	4,239		7,566
Annual Audit	90	12,090	12,090		
Revenue Administration	9,095	12,691	3,307		9,384
Tax Assessment Administration	3,034	4,165	1,693		2,472
Legal Services & Costs	11,227	11,227	1,550		9,677
Engineering Services & Costs	9,555	9,555	4,397		5,158
Planning Board	2,140	2,140	462		1,678
Master Plan	144	144			144
Zoning Board of Adjustment	1,883	2,198	621		1,577
Council on Affordable Housing	19,295	19,295			19,295
Fire Official	7,690	7,690			7,690
Police Department	43,648	41,910	27,562		14,348
Police Department - Clothing Allowance	19,775	19,775			19,775
Police Department - Purchase Police Vehicles	2,953	2,953			2,953
Police Department - Vehicle Maintenance	25,000	51,017			51,017

BOROUGH OF ELMWOOD PARK
STATEMENT OF 2010 APPROPRIATION RESERVES

	Balance, January 1, <u>2010</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Emergency Management Services	\$ 4,800	\$ 4,800			\$ 4,800
Streets & Roads	62,438	82,909	\$ 36,169		46,740
Streets & Roads - Traffic Lights	16,323	22,433	3,201		19,232
Streets & Roads - Vehicle Maintenance	34,770	36,020	4,452		31,568
Solid Waste - Disposal	236,328	132,372			132,372
Solid Waste - Disposal - Recycling Tax	51,809	52,712	5,940		46,772
Board of Health	2,410	3,606	3,606		
Veterans Service Bureau		200	200		
Shade Tree	6,000	6,000			6,000
Animal Control	17,858	17,858			17,858
Parks & Recreation	15,574	19,391	4,987		14,404
Maintenance of Parks	23,673	23,673			23,673
Construction Code Official		27,469	787		26,682
Celebration of Public Events	3,717	3,717			3,717
Rent Leveling Board	350	350			350
Electricity	110,468	136,386	31,883		104,503
Street Lighting	42,649	77,745	40,570		37,175
Telephone	15,272	15,714	1,366		14,348
Gasoline	69,120	80,176	17,963		62,213
Sanitary Landfill Tax - Tipping Fee	1,531	1,588			1,588
Landfill Solid Waste		71,090	59,175		11,915
Social Security System (O.A.S.I.)	37,170	37,170			37,170
Public Employees Retirement System		200			200
Contingent	10,000	10,000			10,000
Municipal Court	7,945	9,027	4,407		4,620
Other Insurance		183,347	183,245		102
Employee Group Health	171,167	171,444	1,657		169,787
Fire Department	1,034	11,873	11,671		202
Fire Department - Vehicle Expense		176	176		
Fire Department - Clothing Allowance		12,000	425		11,575
First Aid Stipend	2,809	2,809			2,809
LOSAP	36,000	60,000	36,700		23,300
Community Affairs - Senior Citizens	11,313	12,233	17		12,216
Clean Communities Grant	4,913	4,913	2,673	\$ 2,240	
Click it or Ticket Grant	4,000	4,000		4,000	

**BOROUGH OF ELMWOOD PARK
STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance, January 1, <u>2010</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
Body Armor Replacement	\$ 3,654	\$ 3,654		\$ 3,654	
Over the Limit Grant	<u>2,705</u>	<u>2,705</u>	-	<u>2,705</u>	-
	<u>\$ 1,629,765</u>	<u>\$ 1,971,201</u>	<u>\$ 513,049</u>	<u>\$ 357,599</u>	<u>\$ 1,100,553</u>
Cash Disbursed			<u>\$ 513,049</u>		
Appropriation Reserves		\$ 1,629,765			
Encumbrances Payable		317,436			
LOSAP		<u>24,000</u>			
		<u>\$ 1,971,201</u>			
Transfer to Other Trust- Accumulated Absences				\$ 345,000	
Transfer to Appropriated Reserves				<u>12,599</u>	
				<u>\$ 357,599</u>	

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

Balance, January 1, 2011	\$ 317,436
Increased by:	
Charges to 2012 Budget Appropriations	<u>303,956</u>
	621,392
Decreased by:	
Transferred to Appropriation Reserves	<u>317,436</u>
Balance, December 31, 2011	<u>\$ 303,956</u>

STATEMENT OF PREPAID TAXES

Balance, January 1, 2011	\$ 223,657
Increased by:	
Payment of 2012 Taxes	<u>288,978</u>
	512,635
Decreased by:	
Applied to 2011 Taxes	<u>223,657</u>
Balance, December 31, 2011	<u>\$ 288,978</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2011	\$ 44,447
Increased by:	
Cash Receipts	<u>38,340</u>
	82,787
Decreased by:	
Cash Disbursements	<u>14,866</u>
Balance, December 31, 2011	<u>\$ 67,921</u>

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

Increased by:		
Levy - Calendar Year 2011		<u>\$ 29,579,763</u>
Decreased by:		
Payments		<u>\$ 29,579,763</u>

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
General County Levy - 2011	\$ 4,790,491	
County Open Space Preservation Levy -2011	<u>59,359</u>	
		\$ 4,849,850
Decreased by:		
Payments		<u>4,849,850</u>
Balance December 31, 2011		<u>\$ -</u>

STATEMENT OF DUE COUNTY FOR ADDED AND OMITTED TAXES

Balance, January 1, 2011		\$ 7,289
Increased by:		
County Share of Added and Omitted Taxes		<u>2,019</u>
		9,308
Decreased by:		
Payments		<u>7,290</u>
Balance, December 31, 2011		<u>\$ 2,018</u>

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

	Balance, January 1, 2011	Transfer From Current Tax Collections	Cash Disbursed	Balance, December 31, 2011
Reserve for:				
Due to Outside Lien Holders	\$ 13,491			\$ 13,491
Library State Aid	147			147
Tax Appeals	1,154,655	\$ 500,000	\$ 960,245	694,410
Revaluation	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
	<u>\$ 1,205,293</u>	<u>\$ 500,000</u>	<u>\$ 960,245</u>	<u>\$ 745,048</u>

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

	Balance, January 1, 2011	Transfer From Appropriation Reserves	Cash Disbursements	Balance, December 31, 2011
Municipal Alliance	\$ 9,291		\$ 8,090	\$ 1,201
Alcohol Education and Rehabilitation Fund	11,725			11,725
Recycling Tonnage Grant	26,189			26,189
Emergency Preparedness Grant/Pandemic	46,096		4,842	41,254
Clean Community	16,975	\$ 2,240	2,612	16,603
Homeland Security	8,312			8,312
Body Armor Program	5,701	3,654	5,701	3,654
Special Legislative	5,707			5,707
Hazardous Discharge	5,957			5,957
Obey the Signs	4,000			4,000
Over the Limit	6,201		2,705	8,906
Click It or Ticket	2,000		4,000	6,000
Hang Up and Drive	4,000			4,000
Edward Byrne Police Grant	15,833			15,833
DEA Grant	1,367			1,367
Municipal Stormwater Regulation Program	8,810			8,810
BT Grant	1,500			1,500
Statewide Liveable Communities	40,000	-	-	40,000
	<u>\$ 219,664</u>	<u>\$ 12,599</u>	<u>\$ 21,245</u>	<u>\$ 211,018</u>

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

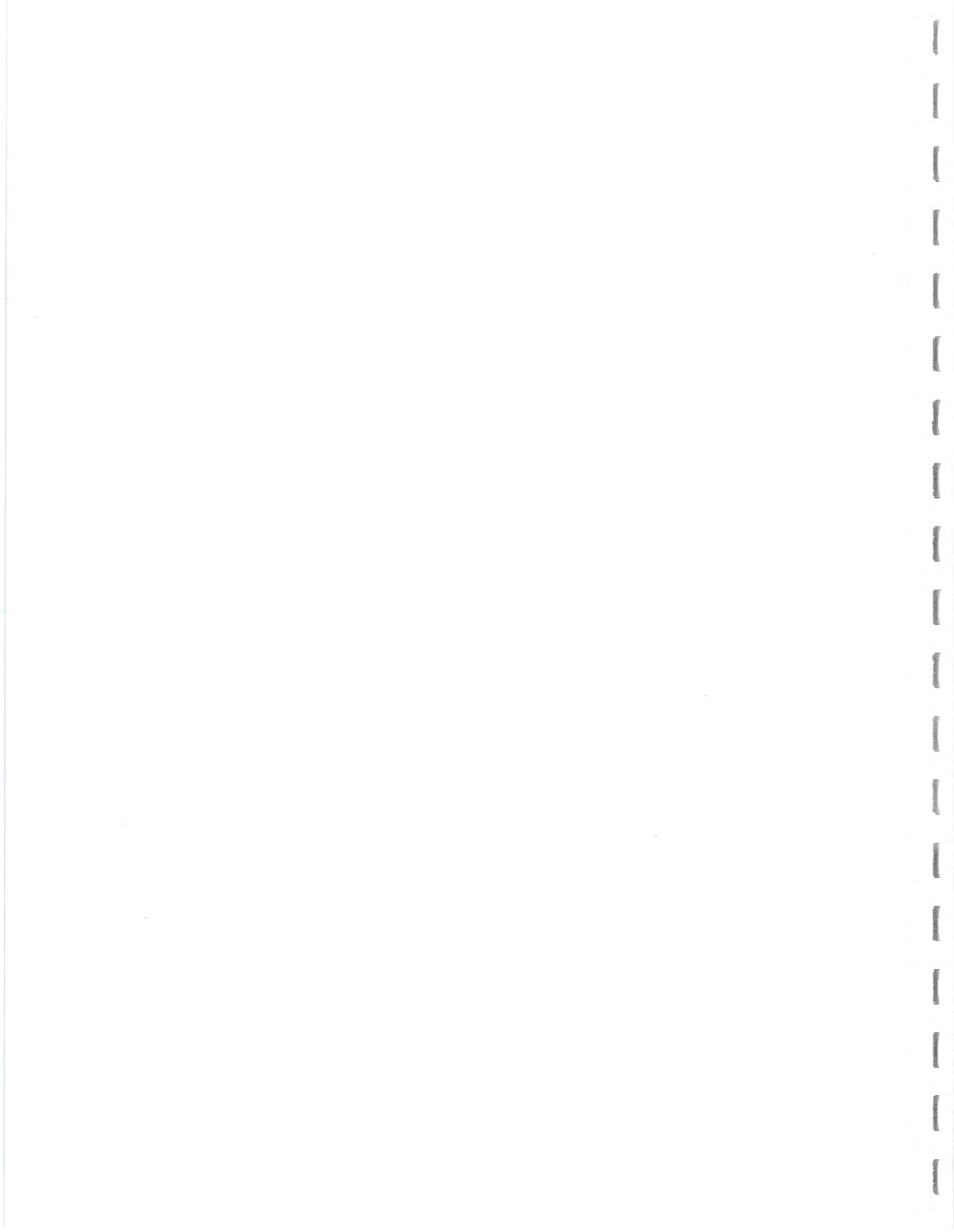
	Balance, January 1, 2011	Cash Receipts	Anticipated as 2011 Budget Revenue	Balance, December 31, 2011
Alcohol Rehab		\$ 13,214		\$ 13,214
Recycling Tonnage Grant		19,425		19,425
Safe and Secure Grant		51,809		51,809
Body Armor Replacement		3,908		3,908
Highway Safety Grant		4,400		4,400
Influenza - Emergency Preparedness	\$ 19,369		\$ 19,369	-
Clean Communities	27,213	25,863	27,213	25,863
Drunk Driving	38,773	-	38,773	-
	<u>\$ 85,355</u>	<u>\$ 118,619</u>	<u>\$ 85,355</u>	<u>\$ 118,619</u>

EXHIBIT A-23

STATEMENT OF DEFERRED CHARGES - OVEREXPENDITURE OF BUDGET APPROPRIATION

Balance, January 1, 2011	\$ 39,408
Decreased by:	
Raised in 2011 Budget	<u>39,408</u>
Balance, December 31, 2011	<u>\$ -</u>

TRUST FUNDS



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

	<u>Animal License Fund</u>	<u>Other Trust Funds</u>	<u>Unemployment Trust Fund</u>
Balance, January 1, 2011	\$ 7,543	\$ 1,640,695	\$ 192,939
Increased by Receipts:			
Animal License Fees	\$ 8,643		
State Dog License Fees	1,600		
Reserve for Recreation Fees		\$ 138,938	
Reserve for Fire Prevention Fees		45,384	
Payroll Deductions Payable		10,822,573	
Payroll Salary and Wages Payable		6,264,033	
Employee Unemployment Contribution			\$ 1,183
Developer's Escrow Deposits		227,204	
Payments from Current Fund		286,786	
Payments from Water Operating Fund		25,000	15,000
Interest on Deposits		1,530	644
Other Deposits	-	<u>921,097</u>	<u>-</u>
	<u>10,243</u>	<u>18,732,545</u>	<u>16,827</u>
Decreased by Disbursements:			
State Dog License Fees	1,594		
Recreation Expenditures		163,323	
Payroll Deductions Payable		10,885,404	
Payroll Salary and Wages Payable		6,279,855	
Fire Prevention Fees		44,050	
Payments to Unemployment Trust Fund - State of New Jersey			42,695
Developer's Escrow Deposits		222,702	
Payments to Current Fund		103,127	
Other Deposits	-	<u>851,811</u>	<u>-</u>
	<u>1,594</u>	<u>18,550,272</u>	<u>42,695</u>
Balance, December 31, 2011	<u>\$ 16,192</u>	<u>\$ 1,822,968</u>	<u>\$ 167,071</u>

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

Balance, January 1, 2011		\$ 7,845
Increased by:		
Dog License Fees	\$ 7,837	
Cat License Fees	791	
Miscellaneous and Late Fees	15	
		8,643
Decreased by:		
Expenditures Under R.S. 4:19-15.11		16,488
Cash Disbursements		-
Balance, December 31, 2011		\$ 16,488

Animal License Fees Collected

Year		
2009	\$ 9,105	
2010	8,964	
		\$ 18,069

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

Balance, January 1, 2011		\$ 302
Increased by:		
Payments		1,594
		1,896
Decreased by:		
State Fees Collected		1,600
Balance, December 31, 2011		\$ 296

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

Balance, January 1, 2011		\$ 196,194
Increased by:		
Employee Share From Agency	\$ 1,183	
Interest on Deposits	<u>644</u>	
		<u>1,827</u>
		198,021
Decreased by:		
Unemployment Claims		<u>32,363</u>
Balance, December 31, 2011		<u>\$ 165,658</u>

EXHIBIT B-5

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

Balance, January 1, 2011		\$ 11,745
Increased by:		
2011 Unemployment Compensation Insurance Claims		<u>32,363</u>
		44,108
Decreased by:		
Payments made to the State of New Jersey		<u>42,695</u>
Balance, December 31, 2011		<u>\$ 1,413</u>

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

Balance, January 1, 2011	\$ 2,129
Increased by:	
Interest on Investments and Deposits	<u>1,099</u>
	3,228
Decreased by:	
Cash Disbursements	<u>3,127</u>
Balance, December 31, 2011	<u>\$ 101</u>

EXHIBIT B-7

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

Increased by:	
Interest on Investments and Deposits	<u>144</u>
Balance, December 31, 2011	<u>\$ 144</u>

EXHIBIT B-8

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

Balance, January 1, 2011	\$ 969
Increased by:	
Interest on Investments and Deposits	<u>264</u>
Balance, December 31, 2011	<u>\$ 1,233</u>

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

Balance, January 1, 2011	\$ 43,203
Increased by:	
Interest on Deposits	23
Balance, December 31, 2011	\$ 43,226

EXHIBIT B-10

**STATEMENT OF OTHER DEPOSITS
OTHER TRUST FUND**

	Balance, January 1, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2011</u>
Reserve for:				
Parking Offenses Adjudication Act	\$ 12,416	\$ 2,669		\$ 15,085
Drunk Driving Enforcement Fund	2		\$ 2	-
Lien Redemptions	42,599	440,599	424,221	58,977
Tax Title Lien Premiums	58,829	82,300	144,487	(3,358)
Accumulated Absences	530,652	470,182	46,101	954,733
Equitable Sharing	155,399	30,824		186,223
Police Outside Duty	43,849	364,523	237,000	171,372
Miscellaneous	1,000	-	-	1,000
	\$ 844,746	\$ 1,391,097	\$ 851,811	\$ 1,384,032
Cash Receipts		\$ 921,097		
Due from Current Fund		345,000		
Due from Water Utility Operating Fund		125,000		
		\$ 1,391,097		

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

Balance, January 1, 2011		\$ 400,030
Increased by:		
Cash Receipts		<u>138,938</u>
		538,968
Decreased by:		
Cash Disbursements	\$ 163,323	
Realized as Current Fund Budget Revenue - Cash Disbursements	<u>100,000</u>	
		<u>263,323</u>
Balance, December 31, 2011		<u>\$ 275,645</u>

EXHIBIT B-12

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

Balance, January 1, 2011		\$ 70,442
Increased by:		
Cash Receipts		<u>10,822,573</u>
		10,893,015
Decreased by:		
Cash Disbursements		<u>10,885,404</u>
Balance, December 31, 2011		<u>\$ 7,611</u>

EXHIBIT B-13

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

Balance, January 1, 2011		\$ 17,306
Increased by:		
Cash Receipts		<u>6,264,033</u>
		6,281,339
Decreased by:		
Cash Disbursements		<u>6,279,855</u>
Balance, December 31, 2011		<u>\$ 1,484</u>

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

Balance, January 1, 2011	\$ 110,832
Increased by:	
Cash Receipts	45,384
	156,216
Decreased by:	
Cash Disbursements	44,050
Balance, December 31, 2011	\$ 112,166

STATEMENT OF DEVELOPER'S ESCROW DEPOSITS
OTHER TRUST FUND

Balance, January 1, 2011	\$ 462,824
Increased by:	
Cash Receipts	227,204
	690,028
Decreased by:	
Cash Disbursements	222,702
Balance, December 31, 2011	\$ 467,326

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

Balance, January 1, 2011	\$ 286,786
Increased by:	
Transfer to Reserve for Compensated Absences	<u>345,000</u>
	631,786
Decreased by:	
Payments Received	<u>286,786</u>
Balance, December 31, 2011	<u>\$ 345,000</u>

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

Balance, January 1, 2011	\$ 25,000
Increased by:	
Transfer to Reserve for Compensated Absences	<u>125,000</u>
	150,000
Decreased by:	
Payments Received	<u>25,000</u>
Balance, December 31, 2011	<u>\$ 125,000</u>

GENERAL CAPITAL FUND



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

Balance, January 1, 2011		\$ 856,785
Increased by Receipts:		
Premium on Sale of Notes	\$ 20,119	
Grants/ Other Receivable	219,343	
Loan Receivable	277,539	
Grants Receivable- Funded by Budget Appropriation	43,151	
Ambulance Contribution	10,000	
Deferred Charged Unfunded - Funded by Budget Appropriation	182,240	
Notes Paid by 2011 Budget Appropriation	194,243	
Capital Improvement Fund	100,000	
Interest on Investments	685	
Bond Anticipation Notes	<u>5,900,000</u>	
		<u>6,947,320</u>
		7,804,105
Decreased by Disbursements:		
Improvement Authorizations	769,049	
Contracts Payable	327,729	
Due to Current Fund- Realized as Budgeted Revenue	155,152	
Payment of Bond Anticipation Notes	4,573,850	
Payments to Current Fund	<u>4,481</u>	
		<u>5,830,261</u>
Balance, December 31, 2011		<u>\$ 1,973,844</u>

**BOROUGH OF ELMWOOD PARK
ANALYSIS OF CASH**

Balance,
December 31,
2011

Grants Receivables	\$ (1,234,483)
Environmental Infrastructure Loan Receivable	(23,431)
Fund Balance	692,367
Reserve for Payment of Bonds	29,238
Capital Improvement Fund	317,230
Due to Current Fund	2
Contracts Payable	556,719
Excess Note Proceeds	441,894

Improvement Authorizations

Ord. No.		
98-19	Acquisition of Ambulances	(18,600)
04-4/05-5	2004 Road Resurfacing	(5)
06-28	Various Capital Improvements (Sewer Main Extension/De-icing Material Storage Building)	409,218
06-35	Various Capital Improvements	78,947
08-8	Improvement to Kipp Ave	92,876
08-9	Sanitary Sewer Rehabilitation at Elmwood Terrace and Other Locations	79,644
09-13	2010 Road Program	86,713
09-14	Resurfacing a Portion of Martha Ave	(7,242)
09-22	Improvement of the Van Riper Culvert	255,447
10-7	Improvement to Molnar Drive	88,292
10-12	2010 Road Resurfacing Program	56,599
10-13	Installation of Playground Equipment	5,874
10-17	Improvements to Kipp Ave Section III	24,842
11-08	2011 Road Resurfacing Program	69,020
11-18	Various Pubic Improvements & Acq of New Information Technology Equip.	(27,317)
		<u>\$ 1,973,844</u>

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

Balance, January 1, 2011	\$ 11,200,434
Decreased by:	
Paid by 2011 Budget Appropriation:	
Bonds	\$ 1,030,000
EIT Loan	<u>186,493</u>
	<u>1,216,493</u>
Balance, December 31, 2011	<u>\$ 9,983,941</u>

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE

Balance, January 1, 2011	\$ 300,970
Decreased by:	
Cash Receipts	<u>277,539</u>
Balance, December 31, 2011	<u>\$ 23,431</u>

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

	Total	Department of Transportation		County of Bergen Ord# 2009-22	
		Totals Exhibit C-6A	Ord# 2008-7		Ord.# 2010-07
Balance, January 1, 2011	\$ 1,776,410	\$ 508,269	\$ 44,552	\$ 70,239	\$ 1,153,350
Decreased by:					
Funded by Budget					
Appropriation	43,151		43,151		
Collections	219,343	174,443	-	44,900	
Balance, December 31, 2011	\$ 1,513,916	\$ 333,826	\$ 1,401	\$ 25,339	\$ 1,153,350

Analysis of Balance at December 31, 2011

Offset by Reserve	\$ 279,433	\$ 254,094	\$ 25,339
Unfunded	1,234,483	79,732	-
	\$ 1,513,916	\$ 333,826	\$ 25,339
		\$ 1,401	\$ 1,153,350
			\$ 1,153,350

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

Page	Community Development Block Grant			Bergen County Open Space Trust Fund	
	Ord.# 2008-9	Ord.# 2009-14	Ord.# 2009-18	Ord.# 2010-17	Ord.# 2010-13
Balance, January 1, 2011	\$ 508,269	\$ 49,248	\$ 4,846	\$ 200,000	\$ 49,175
Decreased by:					
Collections	<u>174,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2011	<u>\$ 333,826</u>	<u>\$ 49,248</u>	<u>\$ 4,846</u>	<u>\$ 200,000</u>	<u>\$ 49,175</u>
Analysis of Balance at December 31, 2011					
Offset by Reserve	\$ 254,094	\$ 49,248	\$ 4,846	\$ 200,000	
Unfunded	<u>79,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,175</u>
	<u>\$ 333,826</u>	<u>\$ 49,248</u>	<u>\$ 4,846</u>	<u>\$ 200,000</u>	<u>\$ 49,175</u>

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

Ordinance Number	Improvement Description	Balance, January 1, 2011	Authorized 2011	Grant Proceeds	Ambulance Contribution	Notes Paid by Budget		Funded by Budget Appropriation	Cancelled	Balance, December 31, 2011	Analysis of Balance December 31, 2011	
						Budget	Appropriation				Notes	Bond
98-19	Acquisition of Ambulance	\$ 28,600			\$ 10,000			\$ 531		\$ 18,600	\$	18,600
03-14	Reconstruction Franklin Street, Section II	531										
03-26/06-17/06-37	Market Street Streetscape	230,053				\$ 7,948			\$ 3,805	218,300	\$ 218,300	
03-30	Sanitary Sewer Improvements	30,534						30,534				
04-04/05-05	2004 Road Resurfacing Program	3,175						3,175				
04-08/05-38	Various Public Improvements	24,828								21,174	21,169	5
05-07	Acquisition of Fire Emergency Apparatus Vehicle	173,772								25,772	25,772	
05-11	Acquisition of Ambulance	110,768								110,768	110,768	
05-37	Various Capital Improvements	203,672								177,283	177,283	
06-08	Improvements to the Boulevard	54,036								52,574	52,574	
06-09	Security Related Improvements	45,862								44,224	44,224	
06-11	Improvements to Palsa Ave	277,692							84,846	185,538	185,538	
06-12	Improvements to Washington Ave	231,410							39,675	185,645	185,645	
06-27	2006 Road Improvement Program	306,000							2,204	286,796	286,796	
06-28	Various Capital Improvements(Sewer Main Extension and De-icing Material Storage Bldg.)	55,012								55,012	55,012	
06-35	Various Capital Improvements	387,600								339,150	339,150	
06-36	Acq. & Installation of Boiler System	190,000							93,369	96,631	96,631	
06-42	Rehabilitation of Sewer Pump Station	140,696								138,892	138,892	
07-1	Acquisition of Property on English Ave	468,987							28,915	434,059	434,059	
07-5	2007 Road Program	184,500							30,187	137,813	137,813	
07-6	Various Improvements	382,850							45,780	337,070	337,070	
07-16	Acquisition of Ambulance	97,250							13,877	67,011	67,011	
07-17	Acquisition of Property	325,850							22,370	299,355	299,355	
08-7	2008 Road Program	417,000							381,294	381,294	381,294	
08-8	Sanitary Sewer Rehabilitation at Elmwood Terrace	180,900							13,759	178,610	178,610	
08-9	Improvement to Kipp Ave	100,000							94,737	94,737	94,737	
09-13	2009 Road Resurfacing Program	285,000								285,000	285,000	
09-14	Resurfacing a Portion of Martha Ave	84,948								84,948	84,948	
09-18	Improvement to Kipp Ave Sec 2	39,864								39,864	39,864	
10-07	Improvement to Mohair Drive	160,239		\$ 44,900						115,339	115,339	
10-12	2010 Road Resurfacing Program	285,000								285,000	285,000	
10-13	Installation of Playground Equipment	52,500								52,500	52,500	
											7,242	\$ 42,006

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

Ordinance Number	Improvement Description	Balance, January 1, 2011	Authorized 2011	Grant Proceeds	Ambulance Contribution	Notes Paid by Budget		Funded by Budget Appropriation	Cancelled	Balance, December 31, 2011	Analysis of Balance December 31, 2011	
						Budget	by Budget				Bond Notes	Unexpended Improvement Authorizations
10-17	Improvements to Kipp Ave Section III	\$ 235,000	\$ 542,000							\$ 235,000	\$ 235,000	
11-08	2011 Road Resurfacing Program									542,000	542,000	
11-18	Various Public Improvements and Acquisition of New Information Technology Equip.		347,500							347,500		\$ 27,317
		<u>\$ 5,794,129</u>	<u>\$ 889,500</u>	<u>\$ 44,900</u>	<u>\$ 10,000</u>	<u>\$ 194,243</u>	<u>\$ 182,240</u>	<u>\$ 378,787</u>	<u>\$ 5,873,459</u>	<u>\$ 5,458,106</u>	<u>\$ 53,164</u>	<u>\$ 362,189</u>

Bond Anticipation Notes-	\$ 5,900,000
Less: Excess Note Proceeds	
Ord. #03-26/06-17/06-37	\$ 3,804
Ord. #05-07	148,000
Ord. #06-11	84,846
Ord. #06-12	39,675
Ord. #06-27	2,204
Ord. #06-36	3,369
Ord. #07-01	28,915
Ord. #07-05	30,187
Ord. #07-06	5,990
Ord. #07-16	13,877
Ord. #07-17	22,370
Ord. #08-07	13,757
Ord. #10-07	44,900
	<u>\$ 5,458,106</u>

Improvement Authorizations Unfunded	\$ 1,000,008	
Less: Unexpended Bond Anticipation Note Proceeds		
Ordinance #	06-28	\$ 55,012
	06-35	78,947
	08-08	92,876
	08-09	79,644
	09-13	86,713
	10-07	88,292
	10-12	56,599
	10-13	5,874
	10-17	24,842
	11-8	69,020
		<u>637,819</u>
		<u>\$ 362,189</u>

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

Balance, January 1, 2011	\$ 262,730
Increased by:	
2011 Budget Appropriation	<u>100,000</u>
	362,730
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>45,500</u>
Balance, December 31, 2011	<u>\$ 317,230</u>

STATEMENT OF DUE TO CURRENT FUND

Balance, January 1, 2011	\$ 3,798
Increased by:	
Interest Earnings	<u>685</u>
	4,483
Decreased by:	
Cash Payments to Current Fund	<u>4,481</u>
Balance, December 31, 2011	<u>\$ 2</u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF RESERVE FOR PAYMENT OF BONDS**

Balance, January 1, 2011	\$ 184,390
Decreased by:	
Realized as Current Fund Budgeted Revenue	<u>155,152</u>
Balance, December 31, 2011	<u>\$ 29,238</u>

Analysis of Balance

Ord. # 2004-5	\$ 6,238
Ord. #2004-9	<u>23,000</u>
	<u>\$ 29,238</u>

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

Balance, January 1, 2011		\$ 757,123
Increased by:		
Contract Awards		<u>556,719</u>
		1,313,842
Decreased by:		
Cash Disbursed	\$ 327,729	
Cancelled	<u>429,394</u>	
		<u>757,123</u>
Balance, December 31, 2011		<u>\$ 556,719</u>

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

Purpose	Date Issue	Original Issue	Maturities of Bonds Outstanding Date	Interest Rate	Balance, January 1, 2011	Balance, December 31, 2011
General Improvements	6/1/2000	\$ 2,175,000	6/1/2012	5.38%	\$ 555,000	\$ 275,000
Taxable Pension Refunding Bonds	3/15/2003	1,465,000	3/15/2012	4.85%	1,055,000	90,000
			3/15/2013			
			3/15/2014			
			3/15/2015			
			3/15/2016			
			3/15/2017			
			3/15/2018			
General Improvements	5/15/2003	2,950,000	5/15/2012	3.00%	1,361,000	1,101,000
			5/15/2013-2014		260,000	
			5/15/2015			

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

<u>Purpose</u>	<u>Date Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2011</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	6/15/2006	\$ 5,385,000	2/15/2012	\$ 425,000	4.00%	\$ 4,525,000	\$ 400,000	\$ 4,125,000
			2/15/2013	425,000				
			2/15/2014	445,000				
			2/15/2015	475,000				
			2/15/2016	760,000				
			2/15/2017	785,000				
			2/15/2018	810,000				
						\$ 7,496,000	\$ 1,030,000	\$ 6,466,000
							\$ 1,030,000	

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

<u>Ordinance</u>	<u>Purpose</u>	<u>Date Issue</u>	<u>Amount of Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Balance, January 1, 2011</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
06-28	Sewer Main Extension and De-icing Material Storage Bldg.	11/8/2007	\$ 4,108,388	2/1-8/1/2012	\$ 183,917			
				2/1-8/1/2013	190,385			
				2/1-8/1/2014	196,689			
				2/1-8/1/2015	194,602			
				2/1-8/1/2016	199,924			
				2/1-8/1/2017	205,086			
				2/1-8/1/2018	210,086			
				2/1-8/1/2019	214,925			
				2/1-8/1/2020	220,311			
				2/1-8/1/2021	225,569			
				2/1-8/1/2022	229,924			
				2/1-8/1/2023	234,120			
				2/1-8/1/2024	247,002			
				2/1-8/1/2025	251,164			
				2/1-8/1/2026	255,182			
				2/1-8/1/2027	259,055			
						\$ 3,704,434	\$ 186,493	\$ 3,517,941
						<u>\$ 3,704,434</u>	<u>\$ 186,493</u>	<u>\$ 3,517,941</u>

Paid by Budget Appropriation \$ 186,493

BOROUGH OF ELMWOOD PARK
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2011	Increased	Decreased	Balance, December 31, 2011
05-07	Acq. Of Fire Emergency Vehicle	8/12/2011	8/12/2011	8/10/2012	0.66 %	\$ 203,672	\$ 173,772		\$ 173,772
05-11	Acquisition of Ambulance	8/12/2011	8/12/2011	8/10/2012	0.66		110,768		110,768
05-37	Various Improvements	8/30/2007	8/12/2011	8/10/2012	0.66		177,283	\$ 203,672	177,283
05-38	Supplemental to 2004-8: Acquisition of Machinery	8/30/2007	8/12/2011	8/10/2012	0.66	24,823	21,169	24,823	21,169
06-8	Improvements to the Boulevard	8/30/2007	8/12/2011	8/10/2012	0.66	55,538	52,574	55,538	52,574
06-9	Security Related Improvements	8/30/2007	8/12/2011	8/10/2012	0.66	45,862	44,224	45,862	44,224
06-11	Improvements to Palsa Avenue	8/30/2007	8/12/2011	8/10/2012	0.66	277,692	270,384	277,692	270,384
06-12	Improvements to Washington Avenue	8/30/2007	8/12/2011	8/10/2012	0.66	231,410	225,320	231,410	225,320
06-17	Supplemental to 2003-26: Market St. Streetscape	8/30/2007	8/12/2011	8/10/2012	0.66	90,000	172,000	90,000	172,000
06-27	2006 Road Improvement Program	8/30/2007	8/12/2011	8/10/2012	0.66	306,000	289,000	306,000	289,000
06-28	Various Capital Improvements	8/12/2011	8/12/2011	8/10/2012	0.66		55,012		55,012
06-35	Various Capital Improvements	8/30/2007	8/12/2011	8/10/2012	0.66	387,600	339,150	387,600	339,150
06-36	Acq. / Installation of Boiler System	8/12/2011	8/12/2011	8/10/2012	0.66		100,000		100,000
06-37	Supplemental to 2003-26: Market St. Streetscape	8/30/2007	8/12/2011	8/10/2012	0.66	53,052	50,104		50,104
06-42	Rehabilitation of Sewer Pump and Station	8/30/2007	8/12/2011	8/10/2012	0.66	140,696	138,892		138,892
07-1	Acquisition of Property on English Avenue	8/30/2007	8/12/2011	8/10/2012	0.66	468,987	462,974	468,987	462,974

BOROUGH OF ELMWOOD PARK
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2011	Increased	Decreased	Balance, December 31, 2011
07-5	2007 Road Improvement Program	8/30/2007	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 % 1.50	\$ 184,500	\$ 168,000	\$ 184,500	\$ 168,000
07-6	Various Improvements	8/12/2011	8/12/2011	8/10/2012	0.66		343,060		343,060
07-16	Acquisition of Ambulance	8/29/2008	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	97,250	80,888	97,250	80,888
07-17	Acquisition of Property	8/29/2008	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	325,850	321,725	325,850	321,725
08-7	2008 Road Program	8/29/2008	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	417,000	395,051	417,000	395,051
08-8	Sanitary Sewer Rehabilitation at Elmwood Terrace	8/29/2008	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	180,900	178,610	180,900	178,610
08-9	Improvement to Kipp Ave	8/29/2008	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	100,000	94,737	100,000	94,737
09-1	Improvement to Boulevard Section 7	8/14/2009	8/13/2010	8/12/2011	1.50	52,300		52,300	
09-13	2009 Road Resurfacing Program	8/14/2009	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	285,000	285,000	285,000	285,000
09-14	Resurfacing Portion of Martha Ave	8/14/2009	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	35,700	35,700	35,700	35,700
09-18	Improvement to Kipp Ave	8/13/2010	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	35,018	39,864	35,018	39,864
10-07	Improvement to Portion of Mohr Drive	8/13/2010	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	290,000	160,239	290,000	160,239
10-12	Road Resurfacing Program	8/13/2010	8/12/2011 8/13/2010	8/10/2012 8/12/2011	0.66 1.50	285,000	285,000	285,000	285,000
10-13	Installation of Playground Equipment	8/12/2011	8/12/2011	8/10/2012	0.66		52,500		52,500
10-17	Improvements to Kipp Ave Sec III	8/12/2011	8/12/2011	8/10/2012	0.66		235,000		235,000
11-08	2011 Road Resurfacing Program	8/12/2011	8/12/2011	8/10/2012	0.66		542,000		542,000
						<u>\$ 4,573,850</u>	<u>\$ 5,900,000</u>	<u>\$ 4,573,850</u>	<u>\$ 5,900,000</u>
						Issued for Cash	\$ 1,703,958		
						Paid by Budget Appropriation	\$ 194,243		
						Cancelled			
						Paid with Excess Note Proceeds	183,563		
						Renewals	4,196,042		
						<u>\$ 5,900,000</u>	<u>\$ 4,573,850</u>	<u>\$ 4,573,850</u>	<u>\$ 5,900,000</u>

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

Ordinance Number	Improvement Description	Balance, January 1, 2011	2011 Authorizations	Bond Anticipation Notes Issued	Funded by Budget Appropriation	Ambulance Contribution	Cancellation	Balance, December 31, 2011
98-19	Acquisition of Ambulance	\$ 28,600				\$ 10,000		\$ 18,600
03-14	Reconstruction Franklin Street, Section II	531			\$ 531			
03-26/06-17/06-37	Market Street Streetscape	87,000		\$ 87,000				
03-30	Sanitary Sewer Improvements	30,534			30,534			
04-04/05-05	2004 Road Resurfacing Program	3,175			3,175			
04-08/05-38	Various Public Improvements and Acquisition	5						5
05-07	Acquisition of Fire Emergency Apparatus Vehicle	173,772		173,772				
05-11	Acquisition of Ambulance	110,768		110,768				
06-28	Various Capital Improvements(Sewer Main Extension and De-icing Material Storage Bldg.)	55,012		55,012				
06-36	Acq. & Installation of Boiler System	190,000		100,000			\$ 90,000	
07-6	Various Improvements	382,850		343,060			39,790	
09-14	Resurfacing a Portion of Martha Ave	49,248						49,248
09-18	Improvement to Kipp Ave Section 2	4,846		\$ 4,846				
10-13	Installation of Playground Equipment	52,500		52,500				
10-17	Improvements of Kipp Ave Section III	235,000		235,000				
11-08	2011 Road Resurfacing Program		\$ 542,000	542,000				
11-18	Various Public Improvements and Acquisition of New Information Technology Equip.		347,500					347,500
		\$1,403,841	\$ 889,500	\$ 1,703,958	\$ 34,240	\$ 10,000	\$ 129,790	\$ 415,353

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WATER UTILITY FUND



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

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2011	\$ 1,232,654	\$ 1,901,327
Increased by Receipts:		
Consumer Accounts Receivable	\$ 2,753,706	
Non-Budget Revenue	1,128	
Interest on Investments	7,285	\$ 1,067
Receipts from Water Capital	<u>151,126</u>	<u>-</u>
	<u>2,913,245</u>	<u>1,067</u>
	4,145,899	1,902,394
Decreased by Disbursements:		
2011 Budget Appropriations	1,814,160	
Improvement Authorizations		59,140
Appropriation Reserves	95,172	
Accrued Interest on Bonds and Loans	108,542	
Payments to Other Trust- Reserve for Compensated Absences	25,000	
Payments to Water Operating		151,126
Payments to Unemployment Trust Fund	15,000	
Payments to Current Fund- Realized Budgeted Revenue	<u>300,000</u>	<u>-</u>
	<u>2,357,874</u>	<u>210,266</u>
Balance, December 31, 2011	<u>\$ 1,788,025</u>	<u>\$ 1,692,128</u>

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

	Balance, January 1, <u>2011</u>
Fund Balance	\$ 24,962
Capital Improvement Fund	818,000
Downpayments on Improvements	9,000
Due to Water Utility Operating Fund	2
Due from New Jersey Infrastructure Trust	(41,974)
Reserve for Payment of Debt	335,000
Improvement Authorizations:	
01-14 Various Impvts. & Computer Mapping	629,884
01-21 Replacement of Water Meters	10,930
05-12 Water Improvements	119,790
05-30 Water Main Replacement	(15,027)
05-39 Water Meters	77,513
06-07 Water Improvements	(2,030)
06-29 Water Improvements	(255,223)
11-17 Various Water Main Improvements	<u>(18,699)</u>
	<u>\$ 1,692,128</u>

EXHIBIT D-7

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

Balance, January 1, 2011	\$ 579,488
Increased by:	
Water Rents Levied	<u>2,877,525</u>
	3,457,013
Decreased by:	
Collections	<u>2,753,706</u>
Balance, December 31, 2011	<u>\$ 703,307</u>

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

Balance, January 1, 2011	\$ <u>41,974</u>
Balance, December 31, 2011	\$ <u><u>41,974</u></u>

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

Balance, January 1, 2011	\$ 150,061
Increased by:	
Interest Earnings	<u>1,067</u>
	151,128
Decreased by:	
Payments Made to Water Operating	<u>151,126</u>
Balance, December 31, 2011	\$ <u><u>2</u></u>

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

Balance, January 1, 2011	\$ <u>500</u>
Balance, December 31, 2011	\$ <u>500</u>

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

	Balance, January 1, 2011	Balance, December 31, 2011
Distribution Mains, Sewer Pipes and Stops, Meters, Meter Boxes and Water Tanks	\$ 2,006,452	\$ 2,006,452
Emergency Booster Pumping Station	32,569	32,569
Labor	6,861	6,861
Miscellaneous Construction Expenses	2,449	2,449
Engineering and Supervision	19,095	19,095
Interest During Course of Construction	21,571	21,571
Legal	1,301	1,301
Hydrants	16,267	16,267
Truck - Water Utility Share	1,268	1,268
Meters and Hydrants	266,967	266,967
Accounting Equipment	5,444	5,444
Land - Pumping Station	670	670
Appraisal - Garfield Water Works	2,500	2,500
Acquisition of Land to Erect Water Tank	74,689	74,689
Acquisition of Lease Rights	9,800	9,800
Water Infrastructure Improvements	4,421,600	4,421,600
	<u>\$ 6,889,503</u>	<u>\$ 6,889,503</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	Balance January 1, <u>2011</u>	Balance December 31, <u>2011</u>
01-14	Various Impvts. & Computer Mapping	9/13/2001	\$ 65,940	\$ 65,940
01-21	Replacement of Water Meters	11/15/2001	623,560	623,560
05-30	Water Main Replacement	10/20/2005	2,500	2,500
05-39	Water Meters	12/29/2005	140,000	140,000
06-07	Water Improvements	2/16/2006	<u>4,000</u>	<u>4,000</u>
			<u>\$ 836,000</u>	<u>\$ 836,000</u>
	Capital Improvement Fund			\$ 227,000
	Budget Appropriation			605,000
	Bonds Cancelled at Sale			<u>4,000</u>
				<u>\$ 836,000</u>

**STATEMENT OF 2011 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, January 1, <u>2011</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Transfer to Other Trust Compensated <u>Absences</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 258,219	\$ 258,219		\$ 100,000	\$ 158,219
Other Expenses	8,948	95,426	\$ 95,172		254
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>29,838</u>	<u>29,838</u>	<u>-</u>	<u>25,000</u>	<u>4,838</u>
	<u>\$ 297,005</u>	<u>\$ 383,483</u>	<u>\$ 95,172</u>	<u>\$ 125,000</u>	<u>\$ 163,311</u>
Appropriation Reserves		\$ 297,005			
Encumbrances Payable		<u>86,478</u>			
		<u>\$ 383,483</u>			
Cash Disbursed			<u>\$ 95,172</u>		

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

Balance, January 1, 2011	\$ 42,465
Increased by:	
2011 Budget Appropriation	<u>106,038</u>
	148,503
Decreased by:	
Interest Paid	<u>108,542</u>
Balance, December 31, 2011	<u>\$ 39,961</u>

Analysis of Accrued Interest, December 31, 2011

Principal Outstanding December 31, <u>2011</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds Capital \$1,130,000	3.00%	11/15/2011	12/31/2011	1 1/2 Months	\$ 2,250
New Jersey Environmental Infrastructure Trust \$2,400,000	2.00-2.5%	8/1/2011	12/31/2011	5 Months	<u>37,711</u>
					<u>\$ 39,961</u>

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

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance, January 1, 2011		2011 Authorizations	Paid Charged	Balance, December 31, 2011	
				Funded	Unfunded			Funded	Unfunded
01-14	Various Impvts. & Computer Mapping	9/13/2001	\$ 1,365,000	\$ 669,384	\$ 500	\$ 39,500	\$ 629,884	\$ 500	
01-21	Replacement of Water Meters	11/15/2001	800,000	10,930			10,930		
05-12	Water Improvements	5/5/2005	600,000	120,346		556	119,790		
05-30	Water Main Replacement	10/20/2005	50,000		32,473			32,473	
05-39	Water Meters	12/29/2005	140,000	77,513			77,513		
06-07	Water Improvements	2/16/2006	80,000		74,355	385	-	73,970	
11-17	Various Water Main Improvements	10/20/2011	340,000	-	-	18,699	-	321,301	
				\$ 878,173	\$ 107,328	\$ 340,000	\$ 838,117	\$ 428,244	
						Cash Disbursed	\$ 59,140		

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

Balance, January 1, 2011	\$ <u>818,000</u>
Balance, December 31, 2011	\$ <u>818,000</u>

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

Balance, January 1, 2011	\$ <u>9,000</u>
Balance, December 31, 2011	\$ <u>9,000</u>

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

Balance, January 1, 2011	\$ 3,748,616
Increased by:	
Paid by Operating Budget:	
Serial Bonds	\$ 140,000
EIT Loan	<u>217,773</u>
	<u>357,773</u>
Balance, December 31, 2011	\$ <u>4,106,389</u>

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

Balance, January 1, 2011	\$ 86,478
Increased by:	
Charges to 2011 Budget	<u>102,534</u>
	189,012
Decreased by:	
Transfer to Appropriation Reserves	<u>86,478</u>
Balance, December 31, 2011	<u>\$ 102,534</u>

EXHIBIT D-20

**STATEMENT OF DUE TO UNEMPLOYMENT TRUST FUND
WATER UTILITY OPERATING FUND**

Balance, January 1, 2011	<u>\$ 15,000</u>
Decreased by;	
Payments to Unemployment Trust Fund	<u>15,000</u>
Balance, December 31, 2011	<u>\$ -</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2011</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>				
Water Bonds	5/15/2003	\$ 1,580,000	5/15/2012	\$ 145,000	3.00%			
			5/15/2013	150,000				
			5/15/2014	155,000				
			5/15/2015	150,000				
						\$ 740,000	\$ 140,000	\$ 600,000
						\$ 740,000	\$ 140,000	\$ 600,000
						Paid by Budget Appropriation		\$ 140,000

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2011</u>	<u>Balance, December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>			
Water System Improvements	11/9/2006	\$4,711,076	2/1-8/1/12	\$ 222,934	0.00%		
			2/1-8/1/13	219,708			
			2/1-8/1/14	224,708			
			2/1-8/1/15	237,773			
			2/1-8/1/16	242,289			
			2/1-8/1/17	246,644			
			2/1-8/1/18	251,644			
			2/1-8/1/19	256,515			
			2/1-8/1/20	261,257			
			2/1-8/1/21	265,869			
			2/1-8/1/22	270,236			
			2/1-8/1/23	282,696			
			2/1-8/1/24	286,535			
			2/1-8/1/25	275,077			
			2/1/2026	180,000			
						\$ 3,941,658	\$ 3,723,885
						\$ 3,941,658	\$ 3,723,885

Paid by Budget Appropriation \$ 217,773

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

Balance, January 1, 2011		\$ 335,000
Balance, December 31, 2011		\$ 335,000
Analysis of Balance		
	Ord. # 2005-12	\$ 205,269
	Ord. # 2006-29	129,731
		\$ 335,000

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

Ord. No.	<u>Improvement Description</u>	Balance, January 1, <u>2011</u>	2011 <u>Authorizations</u>	Balance, December 31, <u>2011</u>
01-14	Various Impvts. And Computer Mapping	\$ 500		\$ 500
05-30	Water Main Replacement	47,500		47,500
06-07	Water Improvements	76,000		76,000
06-29	Water Improvements	255,223		255,223
11-17	Various Water Main Improvements	-	\$ 340,000	340,000
		\$ 379,223	\$ 340,000	\$ 719,223

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

Ord. No.	Improvement Description	Ordinance		Balance, January 1, 2011	2011 Authorizations	Balance, December 31, 2011
		Date	Amount			
01-14	Various Impvts. & Computer Mapping	9/13/2001	\$ 1,365,000	\$ 1,365,000		\$ 1,365,000
01-21	Replacement of Water Meters	11/15/2001	800,000	800,000		800,000
05-12	Water Improvements	5/5/2005	600,000	320,994		320,994
05-30	Water Main Replacement	10/20/2005	50,000	50,000		50,000
05-39	Water Meters	12/29/2005	140,000	140,000		140,000
06-07	Water Improvements	2/16/2006	76,000	80,000		80,000
11-14	Various Water Main Projects	10/20/2011	340,000	-	\$ 340,000	340,000
				\$ 2,755,994	\$ 340,000	\$ 3,095,994

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BOROUGH OF ELMWOOD PARK
PART II
GOVERNMENTAL AUDITING STANDARDS



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

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

We have audited the financial statements – regulatory basis of the Borough of Elmwood Park as of and for the year ended December 31, 2011, and have issued our report thereon dated April 20, 2012 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified because of the presentation of the unaudited LOSAP Fund. Except as discussed in the preceding sentence, we conducted our audit 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Borough of Elmwood Park is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Elmwood Park's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

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.

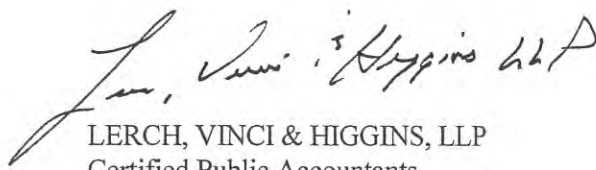
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

This report is intended solely for the information and use of management, the governing body, others within the Borough, New Jersey Department of Community Affairs and is not intended to be and should not be used by anyone other than these specified parties.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
April 20, 2012

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

State Grant Program	Grant Number	Grant Year	Grant Award Received	Grant Receipts	Balance, January 1, 2011	Revenue/Receipts	Expended	Adjustment	Balance, December 31, 2011	Cumulative Expenditures	
Division of Judiciary- Municipal Court Alcohol Education and Rehabilitation	9735-760-001-060000	2009	\$ 11,725	\$ 8,539	\$ 11,725				\$ 11,725		
		2011		13,214							
		2007		4,099	2,545	\$ 2,545				\$ 13,500	
		2008		1,868	1,868					13,500	
Municipal Alliance for Alcohol & Drug Abuse (Passed through Bergen County)	N/A	2009	12,933	11,808	3,483		4,684	\$ 2,402	1,201	12,933	
		2011	8,782	6,876	-	8,782			8,782		
Department of Environmental Protection Solid Waste Administration Clean Communities	4900-765-004-178910	2009	20,375	26,134	16,975		2,612		14,363	6,012	
		2010	26,134	27,213	4,913		2,673		2,240	23,894	
		2011	27,213	53,076		27,213		12,691		14,522	12,291
		2008	26,653	26,653	20				20	26,653	
		2009	23,632	23,632	23,632				2,517	26,149	
		2010	14,166	33,591		14,166				14,166	
Hazardous Discharge Site Remediation	N/A	2004	90,517	31,050	5,957			5,957	84,560		
Dept. of Environment Protection (Passed Through County of Bergen) Municipal Recycling Assistance Program	N/A	2009	282		282				282		
Division of Criminal Justice Body Armor Replacement Fund	1020-718-001-090160	2008	8,816	8,816	5,701		5,701		-	8,816	
		2010	3,654	3,654	3,654				3,654		
		2011		3,908							
Health- Division of Epidemiology Comm. Dis. Cont. Public Health Priority Funding	4230-100-307-031030	2009	16,428	16,428	720				720	15,708	
Sub-Total			\$ 81,475	\$ 50,161	\$ 32,774	\$ 4,919	\$ 103,781				

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award Received</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2011</u>	<u>Revenue</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2011</u>	<u>Cumulative Expenditures</u>
Sub-Total (Carried Forward)					\$ 81,475	\$ 50,161	\$ 32,774		\$ 103,781	*
<u>Division of Criminal Justice</u>										*
Safe and Secure Grant	1020-100-232-090940	2011	\$ 51,809	\$ 51,809						*
<u>New Jersey Department of Comm. Affairs</u>										*
Special Legislative Grant FY 2001	01-5011-01	2001			5,707				5,707	*
<u>Statewide Liveable Communities</u>										*
Edward Byrne Justice Grant	4875-100-042-4875-353	2005	40,000	40,000	40,000				40,000	*
DEA Grant	N/A	2009	15,833	15,833	15,833				15,833	*
	N/A	2009	1,367	1,367	1,367				1,367	*
Grand Total					\$ 144,382	\$ 50,161	\$ 32,774	\$ -	\$ 166,688	*

Note: This Schedule is not subject to a single Audit in accordance with OMB Circular A-133.

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



**BOROUGH OF ELMWOOD PARK
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2011**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 107,624	\$ 50,161	\$ 157,785

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

**BOROUGH OF ELMWOOD PARK
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2011**

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at December 31, 2011, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

<u>Loan Program</u>	<u>Federal CFDA Number/ State Account Number</u>	<u>State</u>
Environmental Infrastructure Trust Series 2007A	4860-570-702440-61	\$ 3,517,941
Environmental Infrastructure Trust Series 2006A		<u>3,723,885</u>
		<u>\$ 7,241,826</u>

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Part I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

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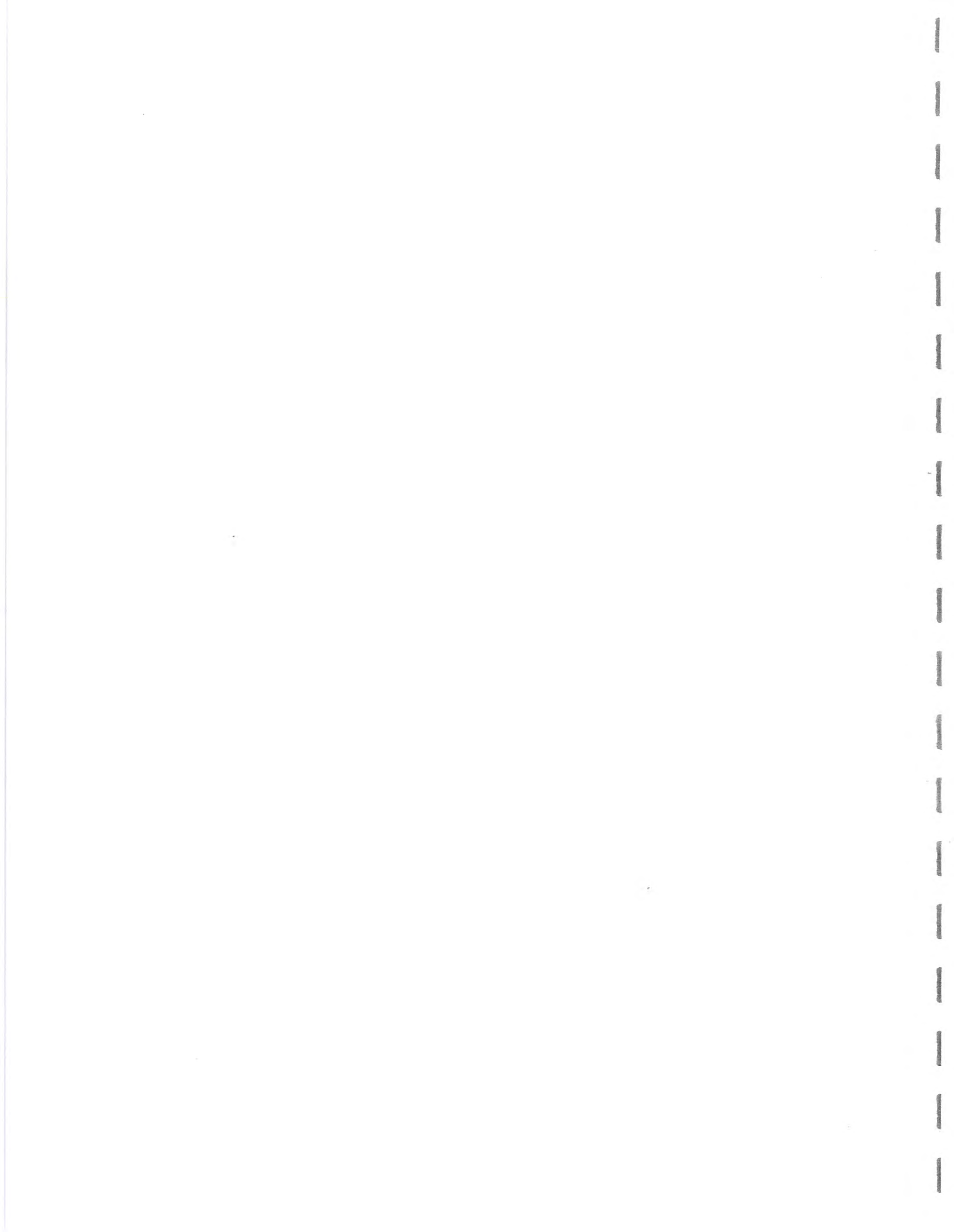
**BOROUGH OF ELMWOOD PARK
BERGEN COUNTY, NEW JERSEY**

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011



**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 2,140,000	3.47 %	\$ 1,738,329	2.85 %
Miscellaneous - From Other Than Local				
Property Tax Levies	7,964,933	12.91	7,693,269	12.62
Collection of Delinquent Taxes and Tax Title Liens	710,325	1.15	614,495	1.00
Collection of Current Tax Levy	49,765,528	80.67	49,071,283	80.47
Other Credits	<u>1,105,969</u>	<u>1.79</u>	<u>1,866,887</u>	<u>3.06</u>
Total Income	<u>61,686,755</u>	<u>100.00</u> %	<u>60,984,263</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	24,729,134	41.79	24,165,566	41.56 %
County Taxes	4,851,869	8.20	4,929,007	8.48
Local District School Taxes	29,579,763	49.99	29,038,163	49.94
Other Expenditures	<u>15,657</u>	<u>0.03</u>	<u>10,706</u>	<u>0.02</u>
Total Expenditures	<u>59,176,423</u>	<u>100.00</u> %	<u>58,143,442</u>	<u>100.00</u> %
Excess to Fund Balance	2,510,332		2,840,821	
Adjustments to Income before Surplus:				
Expenditures included above which are by Statute Deferred Charges to budget of Succeeding Year	<u>-</u>		<u>39,408</u>	
Statutory Excess to Surplus	2,510,332		2,880,229	
Fund Balance, January 1	<u>2,982,797</u>		<u>1,840,897</u>	
	5,493,129		4,721,126	
Less Utilization as Anticipated Revenue	<u>2,140,000</u>		<u>1,738,329</u>	
Fund Balance, December 31	<u>\$ 3,353,129</u>		<u>\$ 2,982,797</u>	

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

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

	<u>Year 2011</u>		<u>Year 2010</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Surplus Anticipated			\$ 139,407	4.28 %
Collection of Water Rents	2,753,706	94.10 %	2,777,315	85.20
Miscellaneous - From Other Than Water	<u>172,791</u>	<u>5.90</u>	<u>342,925</u>	<u>10.52</u>
Total Income	<u>2,926,497</u>	<u>100.00 %</u>	<u>3,259,647</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Operating	2,187,612	80.98 %	2,137,612	84.89 %
Deferred Charges and Statutory Expenditures	50,000	1.85	50,000	1.99
Debt Service	<u>463,811</u>	<u>17.17</u>	<u>330,449</u>	<u>13.12</u>
Total Expenditures	<u>2,701,423</u>	<u>100.00 %</u>	<u>2,518,061</u>	<u>100.00 %</u>
Excess in Revenue	225,074		741,586	
Fund Balance, January 1	<u>916,767</u>		<u>614,588</u>	
	1,141,841		1,356,174	
Less:				
Utilized as Anticipated Revenue			139,407	
Anticipated Revenue in Current Fund Budget	<u>300,000</u>		<u>300,000</u>	
	<u>300,000</u>		<u>439,407</u>	
Fund Balance, December 31	<u>\$ 841,841</u>		<u>\$ 916,767</u>	

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

Comparative Schedule Of Tax Rate Information

	2011	2010	2009
<u>Tax Rate</u>	<u>\$2.492</u>	<u>\$2.440</u>	<u>\$2.335</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.819*	.799	\$.758
County	.236	.239	.243
Local School	1.437	1.402	1.334

* Includes Municipal Library

Assessed Valuation

2011	<u>\$2,058,624,245</u>	
2010		<u>\$2,071,087,494</u>
2009		<u>\$2,066,958,743</u>

Comparison Of Levies And Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	Percentage of <u>Collection</u>
2012 2011	\$ 51,300,916	\$ 50,265,528	98.29 97.98%
2010	50,603,888	49,771,283	98.35%
2009	48,375,013	47,711,332	98.63%

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$ 566,040	\$ 746,426	\$ 1,312,466	2.56%
2010	564,057	708,220	1,272,277	2.51%
2009	561,585	643,549	1,205,134	2.49%

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

Collection of Interest of Delinquent Taxes and Assessments

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

The Governing Body on January 1, 2011 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

1. Current year's taxes are due on February 1st, May 1st, August 1st, and November 1st, in accordance with the statutes. The penalty for the delinquency is hereby fixed at the rate of 8% per annum from each due date until the date of payment on the first \$1,500 of the delinquency, and 18% per annum on any amount in excess of \$1,500.
2. Water charges are due and payable upon presentation of bill. In case of nonpayment of water rent and/or fixed charges within thirty days after same is due, a penalty of 8% per annum shall be added to the amount of the bill.

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

Delinquent Taxes and Tax Title Liens

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

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

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

<u>Year</u>	<u>Number of Liens</u>
2011	6
2010	6
2009	6

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

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

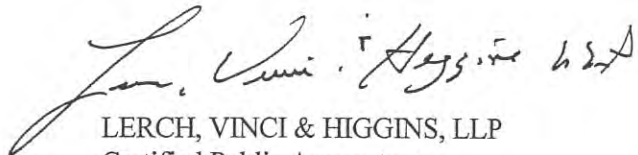
- * 1. The Construction Code Department perform the following:
 - o The analysis of planning/zoning fees collected should be sub-totaled monthly and year-to-date.
 - o Monthly permit fee revenue be turned over to the Treasurer at the end of each month or at the beginning of subsequent month.
- 2. All employees of Passaic Valley Water Commission adhere to the control procedures in place for adjustments to customer water utility accounts.
- 3. All employees who terminate with the Borough be removed from the Dental Insurance Policy in a timely manner.
- 4. All purchase orders be issued when the order for goods and/or services is placed.

Status of Prior Year's Audit Findings/Recommendations

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

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

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



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Certified Public Accountants
Registered Municipal Accountants



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

