

BOROUGH OF ELMWOOD PARK
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2014

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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, 2014



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Elmwood Park, as of December 31, 2014 and 2013, 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, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the requirement that the Borough of Elmwood Park prepare and present its financial statements on the regulatory basis of accounting as discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph above, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Elmwood Park as of December 31, 2014 and 2013, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 16 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 11 percent and 12 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2014 and 2013.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Elmwood Park as of December 31, 2014 and 2013, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2014 in accordance with the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

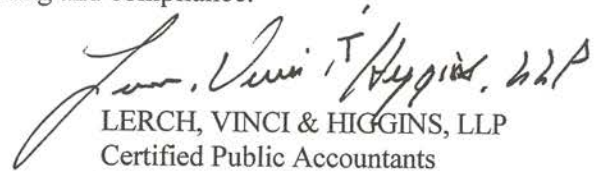
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Elmwood Park as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Elmwood Park.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated August 10, 2015 on our consideration of the Borough of Elmwood Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Elmwood Park's internal control over financial reporting and compliance.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
August 10, 2015

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	A-4	\$ 9,769,671	\$ 8,767,540
Cash - Change Funds	A-5	850	850
Grants Receivable	A-7	<u>21,105</u>	<u>27,733</u>
		<u>9,791,626</u>	<u>8,796,123</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	646,681	614,524
Tax Title Liens Receivable	A-9	572,348	570,200
Property Acquired for Taxes - Assessed Valuation	A-10	23,450	23,450
Revenue Accounts Receivable	A-11	53,882	53,882
Due From General Capital Fund	C-11	3	3,799
Due From Water Utility Operating Fund	D-21	580	5,000
Due From Animal Control Fund	B-15	8,060	8,775
Due From Other Trust Fund - TTL	B-16	92,522	-
Due From Other Trust Fund- Escrow	B-5	2,758	1,843
Due From Other Trust Fund- General	B-6	<u>1,532</u>	<u>1,430</u>
		<u>1,401,816</u>	<u>1,282,903</u>
 Total Assets		 <u>\$ 11,193,442</u>	 <u>\$ 10,079,026</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 2,112,723	\$ 2,021,632
Encumbrances Payable	A-13	667,822	529,379
Due to LOSAP	B	23,100	36,400
Due to State of New Jersey-			
Senior Citizens' and Veterans' Deductions	A-6	53,172	69,690
Due to Other Trust Fund - Reserve for Accumulated Absences	B-13	150,000	450,000
Prepaid Taxes	A-14	179,027	158,054
Tax Overpayments Payable	A-15	83,646	138,286
Due County for Added Taxes	A-18	14,038	16,416
Miscellaneous Reserves	A-19	1,565,903	1,472,764
Appropriated Grant Reserves	A-21	32,130	12,926
Unappropriated Grant Reserves	A-20	<u>76,112</u>	<u>135,821</u>
		4,957,673	5,041,368
Reserve for Receivables	A	1,401,816	1,282,903
Fund Balance	A-1	<u>4,833,953</u>	<u>3,754,755</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 11,193,442</u>	 <u>\$ 10,079,026</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 2,145,000	\$ 2,145,000
Miscellaneous Revenue Anticipated	A-2	5,543,180	6,395,296
Receipts from Delinquent Taxes	A-2	553,008	702,183
Receipts from Current Taxes	A-2	54,451,290	52,886,298
Non-Budget Revenues	A-2	500,717	700,432
Other Credits to Income:			
Statutory Excess in Animal Control Fund	B-15	8,060	8,775
Unexpended Balance of Appropriation Reserves	A-12	<u>1,677,211</u>	<u>989,160</u>
 Total Income		 <u>64,878,466</u>	 <u>63,827,144</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	8,222,170	8,275,320
Other Expenses	A-3	12,343,895	12,368,219
Capital Improvements	A-3	100,000	100,000
Municipal Debt Service	A-3	1,821,751	1,855,568
Deferred Charges and Statutory Expenditures	A-3	1,766,877	1,991,942
County Taxes	A-17	4,773,878	4,945,748
Amount Due County for Added and Omitted Taxes	A-18	14,038	16,416
Local District School Tax	A-16	32,521,408	31,339,344
Prior Year Senior and Veteran's Deductions Disallowed	A-6	5,643	15,750
Prior Year Interfunds Advanced	A	<u>84,608</u>	<u>8,615</u>
 Total Expenditures		 <u>61,654,268</u>	 <u>60,916,922</u>
 Excess in Revenue		 3,224,198	 2,910,222
 Fund Balance, January 1	 A	 <u>3,754,755</u>	 <u>2,989,533</u>
 Decreased by:		 6,978,953	 5,899,755
Utilization as Anticipated Revenue	A-2	<u>2,145,000</u>	<u>2,145,000</u>
 Fund Balance, December 31	 A	 <u>\$ 4,833,953</u>	 <u>\$ 3,754,755</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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	\$ 2,145,000	-	\$ 2,145,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	22,000		27,875	\$ 5,875
Other	A-11	10,000		15,530	5,530
Fees and Permits	A-2	90,000		103,612	13,612
Fines and Costs					
Municipal Court	A-11	620,000		670,142	50,142
Interest and Costs on Taxes	A-11	75,000		116,422	41,422
Interest on Investments and Deposits	A-2	20,000		58,812	38,812
Energy Receipts Tax	A-11	1,257,756		1,305,256	47,500
Consolidated Municipal Property Tax Relief Act	A-11	156,648		61,648	(95,000)
Uniform Construction Code Fees	A-11	340,000		433,855	93,855
Uniform Fire Safety Act	A-11	45,354		44,690	(664)
Trunk Sewer Revenue	A-11	2,509,620		2,504,322	(5,298)
Alcohol Education and Rehabilitation Fund - Reserve	A-20	8,813		8,813	-
Safe and Secure Communities Program	A-20	60,000		60,000	-
Body Armor Fund	A-20	8,721		8,721	-
Clean Communities Program - Reserve	A-20	29,874		29,874	-
Recycling Tonnage Grant - Reserve	A-20	25,913		25,913	-
Health Rutgers - Reserve	A-20	2,500		2,500	-
Police Accreditation	A-7	-	\$ 25,000	25,000	-
Shared Service Health Agreement - Lodi	A-11	44,900	-	40,195	(4,705)
Total Miscellaneous Revenues	A-1	<u>5,327,099</u>	<u>25,000</u>	<u>5,543,180</u>	<u>\$ 191,081</u>
Receipts from Delinquent Taxes	A-2,A-8	590,000	-	553,008	(36,992)
Amount to be Raised by Taxes for Support of Municipal Budget					
Local Tax for Municipal Purposes	A-2	17,395,774		18,362,305	966,531
Minimum Library Tax	A-2	679,661	-	679,661	-
Total Amount to Be Raised by Taxation	A	<u>18,075,435</u>	<u>-</u>	<u>19,041,966</u>	<u>966,531</u>
Budget Totals	A-3	<u>\$ 26,137,534</u>	<u>\$ 25,000</u>	<u>\$ 27,283,154</u>	<u>\$ 1,120,620</u>
Non-Budget Revenues	A-2,A-1			500,717	
				<u>\$ 27,783,871</u>	

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-8	\$ 54,751,290
Less: Transfer to Reserve for Tax Appeals	A-19	<u>300,000</u>
	A-1	\$ 54,451,290
Less: Allocated to School and County Taxes	A-18,A-17,A-16	<u>37,309,324</u>
		17,141,966
Add: Reserve for Uncollected Taxes	A-3	<u>1,900,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 19,041,966</u>
Fees and Permits - Other:		
Borough Clerk	A-11	\$ 4,507
Planning/Zoning	A-11	6,175
Police	A-11	18,129
Tax Collector	A-11	401
Board of Health and Registrar of Vital Statistics	A-11	<u>74,400</u>
	A-2	<u>\$ 103,612</u>
Interest on Investments and Deposits		
Cash Receipts	A-11	\$ 57,770
Due from General Capital Fund	C-11	25
Due from Other Trust Fund- Escrow	B-5	915
Due from Other Trust Fund- General	B-6	<u>102</u>
	A-2	<u>\$ 58,812</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

Reference

ANALYSIS OF NON-BUDGET REVENUES

Verizon Franchise Fees	\$ 75,460
Cable Franchise Fees	164,031
Hotel Franchise Tax	62,591
Insurance Dividend	37,463
Car Auction	56,583
Division of Motor Vehicles	13,122
Bus Shelter	13,500
Insurance Reimbursement- Occidental	51,152
Other	<u>26,815</u>

A-2, A-4 \$ 500,717

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

GENERAL APPROPRIATIONS OPERATIONS - WITHIN "CAPS"	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 232,642	\$ 232,642	\$ 198,164	\$ 34,478	
Other Expenses	109,200	109,200	81,562	27,638	
Mayor and Council					
Salaries and Wages	37,000	37,000	35,500	1,500	
Financial Administration					
Salaries and Wages	200,474	200,474	178,033	22,441	
Other Expenses	40,000	63,500	57,394	6,106	
Other Expenses - ADP Payroll Service	38,764	46,264	37,858	8,406	
Audit Services					
Other Expenses	49,000	64,000	24,528	39,472	
Revenue Administration (Tax Collection)					
Salaries and Wages	210,000	210,000	181,725	28,275	
Other Expenses	35,000	35,000	12,643	22,357	
Postage	35,000	35,000	23,000	12,000	
Tax Assessment Administration					
Salaries and Wages	85,000	85,000	63,286	21,714	
Other Expenses	20,000	28,000	20,256	7,744	
Legal Services and Costs					
Salaries and Wages	66,300	66,300	46,369	19,931	
Other Expenses	20,000	20,000	13,919	6,081	
Engineering Services and Costs					
Other Expenses	39,000	44,500	44,143	357	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	9,000	9,000	8,164	836	
Other Expenses	8,000	8,000	7,206	794	
Master Plan	10,000	10,000	-	10,000	
Zoning Board of Adjustment					
Salaries and Wages	9,000	9,000	6,614	2,386	
Other Expenses	5,000	5,000	3,967	1,033	
Council on Affordable Housing					
Other Expenses	20,000	20,000	-	20,000	
Municipal Court					
Salaries and Wages	223,686	223,686	184,055	39,631	
Other Expenses	25,000	25,000	13,946	11,054	
Public Defender					
Salaries and Wages	16,320	16,320	10,980	5,340	
INSURANCE					
General Liability	410,975	515,975	345,618	170,357	
Workers Compensation	373,900	373,900	373,900	-	
Group Insurance Plan for Employees	2,675,650	2,417,640	2,343,156	74,484	
Health Benefit Waiver	30,000	30,000	-	30,000	

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

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	\$ 4,552,160	\$ 4,552,160	\$ 4,304,959	\$ 247,201	
Salaries and Wages-Crossing Guards	93,330	93,330	79,762	13,568	
Salaries and Wages-Other Police Pers.	66,000	74,500	71,289	3,211	
Other Expenses - Regular	225,000	245,000	237,192	7,808	
Other Expenses - Clothing Allowance	38,000	38,000	27,125	10,875	
Purchase of Police Vehicles	30,000	30,000	15,147	14,853	
Police Dispatch/911					
Salaries and Wages	183,600	158,600	147,987	10,613	
Office of Emergency Management					
Other Expenses	5,000	10,500	9,249	1,251	
Aid to Volunteer Ambulance Companies					
First Aid Organization-Contribution	37,000	50,000	50,000	-	
Ambulance Stipend	9,000	10,000	9,680	320	
Fire Department					
Salaries and Wages-Exempt Firemen	13,260	13,260	9,100	4,160	
Other Expenses-Miscellaneous	125,000	125,000	116,760	8,240	
Other Expenses-Clothing Allowance	51,000	51,000	40,778	10,222	
Other Expenses-Rental of Firehouse	55,000	55,000	55,000	-	
Uniform Fire Safety (Ch. 383, P.L. 1983)					
Salaries and Wages - Fire Official	64,260	66,760	64,579	2,181	
Other Expenses	7,650	7,650	265	7,385	
Municipal Prosecutor					
Prosecutor - Contractual	24,480	24,480	19,107	5,373	
PUBLIC WORKS FUNCTION					
Streets and Roads Maintenance					
Salaries and Wages	1,230,000	1,230,000	1,132,115	97,885	
Other Expenses	380,000	390,000	384,219	5,781	
Other Public Works Functions					
Other Expenses - Traffic Lights	65,000	65,000	19,219	45,781	
Shade Tree					
Other Expenses	6,000	6,000	-	6,000	
Solid Waste Collection					
Salaries and Wages	61,600	70,600	64,741	5,859	
Contract - Collections -Recycling	295,000	295,000	210,442	84,558	
Contract - Collections - Solid Waste/Tipping Fees	925,000	925,000	905,502	19,498	
Vehicle Maintenance					
Other Expense	78,000	78,000	40,215	37,785	
HEALTH AND HUMAN SERVICES					
FUNCTIONS					
Board of Health					
Salaries and Wages	157,058	174,558	173,991	567	
Other Expenses	62,500	62,500	35,487	27,013	

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
GENERAL APPROPRIATIONS (Cont'd.)					
OPERATIONS WITHIN "CAPS" (Cont'd.)					
HEALTH AND HUMAN SERVICES					
FUNCTIONS (Continued)					
Animal Control Services					
Other Expenses	\$ 39,000	\$ 39,000	\$ 28,000	\$ 11,000	
Veterans Services Bureau					
Other Expenses	4,200	4,200	700	3,500	
PARKS AND RECREATION FUNCTIONS					
Recreation Commission RS 40:12-1					
Salaries and Wages	354,000	354,000	252,031	101,969	
Other Expenses	105,000	105,000	101,826	3,174	
Senior Citizen Committee					
Other Expenses	28,000	28,000	19,577	8,423	
Maintenance of Parks					
Other Expenses	27,000	30,500	27,535	2,965	
OTHER COMMON OPERATING					
FUNCTIONS					
Celebration of Public Events	20,000	20,000	18,062	1,938	
Other Expenses					
CODE ENFORCEMENT AND					
ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries and Wages	260,000	274,000	272,755	1,245	
Other Expenses	73,000	73,000	26,663	46,337	
Rent Leveling					
Salaries and Wages	1,600	1,600	-	1,600	
Other Expenses	350	350	-	350	
UTILITY EXPENSES AND BULK					
PURCHASES					
Electricity and Gas	385,000	385,000	286,679	98,321	
Street Lighting	375,000	375,000	274,848	100,152	
Telephone/Communications	65,000	65,000	46,513	18,487	
Gasoline	250,000	250,000	174,343	75,657	-
Total Operations Within "CAPS"	15,860,959	15,846,949	14,069,428	1,777,521	-
Contingent	10,000	10,000	-	10,000	-
Total Operations including Contingent-Within "CAPS"	15,870,959	15,856,949	14,069,428	1,787,521	-
Detail:					
Salaries and Wages	8,180,770	8,177,270	7,505,306	671,964	-
Other Expenses	7,690,189	7,679,679	6,564,122	1,115,557	-

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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.)					
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Charges					
Social Security System (O.A.S.I.)	\$ 386,250	\$ 386,250	\$ 330,899	\$ 55,351	-
Police and Firemen's Retirement System	1,014,401	1,014,401	953,063	61,338	-
Public Employees Retirement System	366,226	366,226	331,353	34,873	-
	<u>1,766,877</u>	<u>1,766,877</u>	<u>1,615,315</u>	<u>151,562</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"					
	<u>1,766,877</u>	<u>1,766,877</u>	<u>1,615,315</u>	<u>151,562</u>	<u>-</u>
Total General Appropriation for Municipal Purposes within "CAPS"	<u>17,637,836</u>	<u>17,623,826</u>	<u>15,684,743</u>	<u>1,939,083</u>	<u>-</u>
OPERATIONS EXCLUDED FROM "CAPS"					
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission					
Operating and Maintenance Costs	2,964,251	2,964,251	2,964,251	-	-
Debt Service	692,609	692,609	692,609	-	-
Landfill/Solid Waste Disposal Costs					
Recycling Tax	20,000	20,000	18,456	1,544	-
EDUCATION FUNCTIONS					
Maintenance of Free Public Library					
Other Expenses	679,661	679,661	679,661	-	-
PUBLIC SAFETY FUNCTIONS					
LOSAP	60,000	60,000	23,100	36,900	-
INSURANCE					
Group Insurance Plan for Employees	65,874	65,874	-	65,874	-
Total Other Operations Excluded from "CAPS"	<u>4,482,395</u>	<u>4,482,395</u>	<u>4,378,077</u>	<u>104,318</u>	<u>-</u>
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Health Services - Lodi-Salary and Wages	44,900	44,900	13,930	30,970	-
Total Interlocal Municipal Service Agreements	<u>44,900</u>	<u>44,900</u>	<u>13,930</u>	<u>30,970</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Safe and Secure Communities Act-Police					
State Share	60,000	60,000	60,000	-	-
Local Share	21,000	21,000	21,000	-	-
Recycling Tonnage Grant	25,913	25,913	11,822	14,091	-
Alcohol Rehab - Reserve	8,813	8,813	150	8,663	-
Clean Communities Grant - Reserve	29,874	29,874	23,103	6,771	-
Body Armor Replacement	8,721	8,721	-	8,721	-

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<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 EXCLUDED FROM "CAPS" (Cont'd.)					
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES (Cont'd.)					
Health Rutgers	\$ 2,500	\$ 2,500	\$ 2,394	106	\$ -
Police Accreditation	-	25,000	25,000	-	-
Total Public and Private Programs Offset by Revenues	<u>156,821</u>	<u>181,821</u>	<u>143,469</u>	<u>38,352</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>4,684,116</u>	<u>4,709,116</u>	<u>4,535,476</u>	<u>173,640</u>	<u>-</u>
Detail:					
Salaries and Wages	44,900	44,900	13,930	30,970	-
Other Expenses	4,639,216	4,664,216	4,521,546	142,670	-
CAPITAL IMPROVEMENTS -					
EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvement Fund - Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE -					
EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,210,000	1,210,000	1,210,000	-	-
Interest on Bonds	333,212	340,722	333,210	-	\$ 7,512
Loan Repayments for Principal and Interest - EIT Loan	<u>272,370</u>	<u>278,870</u>	<u>278,541</u>	<u>-</u>	<u>329</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,815,582</u>	<u>1,829,592</u>	<u>1,821,751</u>	<u>-</u>	<u>7,841</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>6,599,698</u>	<u>6,638,708</u>	<u>6,457,227</u>	<u>173,640</u>	<u>7,841</u>
Subtotal General Appropriations	24,237,534	24,262,534	22,141,970	2,112,723	7,841
Reserve for Uncollected Taxes	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 26,137,534</u>	<u>\$ 26,162,534</u>	<u>\$ 24,041,970</u>	<u>\$ 2,112,723</u>	<u>\$ 7,841</u>
Reference	A-2			A	

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014
(Continued)

	<u>Reference</u>	Budget After <u>Modification</u>	<u>Expended</u> Paid or <u>Charged</u>
Budget as Adopted	A-3	\$ 26,137,534	
Added by N.J.S.A. 40A:4-87	A-2	<u>25,000</u>	
		<u>\$ 26,162,534</u>	
Cash Disbursements	A-4		\$ 21,451,048
Reserve for Uncollected Taxes	A-2		1,900,000
Due to LOSAP	B		23,100
Encumbrances Payable	A-13		<u>667,822</u>
			<u>\$ 24,041,970</u>

**BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-1	\$ 25,287	\$ 25,526
Due from State of New Jersey	B-3	<u>285</u>	<u>285</u>
		<u>25,572</u>	<u>25,811</u>
OTHER TRUST FUND			
Cash	B-1	3,638,191	3,234,506
Due From Current Fund - Reserve for Accumulated Absences	B-13	150,000	450,000
Due From Water Operating Fund - Reserve for Accumulated Absence	B-14	100,000	100,000
Due From General Capital Fund- Recreation	C-11	<u>-</u>	<u>24,999</u>
		<u>3,888,191</u>	<u>3,809,505</u>
UNEMPLOYMENT TRUST FUND			
Cash	B-1	<u>174,465</u>	<u>172,219</u>
		<u>174,465</u>	<u>172,219</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	499,941	451,126
Due from Current Fund- LOSAP	A	<u>23,100</u>	<u>36,400</u>
		<u>523,041</u>	<u>487,526</u>
Total Assets		<u>\$ 4,611,269</u>	<u>\$ 4,495,061</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Due to Current Fund	B-15	\$ 8,060	\$ 8,775
Reserve for Animal Control Expenditures	B-2	<u>17,512</u>	<u>17,036</u>
		<u>25,572</u>	<u>25,811</u>
OTHER TRUST FUND			
Multiple Dwelling Emergency Deposits	B-7	43,292	43,271
Other Deposits	B-8	3,032,484	2,942,793
Reserve for Recreation Expenditures	B-9	342,435	363,719
Reserve for Developer's Escrow Deposits	B-12	367,318	456,207
Reserve for Payroll Salary and Wages Payable	B-10, B-11	5,850	242
Due to Current Fund - TTL	B-16	92,522	-
Due to Current Fund- Escrow	B-5	2,758	1,843
Due to Current Fund- General	B-6	<u>1,532</u>	<u>1,430</u>
		<u>3,888,191</u>	<u>3,809,505</u>
UNEMPLOYMENT TRUST FUND			
Reserve for Unemployment Compensation Insurance	B-4	<u>174,465</u>	<u>172,219</u>
		<u>174,465</u>	<u>172,219</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Net Position Available for Benefits	B	<u>523,041</u>	<u>487,526</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,611,269</u>	<u>\$ 4,495,061</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	C-2,C-3	\$ 2,159,793	\$ 2,799,303
Grants Receivable	C-8	1,699,747	1,370,747
Infrastructure Loan Receivable	C-5	23,431	23,431
Deferred Charges to Future Taxation:			
Funded	C-4	13,147,950	14,554,639
Unfunded	C-9	<u>4,499,976</u>	<u>1,416,576</u>
 Total Assets		 <u>\$ 21,530,897</u>	 <u>\$ 20,164,696</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-15	\$ 10,201,000	\$ 11,411,000
NJ Infrastructure Loan Payable	C-16	2,946,950	3,143,639
Due to Current Fund	C-11	3	3,799
Due to Recreation Trust Fund	C-13	-	24,999
Due to Ambulance Corp- Excess Funding	C-7	10,000	-
Contracts Payable	C-12	871,529	617,718
Reserve for Grants Receivable	C-8	1,138,496	889,496
Reserve for Payment of Bonds	C-6	32,603	-
Improvement Authorizations:			
Funded	C-14	1,685,468	1,734,527
Unfunded	C-14	3,600,267	1,220,837
Capital Improvement Fund	C-10	265,304	339,404
Fund Balance	C-1	<u>779,277</u>	<u>779,277</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 21,530,897</u>	 <u>\$ 20,164,696</u>

There were bonds and notes authorized but not issued of \$4,499,976 and \$1,416,576 at December 31, 2014 and 2013, respectively (Exhibit C-17).

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Balance, January 1	C	\$ <u>779,277</u>	\$ <u>726,451</u>
Increased by:			
Premium on Sale of Bonds	C-1	<u>-</u>	<u>52,826</u>
		<u>-</u>	<u>52,826</u>
Balance, December 31	C	\$ <u>779,277</u>	\$ <u>779,277</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
ASSETS			
Cash	D-5	\$ 2,561,612	\$ 2,292,562
Due from Water Capital Fund	D-9	<u>7</u>	<u>-</u>
		<u>2,561,619</u>	<u>2,292,562</u>
Receivables and Inventory			
Consumer Accounts Receivable	D-7	756,637	762,333
Inventory	D-10	<u>500</u>	<u>500</u>
		<u>757,137</u>	<u>762,833</u>
Total Assets		<u>\$ 3,318,756</u>	<u>\$ 3,055,395</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	D-4, D-13	\$ 211,445	\$ 347,820
Encumbrances Payable	D-19	161,395	246,626
Due to Other Trust Fund - Reserve for Accumulated Absences	B-14	100,000	100,000
Due to Water Utility Capital Fund	D-9	-	69
Due to Current Fund	D-21	580	5,000
Accrued Interest on Bonds and Loans	D-14	<u>31,919</u>	<u>34,688</u>
		505,339	734,203
Reserve for Receivables	D	756,637	762,333
Reserve for Inventory	D	500	500
Fund Balance	D-1	<u>2,056,280</u>	<u>1,558,359</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,318,756</u>	<u>\$ 3,055,395</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2014 AND 2013

ASSETS	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Cash	D-5,D-6	\$ 2,273,331	\$ 1,976,804
Infrastructure Trust Loans Receivable	D-8	41,974	41,974
Due From Water Operating Fund	D-9	-	69
Fixed Capital	D-11	6,889,503	6,889,503
Fixed Capital Authorized and Uncompleted	D-26	<u>3,095,994</u>	<u>3,095,994</u>
 Total Assets		 <u>\$ 12,300,802</u>	 <u>\$ 12,004,344</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	D-22	\$ 150,000	\$ 305,000
Infrastructure Loans Payable	D-23	3,056,535	3,281,243
Due to Water Operating Fund	D-9	7	-
Reserve for Amortization	D-18	5,223,739	4,844,031
Deferred Reserve for Amortization	D-12	836,000	836,000
Reserve for Payment of Debt	D-24	335,000	335,000
Contracts Payable	D-20	-	1,176
Improvement Authorizations:			
Funded	D-15	828,117	828,117
Unfunded	D-15	419,442	421,815
Capital Improvement Fund	D-16	1,418,000	1,118,000
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>\$ 12,300,802</u>	 <u>\$ 12,004,344</u>

There were bonds and notes authorized but not issued of \$719,223 and \$719,223 at December 31, 2014 and 2013, respectively (Exhibit D-25).

See Accompanying Notes are an Integral Part of these Financial Statements

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, 2014 AND 2013

REVENUE REALIZED	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Fund Balance Utilized	D-1		\$ 300,000
Rents	D-3	3,240,956	3,062,949
Non-Budget Revenues	D-3	21,196	14,618
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	D-13	<u>241,215</u>	<u>319,377</u>
		<u>3,503,367</u>	<u>3,696,944</u>
 EXPENDITURES			
Budget Expenditures:			
Operations			
Salaries and Wages	D-4	330,000	530,000
Other Expenses	D-4	1,866,766	1,666,766
Debt Service	D-4	458,680	459,599
Capital Improvement Fund	D-4	300,000	300,000
Deferred Charges and Statutory Expenditures	D-4	<u>50,000</u>	<u>50,000</u>
		<u>3,005,446</u>	<u>3,006,365</u>
Excess in Revenue		497,921	690,579
Fund Balance, January 1	D	<u>1,558,359</u>	<u>1,367,780</u>
		2,056,280	2,058,359
Decreased by:			
Anticipated Revenue in Water Utility Operating Budget	D-1		300,000
Anticipated Revenue in Current Fund Budget	D-1	<u>-</u>	<u>200,000</u>
		<u>-</u>	<u>500,000</u>
Fund Balance, December 31	D	<u>\$ 2,056,280</u>	<u>\$ 1,558,359</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Reference</u>	<u>2014</u>	<u>2013</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, 2014

	<u>Reference</u>	<u>Anticipated</u>	<u>Revenues Realized</u>	<u>Excess or (Deficit)</u>
Rents	D-1, D-7	<u>3,011,041</u>	<u>3,240,956</u>	<u>\$ 229,915</u>
	D-1	<u>\$ 3,011,041</u>	3,240,956	<u>\$ 229,915</u>
Non-Budget Revenues	D-1,D-3		<u>21,196</u>	
			<u>\$ 3,262,152</u>	
ANALYSIS OF NON-BUDGET REVENUES				
Interest on Investments	D-3		\$ 18,185	
Miscellaneous-Cash Receipts	D-5		<u>3,011</u>	
	D-1		<u>\$ 21,196</u>	
ANALYSIS OF INTEREST ON INVESTMENTS				
Due From Water Capital Fund	D-9		\$ 76	
Cash Receipts	D-5		<u>18,109</u>	
	D-3		<u>\$ 18,185</u>	

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Operating					
Salaries and Wages	\$ 530,000	\$ 330,000	\$ 308,561	\$ 21,439	
Other Expenses	<u>1,666,766</u>	<u>1,866,766</u>	<u>1,712,871</u>	<u>153,895</u>	<u>-</u>
Total Operating	<u>2,196,766</u>	<u>2,196,766</u>	<u>2,021,432</u>	<u>175,334</u>	<u>-</u>
Debt Service					
Payment of Bond Principal	155,000	155,000	155,000		
Interest on Bonds	6,245	6,245	6,243		\$ 2
Environmental Infrastructure Principal and Interest	<u>303,030</u>	<u>303,030</u>	<u>297,437</u>	<u>-</u>	<u>5,593</u>
Total Debt Service	<u>464,275</u>	<u>464,275</u>	<u>458,680</u>	<u>-</u>	<u>5,595</u>
Capital Improvements					
Capital Improvement Fund	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>50,000</u>	<u>50,000</u>	<u>13,889</u>	<u>36,111</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>50,000</u>	<u>50,000</u>	<u>13,889</u>	<u>36,111</u>	<u>-</u>
	<u>\$ 3,011,041</u>	<u>\$ 3,011,041</u>	<u>\$ 2,794,001</u>	<u>\$ 211,445</u>	<u>\$ 5,595</u>
	<u>Reference</u>	D-3		D	D
Cash Disbursed	D-5		\$ 2,553,234		
Encumbrances Payable	D-19		161,395		
Due to Current Fund	D-21		580		
Accrued Interest	D-14		<u>78,792</u>		
			<u>\$ 2,794,001</u>		

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - GENERAL FIXED ASSETS ACCOUNT GROUP
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Land	\$ 12,775,199	\$ 12,754,746
Buildings and Improvements	7,717,639	7,717,639
Vehicles and Equipment	<u>8,719,650</u>	<u>8,648,878</u>
	<u>\$ 29,212,488</u>	<u>\$ 29,121,263</u>
 LIABILITIES		
Investment in General Fixed Assets	<u>\$ 29,212,488</u>	<u>\$ 29,121,263</u>

See Accompanying Notes are an Integral Part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Elmwood Park (the "Borough") was incorporated in 1916 and operates under an elected Mayor and 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 GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

Animal Control 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, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

Reclassifications - Certain reclassifications have been made to the December 31, 2013 balances to conform to the December 31, 2014 presentation.

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Utility Revenues/Receivables - 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.

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

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, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (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.

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

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

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

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

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.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

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 2014 and 2013 the Borough Council increased the original budget by \$25,000 and \$11,677. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2014 and 2013.

NOTE 3 DEPOSITS AND INVESTMENTS

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

A. 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.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

A. Deposits (Continued)

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, 2014 and 2013, the book value of the Borough's deposits were \$20,603,200 and \$19,269,310 and bank and brokerage firm balances of the Borough's deposits amounted to \$20,624,098 and \$19,336,033, 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>2014</u>	<u>2013</u>
Insured	\$ 20,091,317	\$ 18,803,559
Uninsured and Collateralized	<u>532,781</u>	<u>532,474</u>
	<u>\$ 20,624,098</u>	<u>\$ 19,336,033</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, 2014 and 2013, the Borough's bank balances of \$532,781 and \$532,474 were exposed to custodial credit risk as follows:

	<u>2014</u>	<u>2013</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Borough's name	<u>\$ 532,781</u>	<u>\$ 532,474</u>

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2014 and 2013, the Borough had the following investments:

	<u>Fair Value</u>
<u>2014</u>	
Investment:	
Length of Service Awards Program (Unaudited)	\$ <u>499,941</u>

	<u>Fair Value</u>
<u>2013</u>	
Investment:	
Length of Service Awards Program (Unaudited)	\$ <u>451,126</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, 2014 and 2013, \$499,941 and \$451,126 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
<u>2014</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ <u>499,941</u>

	<u>Fair Value</u>
<u>2013</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ <u>451,126</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

B. 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. As of December 31, 2014 and 2013, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Service.

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

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

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

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2014 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2014</u>			
Property Taxes	\$ 646,681		\$ 646,681
Tax Title Liens	572,348		572,348
Utility Charges and Fees	<u>-</u>	<u>756,637</u>	<u>756,637</u>
	<u>\$ 1,219,029</u>	<u>\$ 756,637</u>	<u>\$ 1,975,666</u>

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE (Continued)

In 2014, the Borough collected \$553,008 and \$762,333 from delinquent taxes and utility charges and fees, which represented 47% and 100% of the delinquent tax and water charges receivable at December 31, 2013.

Receivables at December 31, 2013 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2013</u>			
Property Taxes	\$ 614,524		\$ 614,524
Tax Title Liens	570,200		570,200
Utility Charges and Fees	<u>-</u>	<u>\$ 762,333</u>	<u>762,333</u>
	<u>\$ 1,184,724</u>	<u>\$ 762,333</u>	<u>\$ 1,947,057</u>

In 2013, the Borough collected \$702,183 and \$470,614 from delinquent taxes and utility charges and fees, which represented 59% and 100% of the delinquent tax and water charges receivable at December 31, 2012.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2014</u>		<u>2013</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	\$ 105,455	\$ 150,000	\$ 20,847	\$ 450,000
Trust Fund:				
Other Trust- Reserve for Accumulated Absences	250,000		550,000	
Other Trust Fund		1,532		1,430
Other Trust- Recreation			24,999	
Other Trust- Escrow		2,758		1,843
Other Trust - TTL		92,522		
General Capital Fund		3		28,798
Animal Control Fund		8,060		8,775
Water Utility Fund:				
Operating	7	100,580		105,069
Capital	-	7	69	-
	<u>-</u>	<u>7</u>	<u>69</u>	<u>-</u>
Total	<u>\$ 355,462</u>	<u>\$ 355,462</u>	<u>\$ 595,915</u>	<u>\$ 595,915</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and revenue 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, 2014 AND 2013**

NOTE 6 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>2014</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2013</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 4,812,848	\$ 2,698,756	\$ 3,727,022	\$ 2,145,000
Non-Cash Surplus	<u>21,105</u>	<u>-</u>	<u>27,733</u>	<u>-</u>
	<u>\$ 4,833,953</u>	<u>\$ 2,698,756</u>	<u>\$ 3,754,755</u>	<u>\$ 2,145,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 2,056,280	-	\$ 1,558,359	-
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,056,280</u>	<u>\$ -</u>	<u>\$ 1,558,359</u>	<u>\$ -</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 7 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2014 and 2013.

	Balance January 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2014</u>
<u>2014</u>				
Land	\$ 12,754,746	\$ 20,453		\$ 12,775,199
Buildings and Building Improvements	7,717,639			7,717,639
Machinery and Equipment	<u>8,648,878</u>	<u>781,387</u>	<u>710,615</u>	<u>8,719,650</u>
	<u>\$ 29,121,263</u>	<u>\$ 801,840</u>	<u>\$ 710,615</u>	<u>\$ 29,212,488</u>
	Balance January 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Land	\$ 12,705,246	\$ 49,500		\$ 12,754,746
Buildings and Building Improvements	7,606,879	110,760		7,717,639
Machinery and Equipment	<u>8,301,968</u>	<u>346,910</u>	<u>-</u>	<u>8,648,878</u>
	<u>\$ 28,614,093</u>	<u>\$ 507,170</u>	<u>\$ -</u>	<u>\$ 29,121,263</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 7 FIXED ASSETS (Continued)

B. Water Utility Fund Fixed Assets

The following is a summary of changes in the water utility fund fixed assets for the years ended December 31, 2014 and 2013.

	January 1, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	December 31, <u>2014</u>
<u>2014</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>
	Balance, January 1, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</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>

BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 8 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 water utility capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

	<u>2014</u>	<u>2013</u>
Issued		
General		
Bonds and Loans	\$ 13,147,950	\$ 14,554,639
Water Utility		
Bonds and Loans	3,206,535	3,586,243
Less Funds Temporarily Held to Pay Bonds and Notes	<u>(662,603)</u>	<u>(755,000)</u>
Net Debt Issued	15,691,882	17,385,882
Authorized But Not Issued		
General		
Bonds and Notes	4,499,976	1,416,576
Water Utility		
Bonds and Notes	<u>719,223</u>	<u>719,223</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 20,911,081</u>	<u>\$ 19,521,681</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .81% and .70% at December 31, 2014 and 2013, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2014</u>			
General Debt	\$ 17,647,926	\$ 662,603	\$ 16,985,323
School Debt	31,267,250	31,267,250	-
Water Utility Debt	<u>3,925,758</u>	<u>3,925,758</u>	<u>-</u>
Total	<u>\$ 52,840,934</u>	<u>\$ 35,855,611</u>	<u>\$ 16,985,323</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 15,971,215	\$ 755,000	\$ 15,216,215
School Debt	24,482,000	24,482,000	-
Water Utility Debt	<u>4,305,466</u>	<u>4,305,466</u>	<u>-</u>
Total	<u>\$ 44,758,681</u>	<u>\$ 29,542,466</u>	<u>\$ 15,216,215</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>2014</u>	<u>2013</u>
3.5% of Equalized Valuation Basis (Municipal)	\$ 73,085,199	\$ 75,441,138
Net Debt	<u>16,985,323</u>	<u>15,216,215</u>
Remaining Borrowing Power	<u>\$ 56,099,876</u>	<u>\$ 60,224,923</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2014</u>	<u>2013</u>
\$1,465,000, 2003 Taxable Pension Refunding Bonds, due in annual installments of \$135,000 to \$180,000 through March 15, 2018, interest at 4.85%	\$ 630,000	\$ 755,000
\$2,950,000, 2003 Bonds, due in annual installment of \$271,000 through March 15, 2015, interest at 3.00%	271,000	551,000
\$5,385,000, 2006 General Improvement Bonds, due in annual installments of \$475,000 to \$810,000 through February 15, 2018, interest at 4.00%	2,830,000	3,275,000
\$6,830,000, 2013 General Improvement Bonds, due in annual installments of \$375,000 to \$720,000 through August 1, 2025 interest at 2.00% to 3.00%	<u>6,470,000</u>	<u>6,830,000</u>
	<u>\$ 10,201,000</u>	<u>\$ 11,411,000</u>

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable

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

	<u>2014</u>	<u>2013</u>
\$4,108,388 2007 EIT Loan, due in semi-annual installments of \$194,602 to \$259,055 through August 1, 2027, interest at 3.00% to 5.00%	\$ 2,946,950	\$ 3,143,639

Utility Bonds

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

Water Utility

	<u>2014</u>	<u>2013</u>
\$1,580,000, 2003 Bonds, due in annual installment of \$150,000 through March 15, 2015, interest at 3.00%	\$ 150,000	\$ 305,000

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Water Utility Intergovernmental Loans Payable

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

Water Utility

	<u>2014</u>	<u>2013</u>
\$4,711,076, 2006 Loans, due in semi-annual installments of \$180,000 to \$286,535 through August 1, 2026, interest rate at 4.00% to 5.00%	<u>\$ 3,056,535</u>	<u>\$ 3,281,243</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2014 is as follows:

Calendar Year	General Bonds		General Loans		Water Bonds		Water Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 1,256,000	\$ 293,041	\$ 194,602	\$ 72,438	\$ 150,000	\$ 2,250	\$ 237,774	\$ 75,256	\$ 2,281,361
2016	1,285,000	249,864	199,924	67,938	-	-	242,289	69,506	2,114,521
2017	1,325,000	203,825	205,086	63,188	-	-	246,643	63,506	2,107,248
2018	1,365,000	156,059	210,086	58,188	-	-	251,644	58,506	2,099,483
2019	700,000	127,994	214,925	52,938	-	-	256,514	53,306	1,405,677
2020-2024	3,550,000	399,800	1,156,926	188,264	-	-	1,366,594	180,014	6,841,598
2025-2027	720,000	21,600	765,401	39,786	-	-	455,077	22,738	2,024,602
Total	<u>\$ 10,201,000</u>	<u>\$ 1,452,183</u>	<u>\$ 2,946,950</u>	<u>\$ 542,740</u>	<u>\$ 150,000</u>	<u>\$ 2,250</u>	<u>\$ 3,056,535</u>	<u>\$ 522,832</u>	<u>\$ 18,874,490</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2014 and 2013 were as follows:

	Balance, January 1, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<u>2014</u>					
General Capital Fund					
Bonds Payable	\$ 11,411,000		\$ 1,210,000	\$ 10,201,000	\$ 1,256,000
Intergovernmental Loans Payable	<u>3,143,639</u>	<u>-</u>	<u>196,689</u>	<u>2,946,950</u>	<u>194,602</u>
General Capital Fund Long-Term Liabilities	<u>\$ 14,554,639</u>	<u>\$ -</u>	<u>\$ 1,406,689</u>	<u>\$ 13,147,950</u>	<u>\$ 1,450,602</u>
Water Utility Capital Fund					
Bonds Payable	\$ 305,000		\$ 155,000	\$ 150,000	\$ 150,000
Intergovernmental Loans Payable	<u>3,281,243</u>	<u>-</u>	<u>224,708</u>	<u>3,056,535</u>	<u>237,774</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 3,586,243</u>	<u>\$ -</u>	<u>\$ 379,708</u>	<u>\$ 3,206,535</u>	<u>\$ 387,774</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, January 1, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
General Capital Fund					
Bonds Payable	\$ 5,396,000	\$ 6,830,000	\$ 815,000	\$ 11,411,000	\$ 1,210,000
Intergovernmental Loans Payable	<u>3,334,024</u>	<u>-</u>	<u>190,385</u>	<u>3,143,639</u>	<u>196,689</u>
General Capital Fund Long-Term Liabilities	<u>\$ 8,730,024</u>	<u>\$ 6,830,000</u>	<u>\$ 1,005,385</u>	<u>\$ 14,554,639</u>	<u>\$ 1,406,689</u>
Water Utility Capital Fund					
Bonds Payable	\$ 455,000		\$ 150,000	\$ 305,000	\$ 155,000
Intergovernmental Loans Payable	<u>3,500,951</u>	<u>-</u>	<u>219,708</u>	<u>3,281,243</u>	<u>224,708</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 3,955,951</u>	<u>\$ -</u>	<u>\$ 369,708</u>	<u>\$ 3,586,243</u>	<u>\$ 379,708</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2014 and 2013 was as follows:

Bond Anticipation Notes

General Capital Fund

There were none.

	Rate (%)	Maturity Date	Balance, January 1, 2013	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2013
General Capital Fund						
<u>Purpose</u>						
Various Public Improvements	1%	8/9/2013	\$ 2,094,301		\$ 2,094,301	\$ -
Road Programs	1%	8/9/2013	1,847,456	-	1,847,456	-
Ambulance Acquisition	1%	8/9/2013	50,649	-	50,649	-
Property Acquisition	1%	8/9/2013	723,276	-	723,276	-
Improvements to Kipp Avenue	1%	8/9/2013	364,336	-	364,336	-
Improvements to Boulevard	1%	8/9/2013	52,614	-	52,614	-
Improvements to Palsa Avenue	1%	8/9/2013	178,230	-	178,230	-
Improvements to Washington Avenue	1%	8/9/2013	179,555	-	179,555	-
Market Street Streetscape	1%	8/9/2013	207,884	-	207,884	-
Acquisition of Boiler System	1%	8/9/2013	96,631	-	96,631	-
Rehabilitation of Sewer Pump and Station	1%	8/9/2013	137,088	-	137,088	-
Sanitary Sewer Rehab at Elmwood Terr.	1%	8/9/2013	176,320	-	176,320	-
Resurfacing to Portion of Martha Av.	1%	8/9/2013	23,821	-	23,821	-
Improvement of Portion of Molnar Drive	1%	8/9/2013	115,339	-	115,339	-
Installation of Playground Equipment	1%	8/9/2013	52,500	-	52,500	-
			<u>\$ 6,300,000</u>	<u>\$ -</u>	<u>\$ 6,300,000</u>	<u>\$ -</u>
Total Bond Anticipation Notes Payable						

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

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund. As of December 31, 2014 and 2013, there was no outstanding debt of this type reported in the Current Fund.

NOTE 9 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>2014</u>		
Pump Station #6	\$ 385,000	2015
2014 Road Program	<u>359,885</u>	2015
	<u>\$ 744,885</u>	
<u>2013</u>		
Orange Avenue Improvements	\$ 143,615	2014
Caterpillar Heavy Machinery	<u>177,101</u>	2014
	<u>\$ 320,716</u>	

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 10 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal, 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 \$3,050,253 and \$2,057,122 at December 31, 2014 and 2013, 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, 2014 and 2013, the Borough has reserved in the Other Trust Fund \$2,076,041 and \$2,100,607, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

The Borough's changes in other long-term liabilities for the years ended December 31, 2014 and 2013 were as follows:

	Balance, January 1, <u>2014</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2014</u>	Due Within <u>One Year</u>
<u>2014</u>					
Compensated Absences	\$ 2,057,122	\$ 1,267,697	\$ 274,566	\$ 3,050,253	\$ 100,000
	<u>\$ 2,057,122</u>	<u>\$ 1,267,697</u>	<u>\$ 274,566</u>	<u>\$ 3,050,253</u>	<u>\$ 100,000</u>
	Balance, January 1, <u>2013</u>	<u>Increases</u>	<u>Reductions</u>	Balance, December 31, <u>2013</u>	Due Within <u>One Year</u>
<u>2013</u>					
Compensated Absences	\$ 1,931,085	\$ 126,037	\$ -	\$ 2,057,122	\$ 100,000
	<u>\$ 1,931,085</u>	<u>\$ 126,037</u>	<u>\$ -</u>	<u>\$ 2,057,122</u>	<u>\$ 100,000</u>

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 11 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. PFRS is a cost-sharing multi-employer defined benefit pension plan.

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

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. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP.

Other Pension Funds

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

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

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 and refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Significant Legislation

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

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

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65. The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2014, the PERS member contribution rate was 6.78%. The rate increased to 6.92% effective July 2014. 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 was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems except CPFPPF (2.00%) and (b) changes to projected salary increases of 4.22 percent for PERS and 6.01 percent for 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% plus an additional 1% phased-in over 7 years beginning in July 2013 for PERS, 10.0% for PFRS and 5.50% for DCRP of employees' annual compensation. The member contribution for PERS was 6.78% in fiscal year 2014 and 6.92% for fiscal year 2015 effective July 2014.

**BOROUGH OF ELMWOOD PARK
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employees*, for the year ended June 30, 2014 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, 2014, 2013 and 2012, the Borough, was required to contribute for normal cost pension contributions and accrued liability pension contributions following amounts which equaled the required contributions for each respective year:

<u>Year Ended December 31</u>	<u>PFRS</u>	<u>PERS</u>
2014	\$ 953,063	\$ 331,353
2013	1,244,680	352,268
2012	1,106,975	365,976

NOTE 12 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. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

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 585 state and local participating employers and contributing entities for Fiscal Year 2014.

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

Basis of Accounting

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

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011 the 4-year phase in does not apply, and contributions based on the full percentage rate of contribution are required.

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.3 billion for state active and retired members and \$32.2 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 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.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Funded Status and Funding Progress (Continued)

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 or 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, 2012 OPEB 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 an assumed investment rate of return of 4.50 percent.

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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$139.8 million for 9,404 eligible retired members for Fiscal Year 2013. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund 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 \$38.0 million in Fiscal Year 2013 to provide benefits under Chapter 330 to qualified retirees.

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2014, 2013 and 2012 were \$961,788, \$975,165 and \$884,183, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2014, 2013 and 2012 were \$66,870, \$69,913 and \$65,411 respectively.

NOTE 13 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 BJIF, SBJIF and MEL coverage amounts are on file with the Borough.

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

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

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 13 RISK MANAGEMENT (Continued)

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

<u>Year Ended December 31</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 9,767	\$ 7,521	\$ 174,465
2013	9,517	6,648	172,219
2012	9,571	9,035	166,194

NOTE 14 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, 2014 and 2013. 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, 2014 and 2013, the Borough reserved \$1,528,903 and \$1,435,764, 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, 2014 and 2013, 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, 2014 AND 2013**

NOTE 15 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, 2014 and 2013, the Borough had no estimated arbitrage earnings due to the IRS.

NOTE 16 LENGTH OF SERVICE AWARDS 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 \$700 and \$700 for 2014 and 2013, respectively, for each eligible volunteer fire department member into the Plan. The Borough also contributed \$700 and \$700 for 2014 and 2013, 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.

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

**BOROUGH OF ELMWOOD PARK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 17 SUBSEQUENT EVENTS

Debt Authorized

On April 16, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$91,600 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On May 21, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$485,000 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On June 4, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$142,000 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On June 18, 2015 the Borough adopted a Bond Ordinance authorizing the issuance \$209,000 in Bonds or Bond Anticipation Notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

The litigation between the Borough and a former employee has been settled and the Borough has agreed to a \$450,000 settlement in this matter. As of the date of the audit the settlement documents have not been finalized.

CURRENT FUND

BOROUGH OF ELMWOOD PARK
STATEMENT OF CASH - COLLECTOR/TREASURER

Balance, January 1, 2014		\$ 8,767,540
Increased by Receipts:		
Taxes Receivable	\$ 54,897,972	
Prepaid Taxes	179,027	
Revenue Accounts Receivable	5,381,317	
Due from State of NJ Senior Citizens' and Veterans Deductions	133,589	
Due from General Capital Fund	3,821	
Due from Water Utility Operating Fund	5,000	
Due from Animal Control Fund	8,775	
Tax Overpayments	83,646	
Miscellaneous Revenue Not Anticipated	500,717	
Grants Receivable	31,628	
Unappropriated Grant Reserves	<u>76,112</u>	
		<u>61,301,604</u>
		70,069,144
Decreased by Disbursements:		
2014 Appropriations	21,451,048	
2013 Appropriation Reserves	740,996	
County Taxes	4,773,878	
Added County Taxes	16,416	
Local District School Taxes	32,521,408	
Payments Made to Other Trust- Reserve for Compensated Absences	450,000	
Payments Made on Behalf of the Water Utility Operating Fund	580	
Various Reserves	206,861	
Tax Overpayments	<u>138,286</u>	
		<u>60,299,473</u>
Balance, December 31, 2014		<u>\$ 9,769,671</u>

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

<u>Office</u>	Balance, January 1, <u>2014</u>	Balance, December 31, <u>2014</u>
Collector/Treasurer	\$ 500	\$ 500
Magistrate's Office - Court	175	175
Magistrate's Office - Violations Clerk	<u>175</u>	<u>175</u>
	<u>\$ 850</u>	<u>\$ 850</u>

EXHIBIT A-6

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

Balance, January 1, 2014		\$ 69,690
Increased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	\$ 133,589	
Sr. Citizens Deductions Disallowed - 2013	4,643	
Sr. Citizens Deductions Disallowed - 2014	2,750	
Deductions Disallowed by Tax Collector - 2014	250	
Deductions Disallowed by Tax Collector - 2013	<u>1,000</u>	
		<u>142,232</u>
		211,922
Decreased by:		
Senior Citizen Deductions per Tax Billing	37,500	
Veterans Deductions per Tax Billing	114,750	
Veterans Deductions Allowed by Tax Collector - 2014	3,000	
Senior Citizen Deductions Allowed by Tax Collector - 2014	<u>3,500</u>	
		<u>158,750</u>
Balance, December 31, 2014		<u>\$ 53,172</u>

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

	Balance, January 1, 2014	Accrued	Received	Balance, December 31, 2014
Municipal Alliance on Alcohol & Drug Abuse	\$ 27,733		\$ 6,628	\$ 21,105
Police Accreditation	-	\$ 25,000	25,000	-
	<u>\$ 27,733</u>	<u>\$ 25,000</u>	<u>\$ 31,628</u>	<u>\$ 21,105</u>

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

Year	Balance, January 1, 2014	2014 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions		Collected In 2014	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2014
				Disallowed	Allowed				
2012	\$ 10,056								\$ 10,056
2013	604,468		\$ 36,663	\$ 5,643	-	\$ 553,008	\$ 72,187	-	21,579
	614,524		36,663	5,643	-	553,008	72,187	-	31,635
2014	-	\$ 55,373,159	123,096	3,000	\$ 158,054	54,437,486	127,771	\$ 2,148	615,046
	\$ 614,524	\$ 55,373,159	\$ 159,759	\$ 8,643	\$ 158,054	\$ 54,990,494	\$ 199,958	\$ 2,148	\$ 646,681

Cash Receipts	\$ 54,897,972
Due From Other Trust-TTL	92,522
	<u>\$ 54,990,494</u>

Analysis of 2014 Tax Levy

Tax Yield		
General Purpose Tax	\$ 55,373,159	
Added Taxes (54:4-63.1 et seq.)	123,096	\$ 55,496,255
Tax Levy		
Local District School Tax (Abstract)	\$ 32,521,408	
County Taxes (Abstract)	4,722,424	
County Open Space	51,454	
Due County for Added Taxes(54:4-63.1 et seq.)	14,038	\$ 37,309,324
Local Tax for Municipal Purposes (Abstract)	18,075,435	
Additional Tax Levied	111,496	18,186,931
		<u>\$ 55,496,255</u>

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

Balance, January 1, 2014	\$ 570,200
Increased by:	
Transfers from Taxes Receivable	<u>2,148</u>
Balance, December 31, 2014	<u>\$ 572,348</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

Balance, January 1, 2014	<u>\$ 23,450</u>
Balance, December 31, 2014	<u>\$ 23,450</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2014</u>	Accrued in <u>2014</u>	<u>Collected</u>	Balance, December 31, <u>2014</u>
Borough Clerk				
Liquor Licenses		\$ 27,875	\$ 27,875	
Licenses - Other		15,530	15,530	
Fees and Permits - Other		4,507	4,507	
Board of Health				
Fees and Permits - Other		74,400	74,400	
Police				
Fees and Permits- Other		18,129	18,129	
Planning/Zoning				
Fees and Permits- Other		6,175	6,175	
Tax Collector/Dept. of Public Works				
Fees and Permits- Other		401	401	
Construction Code Official				
Fees and Permits		433,855	433,855	
Interest on Investments		57,770	57,770	
Interest and Costs on Taxes		116,422	116,422	
Municipal Court				
Fines and Costs	\$ 53,882	670,142	670,142	\$ 53,882
Energy Receipts Tax		1,305,256	1,305,256	
Consolidated Municipal Property Tax Relief Aid		61,648	61,648	
Uniform Fire Safety Act		44,690	44,690	
Interlocal Agreement Health Services- Lodi		40,195	40,195	
Trunk Sewer Revenue	-	<u>2,504,322</u>	<u>2,504,322</u>	-
	<u>\$ 53,882</u>	<u>\$5,381,317</u>	<u>\$5,381,317</u>	<u>\$ 53,882</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance, January 1, <u>2014</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transfer to Trust-Accum. <u>Absences</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 33,085	\$ 33,085	\$ 73	\$ 30,000	\$ 3,012
Mayor & Council	1,692	1,692	-	-	1,692
Financial Administration	31,998	31,998	-	30,000	1,998
Revenue Administration	42,314	42,314	-	30,000	12,314
Tax Assessment Administration	19,992	19,992	-	-	19,992
Legal Services & Costs	9,012	9,012	-	-	9,012
Planning Board	21	21	-	-	21
Zoning Board	1,516	1,516	-	-	1,516
Municipal Court	32,923	32,923	-	-	32,923
Public Defender	6,023	6,023	-	-	6,023
Police	222,902	222,902	1,696	60,000	161,205
Police - Crossing Guard	20,318	20,318	94	-	20,224
Police - Other Personnel	56	56	56	-	-
Police- Dispatch 911	40,305	40,305	897	-	39,408
Exempt Firemen	1,275	1,275	-	-	1,275
Fire Official	8,418	8,418	1,276	-	7,142
Municipal Prosecutor	5,205	5,205	-	-	5,205
Streets & Roads	29,729	29,729	-	-	29,729
Solid Waste Collections	34,489	34,489	190	-	34,299
Board of Health	55,132	55,132	807	-	54,324
Parks & Recreation	466	466	466	-	-
Construction Code Official	57	14,057	14,057	-	-
Rent Monitoring Board	1,600	1,600	-	-	1,600
Other Expenses					
General Administration	24,293	34,296	4,559	-	29,737
Financial Administration	13,766	26,754	5,096	-	21,658
Financial Administration-ADP Payroll Service	4,606	11,329	10,777	-	552
Annual Audit	27,122	27,122	27,122	-	-
Revenue Administration	12,741	13,526	842	-	12,684
Postage	6,300	6,508	208	-	6,300
Tax Assessment Administration	17,530	25,815	3,858	-	21,957
Legal Services & Costs	8,479	8,479	-	-	8,479
Engineering Services & Costs	3,806	23,077	11,809	-	11,268
Planning Board	2,730	3,402	672	-	2,730
Master Plan	6,827	6,828	-	-	6,828
Zoning Board of Adjustment	1,638	2,302	614	-	1,688
Council on Affordable Housing	20,000	20,000	-	-	20,000
Municipal Court	5,832	7,565	2,380	-	5,185
General Liability Insurance	15,411	26,852	26,492	-	360
Employee Group Insurance	151,745	153,365	(1,035)	-	154,400
Police Department	34,736	97,725	56,643	-	41,082
Police Department - Clothing Allowance	10,875	10,875	-	-	10,875
Police Department - Purchase Police Vehicles	1,866	1,866	-	-	1,866
Office of Emergency Management	2,538	2,825	312	-	2,513
Ambulance Stipend	620	620	-	-	620

BOROUGH OF ELMWOOD PARK
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance, January 1, <u>2014</u>	Budget After <u>Modification</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Fire Department - Misc.	\$ 18,018	\$ 46,518	\$ 37,915	\$ -	\$ 8,603
Fire Department - Clothing Allowance	2,064	2,064	-	-	2,064
Fire Official	7,440	7,440	-	-	7,440
Streets & Roads	36,663	110,225	90,797	-	19,428
Streets & Roads - Traffic Lights	44,236	47,736	2,953	-	44,783
Shade Tree	6,000	6,000	-	-	6,000
Solid Waste - Disposal - Recycling	16,815	28,980	2,165	-	26,815
Sanitary Landfill Tax - Tipping Fee	251,957	316,762	195,251	-	121,511
Police Department - Vehicle Maintenance	96,780	98,172	1,850	-	96,322
Board of Health	8,082	19,089	15,971	-	3,118
Animal Control	34,746	46,873	12,127	-	34,746
Parks & Recreation	30,824	36,207	4,145	-	32,062
Senior Citizen Committee	8,799	8,813	50	-	8,763
Maintenance of Parks	14,296	15,171	465	-	14,706
Construction Code Official	19,858	50,368	30,642	-	19,726
Rent Leveling Board	350	350	-	-	350
Electricity	173,213	211,221	42,746	-	168,475
Street Lighting	78,553	127,597	44,387	-	83,210
Telephone	5,718	18,097	7,568	-	10,529
Gasoline	72,264	97,659	30,777	-	66,882
Recycling Tax	6,341	9,285	3,946	-	5,339
Social Security System (O.A.S.I.)	62,464	62,464	-	-	62,464
Contingent	5,000	5,000	-	-	5,000
LOSAP	23,600	60,000	36,400	-	23,600
Alcohol Rehab	20,668	20,668	1,464	\$ 19,204	-
Veterans Service Bureau	-	350	-	-	350
Body Armor Replacement	-	3,390	3,390	-	-
NJ A/G Body Armor	-	900	-	-	900
Municipal Alliance	4,894	6,354	6,025	-	329
	<u>\$ 2,021,632</u>	<u>\$ 2,587,411</u>	<u>\$ 740,996</u>	<u>\$ 169,204</u>	<u>\$ 1,677,211</u>
Appropriation Reserves		\$ 2,021,632			
Encumbrances Payable		529,379			
LOSAP		36,400			
		<u>\$ 2,587,411</u>			
Cash Disbursed			<u>\$ 740,996</u>		

Transfer to Other Trust-	
Compensated Absences	\$ 150,000
Transfer to Appropriated	
Reserves- Alcohol Ed	19,204
	<u>\$ 169,204</u>

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

Balance, January 1, 2014	\$ 529,379
Increased by:	
Charges to 2014 Budget Appropriations	<u>667,822</u>
	1,197,201
Decreased by:	
Transferred to Appropriation Reserves	<u>529,379</u>
Balance, December 31, 2014	<u>\$ 667,822</u>

EXHIBIT A-14

STATEMENT OF PREPAID TAXES

Balance, January 1, 2014	\$ 158,054
Increased by:	
Payment of 2015 Taxes	<u>179,027</u>
	337,081
Decreased by:	
Applied to 2014 Taxes	<u>158,054</u>
Balance, December 31, 2014	<u>\$ 179,027</u>

EXHIBIT A-15

STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2014	\$ 138,286
Increased by:	
Cash receipts	<u>83,646</u>
	221,932
Decreased by:	
Cash Disbursements	<u>138,286</u>
Balance, December 31, 2014	<u>\$ 83,646</u>

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

Increased by:		
Levy - Calendar Year 2014		<u>\$ 32,521,408</u>
Decreased by:		
Payments		<u>\$ 32,521,408</u>

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
General County Levy - 2014	\$ 4,722,424	
County Open Space Preservation Levy -2014	<u>51,454</u>	
		\$ 4,773,878
Decreased by:		
Payments		<u>4,773,878</u>
Balance December 31, 2014		<u>\$ -</u>

STATEMENT OF DUE COUNTY FOR ADDED AND OMITTED TAXES

Balance, January 1, 2014		\$ 16,416
Increased by:		
County Share of Added and Omitted Taxes		<u>14,038</u>
		30,454
Decreased by:		
Payments		<u>16,416</u>
Balance, December 31, 2014		<u>\$ 14,038</u>

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

	Balance, January 1, 2014	Transfer From Current Tax Collections	Cash Disbursed	Balance, December 31, 2014
Reserve for:				
Tax Appeals	\$ 1,435,764	\$ 300,000	206,861	\$ 1,528,903
Revaluation	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
	<u>\$ 1,472,764</u>	<u>\$ 300,000</u>	<u>\$ 206,861</u>	<u>\$ 1,565,903</u>

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

	Balance, January 1, 2014	Cash Receipts	Anticipated as 2014 Budget Revenue	Balance, December 31, 2014
Alcohol Rehab	\$ 8,814	\$ 7,680	\$ 8,814	\$ 7,680
Recycling Tonnage Grant	25,913	39,412	25,913	39,412
Safe and Secure Grant	60,000		60,000	
Body Armor Replacement	8,721	1,006	8,721	1,006
Health- Rutgers	2,500		2,500	
Clean Communities	29,873	28,014	29,873	28,014
	<u>\$ 135,821</u>	<u>\$ 76,112</u>	<u>\$ 135,821</u>	<u>\$ 76,112</u>

EXHIBIT A-21

STATEMENT OF APPROPRIATED RESERVES

	Balance, January 1, 2014	Transfer from Appropriation Reserves	Balance, December 31, 2014
Municipal Alliance	\$ 1,201		\$ 1,201
Alcohol Education and Rehabilitation Fund	<u>11,725</u>	<u>\$ 19,204</u>	<u>30,929</u>
	<u>\$ 12,926</u>	<u>\$ 19,204</u>	<u>\$ 32,130</u>

TRUST FUNDS

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

	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Unemployment Trust Fund</u>
Balance, January 1, 2014	\$ 25,526	\$ 3,234,506	\$ 172,219
Increased by Receipts:			
Animal License Fees	\$ 9,141		
State Dog License Fees	1,559		
Reserve for Recreation Fees		\$ 401,154	
Payroll Deductions Payable		9,995,763	
Payroll Salary and Wages Payable		4,994,294	
Employee Unemployment Contribution			\$ 9,767
Developer's Escrow Deposits		50,424	
Payments from Current Fund		450,000	
Payments from Water Operating Fund		100,000	
Payments from General Capital Fund		24,999	
Deposit Due to Current Fund		92,522	
Interest on Deposits		1,038	
Other Deposits	-	1,600,656	-
	<u>10,700</u>	<u>17,710,850</u>	<u>9,767</u>
Decreased by Disbursements:			
State Dog License Fees	1,559		
Expenditures under R.S. 4:19-15.11	605		
Recreation Expenditures		422,438	
Payroll Deductions Payable		9,995,763	
Payroll Salary and Wages Payable		4,988,686	
Payments to Unemployment Trust Fund -			7,521
State of New Jersey			
Developer's Escrow Deposits		139,313	
Payments to Current Fund	8,775		
Other Deposits	-	1,760,965	-
	<u>10,939</u>	<u>17,307,165</u>	<u>7,521</u>
Balance, December 31, 2014	\$ 25,287	\$ 3,638,191	\$ 174,465

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

Balance, January 1, 2014		\$ 17,036
Increased by:		
Dog License Fees	\$ 8,337	
Cat License Fees	<u>804</u>	
		<u>9,141</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11		26,177
Cash Disbursements	\$ 605	
Statutory Excess Due to Current Fund	<u>8,060</u>	
		<u>8,665</u>
Balance, December 31, 2014		<u>\$ 17,512</u>

Animal License Fees Collected

<u>Year</u>		
2012	\$ 8,472	
2013	<u>9,040</u>	
		<u>\$ 17,512</u>

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

Balance, January 1, 2014		\$ 285
Increased by:		
Payments		<u>1,559</u>
		1,844
Decreased by:		
State Fees Collected		<u>1,559</u>
Balance, December 31, 2014		<u>\$ 285</u>

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

Balance, January 1, 2014	\$ 172,219
Increased by:	
Employee Share From Payroll Agency	<u>9,767</u>
	181,986
Decreased by:	
Unemployment Claims	<u>7,521</u>
Balance, December 31, 2014	<u>\$ 174,465</u>

STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND- DEVELOPERS ESCROW

Balance, January 1, 2014	\$ 1,843
Increased by:	
Interest on Investments and Deposits	<u>915</u>
Balance, December 31, 2014	<u>\$ 2,758</u>

STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND- GENERAL

Balance, January 1, 2014	\$ 1,430
Increased by:	
Interest on Investments and Deposits	<u>102</u>
Balance, December 31, 2014	<u>\$ 1,532</u>

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

Balance, January 1, 2014	\$ 43,271
Increased by:	
Interest on Deposits	21
Balance, December 31, 2014	\$ 43,292

**STATEMENT OF OTHER DEPOSITS
OTHER TRUST FUND**

	Balance, January 1, <u>2014</u>	<u>Increases</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2014</u>
Reserve for:				
Parking Offenses Adjudication Act	\$ 18,471	\$ 2,066		\$ 20,537
Lien Redemptions	94,780	385,916	\$ 385,916	94,780
Tax Title Lien Premiums	185,377	514,800	419,600	280,577
Accumulated Absences	2,100,607	250,000	274,566	2,076,041
Equitable Sharing	270,957	54,468	65,384	260,041
Fire Prevention Expenditure	174,694	60,904	12,999	222,599
Police Outside Duty	96,907	582,502	602,500	76,909
Miscellaneous	1,000	-	-	1,000
	<u>\$ 2,942,793</u>	<u>\$ 1,850,656</u>	<u>\$ 1,760,965</u>	<u>\$ 3,032,484</u>
Cash Receipts		\$ 1,600,656		
Due from Current Fund		150,000		
Due from Water Utility Operating Fund		100,000		
		<u>\$ 1,850,656</u>		

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

Balance, January 1, 2014	\$ 363,719
Increased by:	
Cash Receipts	<u>401,154</u>
	764,873
Decreased by:	
Cash Disbursements	<u>422,438</u>
Balance, December 31, 2014	<u>\$ 342,435</u>

EXHIBIT B-10

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

Balance (Deficit), January 1, 2014	\$ (68)
Increased by:	
Cash Receipts	<u>9,995,763</u>
	9,995,695
Decreased by:	
Cash Disbursements	<u>9,995,763</u>
Balance, (Deficit) December 31, 2014	<u>\$ (68)</u>

EXHIBIT B-11

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

Balance, January 1, 2014	\$ 310
Increased by:	
Cash Receipts	<u>4,994,294</u>
	4,994,604
Decreased by:	
Cash Disbursements	<u>4,988,686</u>
Balance, December 31, 2014	<u>\$ 5,918</u>

**BOROUGH OF ELMWOOD PARK
STATEMENT OF DEVELOPER'S ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, January 1, 2014	\$ 456,207
Increased by:	
Cash Receipts	<u>50,424</u>
	506,631
Decreased by:	
Cash Disbursements	<u>139,313</u>
Balance, December 31, 2014	<u>\$ 367,318</u>

**STATEMENT OF DUE FROM CURRENT FUND-
OTHER TRUST FUND**

Balance, January 1, 2014	\$ 450,000
Increased by:	
Transfer to Reserve for Compensated Absences	<u>150,000</u>
	600,000
Decreased by:	
Payments Received	<u>450,000</u>
Balance, December 31, 2014	<u>\$ 150,000</u>

BOROUGH OF ELMWOOD PARK
STATEMENT OF DUE FROM WATER UTILITY OPERATING FUND-
RESERVE FOR ACCUMULATED ABSENCES
OTHER TRUST FUND

Balance, January 1, 2014	\$ 100,000
Increased by:	
Transfer to Reserve for Compensated Absences	<u>100,000</u>
	200,000
Decreased by:	
Payments Received	<u>100,000</u>
Balance, December 31, 2014	<u>\$ 100,000</u>

EXHIBIT B-15

STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND

Balance, January 1, 2014	\$ 8,775
Increased by:	
Statutory Excess	<u>8,060</u>
	16,835
Decreased by:	
Payments to Current Fund	<u>8,775</u>
Balance, December 31, 2014	<u>\$ 8,060</u>

EXHIBIT B-16

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

Increased by:	
Current Fund Tax Collections Deposited in Tax Title Lien	<u>\$ 92,522</u>
Balance, December 31, 2014	<u>\$ 92,522</u>

GENERAL CAPITAL FUND

BOROUGH OF ELMWOOD PARK
STATEMENT OF CASH - COLLECTOR/TREASURER

Balance, January 1, 2014		\$ 2,799,303
Increased by Receipts:		
Grants/ Other Receivable	353,000	
Receipts from Recreation Trust Fund	80,000	
Excess Grant Proceeds- Reserve for Payment of Debt Service	32,603	
Excess Ambulance Contribution	10,000	
Capital Improvement Fund	100,000	
Interest on Investments	<u>25</u>	
		<u>575,628</u>
		3,374,931
Decreased by Disbursements:		
Improvement Authorizations	649,978	
Contracts Payable	536,340	
Payments to Current Fund	3,821	
Payment to Recreation Trust	<u>24,999</u>	
		<u>1,215,138</u>
Balance, December 31, 2014		<u>\$ 2,159,793</u>

**BOROUGH OF ELMWOOD PARK
ANALYSIS OF CASH**

		Balance, December 31, <u>2014</u>
Grants Receivables		\$ (561,251)
Environmental Infrastructure Loan Receivable		(23,431)
Fund Balance		779,277
Capital Improvement Fund		265,304
Due to Current Fund		3
Contracts Payable		871,529
Due to Ambulance Corp.		10,000
Reserve for Debt Service		32,603
 <u>Improvement Authorizations</u>		
Ord.		
<u>No.</u>		
06-28	Various Capital Improvements (Sewer Main Extension/De-icing Material Storage Building)	361,274
08-8	Improvement to Kipp Ave	80,476
09-22	Improvement of the Van Riper Culvert	198,567
10-17	Improvements to Kipp Ave Section III	(26,179)
11-08	2011 Road Resurfacing Program	39,099
11-18	Various Pubic Improvements & Acq of New Information Technology Equip.	43,134
12-06	Various Public Improvements	121,688
13-04	Emergency Generator	293,097
13-10	Various Public Improvements	52,089
13-11	2013 Road Resurfacing Program	74,439
13-16	Various Public Improvements	241,496
13-20	Acquisition of an Easement	(77,758)
13-21	Streetscape	(19,362)
13-27	Handicapped Ramps	11,514
14-03	Various Public Improvements	8,595
14-11	Supplemental for Fleischers Brook and Underground Storage Tank Closure	(75,956)
14-12	Sanitary Sewer Pump Station	(306,046)
14-13	2104 Road Resurfacing Program	(355,435)
14-22	Acq. Of Easement Block 1408/Lot 1	(19,353)
14-24	Various Improvements to English Ave	160,000
14-25	Improvement boulevard Sections 8 and 9	(19,620)
		<u>\$ 2,159,793</u>

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

Balance, January 1, 2014	\$ 14,554,639
Decreased by:	
Paid by 2014 Budget Appropriation:	
Bonds	\$ 1,210,000
EIT Loan	<u>196,689</u>
	<u>1,406,689</u>
Balance, December 31, 2014	<u>\$ 13,147,950</u>

EXHIBIT C-5

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE

Balance, January 1, 2014	<u>\$ 23,431</u>
Balance, December 31, 2014	<u>\$ 23,431</u>

EXHIBIT C-6

STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE

Increased by:	
Grant Proceeds Received on Ord. #13-10	<u>\$ 32,603</u>
Balance, December 31, 2014	<u>32,603</u>

EXHIBIT C-7

STATEMENT OF DUE TO AMBULANCE CORP.

Increased by:	
Excess Contribution Received on Acquisition of Ambulance	<u>\$ 10,000</u>
Balance, December 31, 2014	<u>\$ 10,000</u>

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

	Department of Transportation			Community Development Block Grant Ord.# 2010-17	County of Bergen			
	Ord.# 2012-6	Ord.# 2013-21	Ord.# 2014-25		Ord.# 2009-22	Ord.# 2013-27	Ord.# 2014-03	Ord.# 2014-24
Balance, January 1, 2014	\$ 1,370,747	\$ 11,160	\$ 584,000	\$ 44,336	\$ 481,251	\$ 250,000		
Increased by:								
Awards	329,000	-	\$ 149,000	-	-	-	\$ 100,000	\$ 80,000
	<u>1,699,747</u>	<u>11,160</u>	<u>584,000</u>	<u>44,336</u>	<u>481,251</u>	<u>250,000</u>	<u>100,000</u>	<u>80,000</u>
Decreased by:								
Collections	-	-	-	-	-	-	-	-
	<u>1,699,747</u>	<u>11,160</u>	<u>584,000</u>	<u>44,336</u>	<u>481,251</u>	<u>250,000</u>	<u>100,000</u>	<u>80,000</u>
Balance, December 31, 2014	\$ 1,138,496	\$ 11,160	\$ 584,000	\$ 44,336	\$ 481,251	\$ 250,000	\$ 100,000	\$ 80,000
Offset by Reserve Unfunded	<u>561,251</u>	-	-	-	<u>481,251</u>	-	-	<u>80,000</u>
	<u>\$ 1,699,747</u>	<u>\$ 11,160</u>	<u>\$ 584,000</u>	<u>\$ 44,336</u>	<u>\$ 481,251</u>	<u>\$ 250,000</u>	<u>\$ 100,000</u>	<u>\$ 80,000</u>

Analysis of Balance at December 31, 2014

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

Ordinance Number	Improvement Description	Balance,	Authorized	Grant	Balance,	Analysis of Balance	
		January 1, 2014	2014	Proceeds	December 31, 2014	December 31, 2014	December 31, 2014
						Expenditures	Unexpended Improvement Authorizations
10-17	Improvements to Kipp Ave Section III	\$ 44,336			\$ 44,336	\$ 26,179	\$ 18,157
12-06	Various Public Improvements	11,160			11,160		11,160
13-10	Various Public Improvements	353,000		\$ 353,000	-		
13-16	Various Public Improvements	780			780		780
13-20	Acquisition of an Easement	82,300			82,300	77,758	4,542
13-21	Streetscape Improvements	687,000			687,000	19,362	667,638
13-27	Hanidcapped Access	238,000			238,000	-	238,000
14-03	Various Public Improvements		\$ 190,000		190,000		190,000
14-11	Supplemental for Fleischers Brook and Underground Storage Tank Closure		199,000		199,000	75,956	123,044
14-12	Sanitary Sewer Pump Station		2,242,000		2,242,000	306,046	1,935,954
14-13	2104 Road Resurfacing Program		570,000		570,000	355,435	214,565
14-22	Acq. Of Easement Block 1408/Lot 1		21,400		21,400	19,353	2,047
14-25	Improvement boulevard Sections 8 and 9		214,000		214,000	19,620	194,380
		\$ 1,416,576	\$ 3,436,400	\$ 353,000	\$ 4,499,976	\$ 899,709	\$ 3,600,267

Improvement Authorizations- Unfunded \$ 3,600,267

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

Balance, January 1, 2014	\$ 339,404
Increased by:	
2014 Budget Appropriation	<u>100,000</u>
	439,404
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>174,100</u>
Balance, December 31, 2014	<u>\$ 265,304</u>

EXHIBIT C-11

STATEMENT OF DUE TO CURRENT FUND

Balance, January 1, 2014	\$ 3,799
Increased by:	
Interest Earnings	<u>25</u>
	3,824
Decreased by:	
Payments to Current Fund	<u>3,821</u>
Balance, December 31, 2014	<u>\$ 3</u>

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

Balance, January 1, 2014		\$ 617,718
Increased by:		
Contract Awards		<u>871,529</u>
		1,489,247
Decreased by:		
Cash Disbursed	\$ 536,340	
Cancelled	<u>81,378</u>	
		<u>617,718</u>
Balance, December 31, 2014		<u>\$ 871,529</u>

EXHIBIT C-13

STATEMENT OF DUE TO RECREATION TRUST FUND

Balance, January 1, 2014		\$ 24,999
Increased by:		
Cash Received from Recreation Trust		<u>80,000</u>
		\$ 104,999
Decreased by:		
Amount Appropriated to Finance Ord. #14-24	\$ 80,000	
Payments made to Recreation Trust	<u>24,999</u>	
		<u>\$ 104,999</u>
Balance, December 31, 2014		<u><u>-</u></u>

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

Ord. No.	Improvement Description	Ordinance Date	Amount	2014 Authorizations				Paid or Charged	Balance, December 31, 2014	
				Balance, January 1, 2014		Capital Improvement Fund	Deferred Charges Unfunded			Contracts Payable Cancelled
				Funded	Unfunded					
06-28	Various Capital Improvements (Sewer Main Extension and De-icing Material Storage Building)	7/20/2006	\$ 4,163,400	\$ 374,274			\$ 13,000	\$ 361,274		
08-8	Sanitary Sewer Rehabilitation at Elmwood Terrace and other Locations	6/19/2008	190,000	80,476				80,476		
09-22	Improvement of the Van Riper Culvert	12/17/2009	1,153,350	198,567				198,567		
10-17	Improvements to Kipp Ave Section III	4/1/2010	247,000		\$ 18,157				\$ 18,157	
11-08	2011 Road Resurfacing Program	5/19/2011	570,000	39,099				39,099		
11-18	Various Public Improvements and Acquisition of New Information Technology Equip.	10/20/2011	365,000	94,980						
12-06	Various Public Improvements	4/19/2012	999,000	72,568	11,160		51,846	43,134	11,160	
13-04	Emergency Generator	2/7/2013	450,000	293,809			-	121,688		
13-10	Various Public Improvements	4/18/2013	595,000		312,818		712	293,097		
13-11	2013 Road Resurfacing Program	4/18/2013	450,000	76,338			260,729	52,089		
13-16	Various Public Improvements	5/16/2013	873,906	492,416	780		1,899	74,439		
13-20	Acquisition of an Easement	8/15/2013	86,500		4,542		250,920	241,496	780	
13-21	Streetscape Improvements	8/15/2013	687,000		635,380		-		4,542	
13-27	Handicapped Access	11/7/2013	250,000	12,000	238,000		486	11,514	667,638	
14-03	Various Public Improvements	3/6/2014	200,000			\$ 10,000	1,405	8,595	190,000	
14-11	Supplemental for Fleischers Brook and Underground Storage Tank Closure	6/5/2014	209,000				85,956		123,044	
14-12	Sanitary Sewer Pump Station	6/5/2014	2,355,000			10,000	419,046		1,935,954	
14-13	2104 Road Resurfacing Program	6/5/2014	599,000			113,000	384,435		214,565	
14-22	Acq. Of Easement Block 1408/Lot 1	10/2/2014	22,500			29,000	20,453		2,047	
14-24	Various Improvements to English Ave	12/4/2014	160,000			1,100		160,000		
14-25	Improvement boulevard Sections 8 and 9	12/4/2014	225,000			11,000	30,620		194,380	
				\$ 1,734,527	\$ 1,220,837	\$ 174,100	\$ 3,436,400	\$ 160,000	\$ 81,378	\$ 1,685,468
										\$ 3,600,267
				Due from Bergen County Open Space				\$ 80,000		
				Due from Recreation Trust Fund				80,000		
								\$ 160,000		
				Cash Disbursed				\$ 649,978		
				Contracts Payable				871,529		
								\$ 1,521,507		

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

Purpose	Date Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, January 1, 2014	Increased	Decreased	Balance, December 31, 2014
			Outstanding						
			Date	Amount					
Taxable Pension Refunding Bonds	3/15/2003	\$ 1,465,000	3/15/2015	\$ 135,000	4.85%	\$ 755,000	\$ 125,000	\$ 630,000	
			3/15/2016	150,000					
			3/15/2017	165,000					
			3/15/2018	180,000					
General Improvements	5/15/2003	2,950,000	5/15/2015	271,000	3.00%	551,000	280,000	271,000	
General Improvements	6/15/2006	5,385,000	2/15/2015	475,000	4.00%	3,275,000	445,000	2,830,000	
			2/15/2016	760,000					
			2/15/2017	785,000					
			2/15/2018	810,000					
General Improvements	8/1/2013	6,830,000	8/1/2015-2018	375,000	2.00% ⁶ -3.00%	6,830,000	-	360,000	6,470,000
			8/1/2019-2020	700,000					
			8/1/2021	705,000					
			8/1/2022	710,000					
			8/1/2023	715,000					
8/1/2024-2025	720,000								
						\$ 11,411,000	\$ -	\$ 1,210,000	\$ 10,201,000
						Paid by Budget Appropriation			
								\$ 1,210,000	

**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, 2014</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
06-28	Sewer Main Extension and De-icing Material Storage Bldg.	11/8/2007	\$ 4,108,388	2/1-8/1/2015	\$ 194,602			
				2/1-8/1/2016	199,924			
				2/1-8/1/2017	205,086			
				2/1-8/1/2018	210,086			
				2/1-8/1/2019	214,925			
				2/1-8/1/2020	220,311			
				2/1-8/1/2021	225,569			
				2/1-8/1/2022	229,924			
				2/1-8/1/2023	234,120			
				2/1-8/1/2024	247,002			
				2/1-8/1/2025	251,164			
				2/1-8/1/2026	255,182			
				2/1-8/1/2027	259,055	<u>\$ 3,143,639</u>	<u>\$ 196,689</u>	<u>\$ 2,946,950</u>
						<u>\$ 3,143,639</u>	<u>\$ 196,689</u>	<u>\$ 2,946,950</u>
							<u>\$ 196,689</u>	
								<u>\$ 196,689</u>

Paid by Budget Appropriation

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, January 1, 2014	2014 Authorizations	Grant Proceeds	Balance, December 31, 2014
10-17	Improvements to Kipp Ave Sec III	\$ 44,336			\$ 44,336
12-06	Various Public Improvements	11,160			11,160
13-10	Various Public Improvements	353,000		353,000	-
13-16	Various Public Improvements	780			780
13-20	Acquisition of an Easement	82,300			82,300
13-21	Streetscape Improvements	687,000			687,000
13-27	Hanidcapped Access	238,000			238,000
14-03	Various Public Improvements		\$ 190,000		190,000
14-11	Supplemental for Fleischers Brook and Underground Storage Tank Closure			199,000	-
14.12	Sanitary Sewer Pump Station			2,242,000	199,000
14-13	2104 Road Resurfacing Program			570,000	2,242,000
14-22	Acq. Of Easement Block 1408/Lot 1			21,400	570,000
14-25	Improvement boulevard Sections 8 and 9	-	214,000		21,400
		<u>\$ 1,416,576</u>	<u>\$ 3,436,400</u>	<u>\$ 353,000</u>	<u>\$ 4,499,976</u>

WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2014	\$ 2,292,562	\$ 1,976,804
Increased by Receipts:		
Consumer Accounts Receivable	\$ 3,240,956	
Non-Budget Revenue	21,120	
Capital Improvement Fund		\$ 300,000
Interest on Investments	-	76
	<u>3,262,076</u>	<u>300,076</u>
	5,554,638	2,276,880
Decreased by Disbursements:		
2014 Budget Appropriations	2,553,234	2,373
Contracts Payable		1,176
Appropriation Reserves	253,231	
Accrued Interest on Bonds and Loans	81,561	
Payments to Other Trust- Reserve for		
Accumulated Absences	100,000	
Payment to Current Fund	<u>5,000</u>	<u>-</u>
	<u>2,993,026</u>	<u>3,549</u>
Balance, December 31, 2014	<u>\$ 2,561,612</u>	<u>\$ 2,273,331</u>

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

	Balance, January 1, <u>2014</u>
Fund Balance	\$ 24,962
Capital Improvement Fund	1,418,000
Downpayments on Improvements	9,000
Due to Water Utility Operating Fund	7
Due from New Jersey Infrastructure Trust	(41,974)
Reserve for Payment of Debt	335,000
Improvement Authorizations:	
01-14 Various Impvts. & Computer Mapping	619,884
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>(27,501)</u>
	<u>\$ 2,273,331</u>

EXHIBIT D-7

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

Balance, January 1, 2014	\$ 762,333
Increased by:	
Water Rents Levied	<u>3,235,260</u>
	3,997,593
Decreased by:	
Collections	<u>3,240,956</u>
Balance, December 31, 2014	<u>\$ 756,637</u>

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

Balance, January 1, 2014	\$ <u>41,974</u>
Balance, December 31, 2014	\$ <u><u>41,974</u></u>

EXHIBIT D-9

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

Balance, January 1, 2014 (Due To)	\$ (69)
Increased by:	
Interest Earnings	<u>76</u>
Balance, December 31, 2014 (Due From)	\$ <u><u>7</u></u>

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

Balance, January 1, 2014	\$ <u>500</u>
Balance, December 31, 2014	\$ <u>500</u>

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

	Balance, January 1, 2014	Balance, December 31, 2014
Distribution Mains, Sewer Pipes and Stops, Meters, Meter Boxes and Water Tanks	\$ 2,006,452	\$ 2,006,452
Emergency Booster Pumping Station	32,569	32,569
Labor	6,861	6,861
Miscellaneous Construction Expenses	2,449	2,449
Engineering and Supervision	19,095	19,095
Interest During Course of Construction	21,571	21,571
Legal	1,301	1,301
Hydrants	16,267	16,267
Truck - Water Utility Share	1,268	1,268
Meters and Hydrants	266,967	266,967
Accounting Equipment	5,444	5,444
Land - Pumping Station	670	670
Appraisal - Garfield Water Works	2,500	2,500
Acquisition of Land to Erect Water Tank	74,689	74,689
Acquisition of Lease Rights	9,800	9,800
Water Infrastructure Improvements	<u>4,421,600</u>	<u>4,421,600</u>
	<u>\$ 6,889,503</u>	<u>\$ 6,889,503</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	Balance January 1, <u>2014</u>	Balance December 31, <u>2014</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>

EXHIBIT D-13

STATEMENT OF 2013 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND

	Balance, January 1, <u>2014</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	\$ 240,807	\$ 240,807		\$ 100,000	\$ 140,807
Other Expenses	70,123	316,749	\$ 253,231		63,518
Statutory Expenditures:					
Social Security System (O.A.S.I.)	<u>36,890</u>	<u>36,890</u>	-	-	<u>36,890</u>
	<u>\$ 347,820</u>	<u>\$ 594,446</u>	<u>\$ 253,231</u>	<u>\$ 100,000</u>	<u>\$ 241,215</u>
Appropriation Reserves		\$ 347,820			
Encumbrances Payable		<u>246,626</u>			
		<u>\$ 594,446</u>			
Cash Disbursed			<u>\$ 253,231</u>		

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

Balance, January 1, 2014	\$ 34,688
Increased by:	
2014 Budget Appropriation	78,792
	113,480
Decreased by:	
Interest Paid	81,561
Balance, December 31, 2014	\$ 31,919

Analysis of Accrued Interest, December 31, 2014

Principal Outstanding December 31, <u>2014</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds Capital \$1,130,000	3.00%	11/15/2014	12/31/2014	1 1/2 Months	\$ 562
New Jersey Environmental Infrastructure Trust \$2,400,000	2.00-2.5%	8/1/2014	12/31/2014	5 Months	31,357
					\$ 31,919

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

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance, January 1, 2014		2014 Authorizations	Paid Charged	Balance, December 31, 2014	
				Funded	Unfunded			Funded	Unfunded
01-14	Various Impvts. & Computer Mapping	9/13/2001	\$ 1,365,000	\$ 619,884	\$ 500			\$ 619,884	\$ 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	119,790				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		73,970				73,970
11-17	Various Water Main Improvements	10/20/2011	340,000	-	314,872	\$ -	\$ 2,373	-	312,499
				\$ 828,117	\$ 421,815	\$ -	\$ 2,373	\$ 828,117	\$ 419,442

Cash Disbursed \$ 2,373

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

Balance, January 1, 2014	\$ 1,118,000
Increased by:	
Budget Appropriation	<u>300,000</u>
Balance, December 31, 2014	<u>\$ 1,418,000</u>

EXHIBIT D-17

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

Balance, January 1, 2014	<u>\$ 9,000</u>
Balance, December 31, 2014	<u>\$ 9,000</u>

EXHIBIT D-18

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

Balance, January 1, 2014	\$ 4,844,031
Increased by:	
Paid by Operating Budget:	
Serial Bonds	\$ 155,000
EIT Loan	<u>224,708</u>
	<u>379,708</u>
Balance, December 31, 2014	<u>\$ 5,223,739</u>

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

Balance, January 1, 2014	\$ 246,626
Increased by:	
Charges to 2014 Budget	161,395
	408,021
Decreased by:	
Transfer to Appropriation Reserves	246,626
Balance, December 31, 2014	<u>\$ 161,395</u>

EXHIBIT D-20

**STATEMENT OF CONTRACTS PAYABLE
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2014	\$ 1,176
Decreased by:	
Payments	1,176
Balance, December 31, 2014	<u>\$ -</u>

EXHIBIT D-21

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

Balance, January 1, 2014	\$ 5,000
Increased by:	
Payments Made on Behalf of the Water Utility Operating Fund	580
	5,580
Decreased by:	
Payments made to Current Fund	5,000
Balance, December 31, 2014	<u>\$ 580</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, 2014</u>	<u>Decreased</u>	<u>Balance, December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Water Bonds	5/15/2003	\$ 1,580,000	5/15/2015	\$ 150,000	3.00%	\$ 305,000	\$ 155,000	\$ 150,000
						\$ 305,000	\$ 155,000	\$ 150,000
						Paid by Budget Appropriation		\$ 155,000

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

<u>Purpose</u>	Maturities of Loans							
	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>			<u>Interest Rate</u>	<u>Balance, January 1, 2014</u>	<u>Balance, December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>	<u>Amount</u>			
Water System Improvements	11/9/2006	\$4,711,076	2/1-8/1/15	\$ 237,773		2.00%-2.50%		
			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				
								\$ 3,281,243
								\$ 224,708
								<u>\$ 3,056,535</u>
								<u>\$ 3,281,243</u>
								<u>\$ 224,708</u>
								<u>\$ 3,056,535</u>
								Paid by Budget Appropriation
								<u>\$ 224,708</u>

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

Balance, January 1, 2014		\$ <u>335,000</u>
Balance, December 31, 2014		\$ <u>335,000</u>
	<u>Analysis of Balance</u>	
	Ord. # 2005-12	\$ 205,269
	Ord. # 2006-29	<u>129,731</u>
		<u>\$ 335,000</u>

EXHIBIT D-25

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

<u>Ord.</u>	<u>Improvement Description</u>	Balance, January 1, <u>2014</u>	Balance, December 31, <u>2014</u>
01-14	Various Impvts. And Computer Mapping	\$ 500	\$ 500
05-30	Water Main Replacement	47,500	47,500
06-07	Water Improvements	76,000	76,000
06-29	Water Improvements	255,223	255,223
11-17	Various Water Main Improvements	<u>340,000</u>	<u>340,000</u>
		<u>\$ 719,223</u>	<u>\$ 719,223</u>

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

Ord. No.	Improvement Description	Ordinance		Balance, January 1, 2014	Balance, December 31, 2014
		Date	Amount		
01-14	Various Impvts. & Computer Mapping	9/13/2001	\$ 1,365,000	\$ 1,365,000	\$ 1,365,000
01-21	Replacement of Water Meters	11/15/2001	800,000	800,000	800,000
05-12	Water Improvements	5/5/2005	600,000	320,994	320,994
05-30	Water Main Replacement	10/20/2005	50,000	50,000	50,000
05-39	Water Meters	12/29/2005	140,000	140,000	140,000
06-07	Water Improvements	2/16/2006	76,000	80,000	80,000
11-17	Various Water Main Projects	10/20/2011	340,000	340,000	340,000
				\$ 3,095,994	\$ 3,095,994

BOROUGH OF ELMWOOD PARK
PART II
GOVERNMENTAL AUDITING STANDARDS



LERCH, VINCI & HIGGINS, LLP

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Elmwood Park, as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated August 10, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2014-001 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Elmwood Park's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 and which are described in the accompanying schedule of findings and responses as item 2014-001.

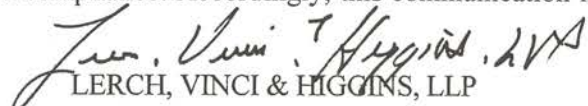
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Elmwood Park in Part III of this report of audit entitled; "Letter of Comments and Recommendations".

Borough of Elmwood Park's Responses to Findings

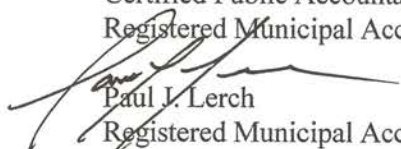
The Borough of Elmwood Park's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Borough of Elmwood Park's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we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

Purpose of this Report

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



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
August 10, 2015

BOROUGH OF ELMWOOD PARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal CFDA Number	Grant Year	Grant Award	2014 Receipts	Balance, January 1, 2014	Revenues Realized	Expended	Adjustment	Balance December 31, 2014	Cumulative Expenditures
20.205	2013	\$ 584,000		\$ 532,380		-		\$ 532,380	\$ 19,362
20.205	2014	149,000		-	149,000	-		149,000	
				\$ 532,380	\$ 149,000	-	\$ -	\$ 681,380	\$ -

State Aid Highway Projects

Highway Planning and Construction- Ord.# 2013-21
 Highway Planning and Construction- Ord. #2014-25

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

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014**

State Grant Program	Grant Number	Grant Year	Grant Award Received	Grant Receipts	Balance, January 1, 2014	Revenue/Receipts	Expended	Adjustment	Balance, December 31, 2014	Cumulative Expenditures
Division of Judiciary- Municipal Court Alcohol Education and Rehabilitation	9735-760-001-060000	2009			\$ 32,393				\$ 30,929	\$ 1,464
		2014	\$ 8,813	\$ 7,680	\$ 8,813	\$ 1,464			\$ 8,663	\$ 150
Municipal Alliance for Alcohol & Drug Abuse (Passed through Bergen County)	N/A	2013	11,677	6,628	4,894		3,693		1,201	10,476
Department of Environmental Protection										
Solid Waste Administration										
Clean Communities	4900-765-004-178910	2014	29,874	28,014		29,874	23,103		6,771	23,103
Recycling Tonnage Grant	4900-752-001-178810	2014	25,913	39,412		25,913	11,822		-	11,822
Division of Criminal Justice										
Body Armor Replacement Fund	1020-718-001-090160	2014	9,721	1,006		8,721			8,721	
Division of Criminal Justice										
Safe and Secure Grant	1020-100-232-090940	2014	60,000	-	-	60,000	60,000		-	60,000
Grand Total					\$ 37,287	\$ 133,321	\$ 100,232	\$ -	\$ 70,376	

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

**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, 2014**

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 schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund		\$ 133,321	\$ 133,321
General Capital Fund	<u>149,000</u>	<u>-</u>	<u>149,000</u>
	<u>\$ 149,000</u>	<u>\$ 133,321</u>	<u>\$ 282,321</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

**BOROUGH OF ELMWOOD PARK
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014**

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2014, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
Environmental Infrastructure Trust Series 2007A	4860-570-702440-61	\$ 2,946,750
Environmental Infrastructure Trust Series 2006A		<u>3,056,535</u>
		<u>\$ 6,003,285</u>

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued:	<u>Modified- Unaudited LOSAP Trust Fund</u>
Internal control over financial reporting:	
1) Material weakness(es) identified	_____ yes <u> X </u> no
2) Were significant deficiencies that were not considered to be material weaknesses?	<u> X </u> yes _____ none reported
Noncompliance material to the financial statements noted?	<u> X </u> yes _____ no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part II- Schedule of financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the in accordance with *Government Auditing Standards*.

Finding 2014-001

Our audit of the General Capital Fund and Water Utility Operating Fund revealed unrecorded contracts and/or commitments at December 31, 2014.

Criteria or specific requirement:

N.J.A.C 5:30-5.2 Encumbrance Systems.

Condition:

The Borough didn't encumber certain contracts and/or commitments at December 31, 2014 in the General Capital Fund and Water Utility Operating Fund.

Context:

There were unrecorded contracts and/or commitments in the amount of \$385,000 and \$46,505 in the General Capital Fund and Water Utility Operating Fund, respectively. The financial statements have been adjusted to reflect these contracts and/or commitments in the General Capital Fund and Water Utility Operating Fund.

Cause:

Contracts and/or commitments were not encumbered when awarded or incurred.

Effect:

The encumbrances reported in the financial statements at December 31, 2014 were understated by the amounts identified above.

Recommendation:

The Borough develop a procedure to ensure all material contracts and/or commitments are encumbered when awarded or incurred.

View of responsible officials and planned corrective action:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure all material contracts and/or commitments are encumbered when awarded or incurred.

**BOROUGH OF ELMWOOD PARK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part III – Schedule of Federal and State Award Findings and Responses

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF ELMWOOD PARK
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014**

This section identifies the status of prior-year findings related to the financial statements that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

Finding 2013-001-

Our audit of the Current Fund, General Capital Fund and Water Utility Operating Fund revealed unrecorded contracts and/or commitments at December 31, 2013

Current Status-

See Finding 2014-001.

Finding 2013-002-

Our audit of the bidding process revealed the following:

- Contracts were awarded in excess of the bid threshold that were not approved in the official minutes of the Borough.
- State contract was not available for our review for the purchase of police cars.
- Political contribution form was not available for our review for a profession service contract award.
- Bids were not available for Nature's Choice yard recycling and Advance Recycling for garbage collection.

Current Status-

Corrective action has been taken.

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2014

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

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

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 2,145,000	3.31 %	\$ 2,145,000	3.36 %
Miscellaneous - From Other Than Local				
Property Tax Levies	6,043,897	9.32	7,095,728	11.12
Collection of Delinquent Taxes and Tax Title Liens	553,008	0.85	702,183	1.10
Collection of Current Tax Levy	54,451,290	83.93	52,886,298	82.86
Other Credits	<u>1,685,271</u>	<u>2.60</u>	<u>997,935</u>	<u>1.56</u>
Total Income	<u>64,878,466</u>	<u>100.00 %</u>	<u>63,827,144</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	24,254,693	39.34 %	24,591,049	40.37
County Taxes	4,773,878	7.74	4,962,164	8.15
Local District School Taxes	32,521,408	52.75	31,339,344	51.45
Other Expenditures	<u>104,289</u>	<u>0.17</u>	<u>24,365</u>	<u>0.04</u>
Total Expenditures	<u>61,654,268</u>	<u>100.00 %</u>	<u>60,916,922</u>	<u>100.00 %</u>
Excess in Revenue	3,224,198		2,910,222	
Fund Balance, January 1	<u>3,754,755</u>		<u>2,989,533</u>	
	6,978,953		5,899,755	
Less Utilization as Anticipated Revenue	<u>2,145,000</u>		<u>2,145,000</u>	
Fund Balance, December 31	<u>\$ 4,833,953</u>		<u>\$ 3,754,755</u>	

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

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

	<u>Year 2014</u>		<u>Year 2013</u>		
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED					
Surplus Anticipated			\$ 300,000	8.11	%
Collection of Water Rents	\$ 3,240,956	92.51 %	3,062,949	82.85	
Miscellaneous - From Other Than Water	<u>262,411</u>	<u>7.49</u>	<u>333,995</u>	<u>9.03</u>	
Total Income	<u>3,503,367</u>	<u>100.00</u> %	<u>3,696,944</u>	<u>100.00</u> %	
EXPENDITURES					
Budget Expenditures					
Operating	2,196,766	73.09 %	2,196,766	73.07	%
Capital Improvement Fund	300,000	9.98	300,000	9.98	
Deferred Charges and Statutory Expenditures	50,000	1.66	50,000	1.66	
Debt Service	<u>458,680</u>	<u>15.26</u>	<u>459,599</u>	<u>15.29</u>	
Total Expenditures	<u>3,005,446</u>	<u>100.00</u> %	<u>3,006,365</u>	<u>100.00</u> %	
Excess in Revenue	497,921		690,579		
Fund Balance, January 1	<u>1,558,359</u>		<u>1,367,780</u>		
	2,056,280		2,058,359		
Less:					
Anticipated Revenue in Water Utility Operating Budget			300,000		
Anticipated Revenue in Current Fund Budget	<u>-</u>		<u>200,000</u>		
	<u>-</u>		<u>500,000</u>		
Fund Balance, December 31	<u>\$ 2,056,280</u>		<u>\$ 1,558,359</u>		

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

Comparative Schedule Of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>\$2.699</u>	<u>\$2.636</u>	<u>\$2.591</u>
<u>Apportionment of Tax Rate</u>			
Municipal *	.880	.864	.845
County	.234	.242	.246
Local School	1.585	1.530	1.500

* Includes Municipal Library

Assessed Valuation

2014	<u>\$2,051,617,500</u>
2013	<u>\$2,049,178,596</u>
2012	<u>\$2,050,076,820</u>

Comparison Of Levies And Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$ 55,496,255	\$ 54,751,290	98.66%
2013	54,194,719	53,386,298	98.51%
2012	53,197,437	52,292,954	98.30%

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>
2014	\$ 572,348	\$ 646,681	\$ 1,219,029	2.20%
2013	570,200	614,524	1,184,724	2.19%
2012	568,102	725,088	1,293,190	2.43%

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

Property Acquired By Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2014	\$23,450
2013	23,450
2012	23,450

Comparison of Water Utility Levies

<u>Year</u>	<u>Water Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	\$ 3,235,260	\$ 2,478,623	76.61%
2013	3,354,668	2,592,335	77.28%
2012	2,714,528	2,243,914	82.66%

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2014	\$4,833,953	\$2,698,756
	2013	3,754,755	2,145,000
	2012	2,989,533	2,145,000
<u>Water Utility Operating Fund</u>	2014	\$2,056,280	
	2013	1,558,359	
	2012	1,367,780	\$300,000

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>
Richard A. Mola	Mayor
Robert Coletti	Councilman
Joseph Dombrowski	Councilman
Steven Martino	Councilman
Glen Pettigano	Councilman
Louis Vuoncino	Councilman
Frank Caramagna	Councilman
Keith Kazmark	Borough Administrator and Borough Clerk
Roy Riggitano	CFO/Treasurer/Utility Collector
Frank Santora	Tax Collector/Tax Search Officer
Anthony Gallina	Magistrate
Elisbeth J. Crusius	Prosecutor
Kevin Esposito	Tax Assessor
Thomas Johnson	Police Chief 1/1/14-5/1/14
Michael Foligno	Police Chief 5/15/14-12/31/14
Richard Bolan	Construction Code Official
James DePadova	Plumbing Sub-Code Official
Pompei D'Arco	Fire Official
Charles Cannariato	Property Maintenance 1/1/14-6/1/14
Brian Mutch	Property Maintenance 10/27/14-12/31/14
Deborah Ricci	Health Officer 1/1/14-10/1/14
Nadia Halhoul	Court Administrator 1/1/14-7/31/14
Debra Zafonte	Court Administrator 8/21/14-12/31/14
Michele Ingrasselino	Registrar of Vital Statistics

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

BOROUGH OF ELMWOOD PARK

GENERAL COMMENTS

Prior Year Comments Unresolved

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

Our audit of the Other Trust Escrow cash disbursements revealed that purchase orders/vouchers are not always completed. It is recommended that a purchase order/voucher be created for all Other Trust Fund Escrow cash disbursements.

Our audit of the Construction Code Department revealed that there was one check issued with one signature and disbursements made to the state and the Borough which were not always done in the subsequent month/quarter ending. It is recommended that all Construction Code checks have two signatures and that all disbursements made to the Borough and state be done in the subsequent month/quarter ending.

Our audit of the accumulated leave balances revealed that the Borough has made efforts to enhance the record keeping and calculations. However, our audit revealed that the calculations of sick time and terminal leave were not within the contractual provision of the collective bargaining agreements. It is recommended that additional efforts be maintained to ensure that the accumulated sick, vacation and terminal leave are calculated based upon the contractual provisions within the collective bargaining agreements.

Our audit of the Borough's state and federal tax filing forms revealed that they are addressed to the payroll provider's address and not to the Borough. It is recommended that the state and federal tax filing forms have the Borough's address and not the payroll provider's address.

Our audit of payroll revealed that certain employees who are eligible for DCRP that have not been enrolled in the Deferred Contribution Retirement Program (DCRP) pension system. It is recommended that the Borough enroll all eligible employees in the DCRP pension system.

Current Year Comments

Our audit of the manual net payroll checks revealed the following:

- Four of the twelve checks issued didn't contain two authorized signatures.
- One check selected for testing didn't have documentation supporting the issuance of the check; it appears that it was a re-issued check. However, the stop payment was not available for review and the payroll records for this individual weren't updated to indicate that a check was void and a replacement check was issued. They were reflective of the original check that was issued.
- One check selected was issued to an individual for vacation buy back, there was proper supporting documentation to support the payment, however there were no federal withholdings deducted from this payment.

It is recommended that:

- All checks issued from the net payroll account have two signatures and that the issuance of manual checks be limited
- All manual checks issued from the net payroll account contain the proper documentation supporting reason for issuance and that the payroll records be updated to reflect the issuance of manual net payroll check.
- All vacation checks be issued through the payroll cycle to ensure the proper federal withholdings are withheld in accordance with IRS Publication 15 (Circular E) the Employer's Tax Guide, Section 7 Supplemental Wages.

BOROUGH OF ELMWOOD PARK

GENERAL COMMENTS

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

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

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

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

Solid Waste Collection
Curbside Recycling
Improvements to Fleischer's Brook
Acquisition of a Street Sweeper

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

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

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

Collection of Interest of Delinquent Taxes and Assessments

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

The Governing Body on January 1, 2014 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.

BOROUGH OF ELMWOOD PARK

GENERAL COMMENTS

Delinquent Taxes and Tax Title Liens

The last tax sale was held on March 25, 2014 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>
2014	6
2013	6
2012	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.

Suggestions to Management

Our review of the Borough's disaster recovery plan/back-up procedures for their computer software/data revealed that they do not have an adequate plan in place that would allow them to recover all data from their servers and be operational in another location in the event of a disaster. It is suggested to management that the Borough develop a formal disaster recover/back-up plan that will allow them to recover all data from their servers and be operational in another location. In addition to the development this plan needs to be tested to ensure that it is adequate to meet the Borough's needs.

The Borough utilizes Passaic Valley Water Commission (PVWC) to process their water utility billing and collections. It is suggested that the Borough obtain a signed agreement with PVWC and as a service provider to the Borough they should provide an audit report (SSAE 16) on their internal controls to the Borough.

APPRECIATION

We desire to express our appreciation to the Borough Administrator and other Borough Staff who assisted us during the course of our audit.

**BOROUGH OF ELMWOOD PARK
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

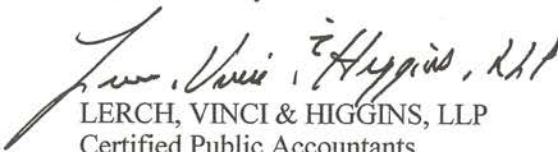
- * 1. The Borough develop a procedure to ensure all material contracts and/or commitments are encumbered when awarded or incurred.
- * 2. Purchase orders be issued at the time the order is being placed for the goods and/or services.
- * 3. A purchase order/voucher be created for all Other Trust Fund Escrow cash disbursements.
- * 4. All Construction Code checks have two signatures and that all disbursements made to the Borough and state be done in the subsequent month/quarter ending.
- * 5. Additional efforts be maintained to ensure that the accumulated sick, vacation and terminal leave are calculated based upon the contractual provisions within the collective bargaining agreements.
- * 6. The state and federal tax filing forms have the Borough's address and not the payroll provider's address.
- * 7. It is recommended that the Borough enroll all eligible employees in the DCRP pension system.
- 8. All checks issued from the net payroll account have two signatures and that the issuance of manual checks be limited.
- 9. All manual checks issued from the net payroll account contain the proper documentation supporting reason for issuance and that the payroll records be updated to reflect the issuance of manual net payroll check.
- 10. All vacation checks be issued through the payroll cycle to ensure the proper federal withholdings are withheld in accordance with IRS Publication 15 (Circular E) the Employer's Tax Guide, Section 7 Supplemental Wages.


Status of Prior Year's Audit Findings/Recommendations

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

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

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


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


Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

**SYNOPSIS OF 2014 AUDIT REPORT OF
THE BOROUGH OF ELMWOOD PARK**

SYNOPSIS OF 2014 AUDIT REPORT OF

BOROUGH OF ELMWOOD PARK

AS REQUIRED BY N.J.S. 40A:5-7

COMBINED COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

AS OF DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash, Investments and Prepaid Debt Service	\$ 21,103,141	\$ 19,720,436
Taxes, Assessments, Liens and Utility Charges Receivable	1,975,666	1,947,057
Property Acquired for Taxes-Assessed Value	23,450	23,450
Accounts Receivable and Inventory	2,219,486	2,150,867
Fixed Capital - Utility	9,985,497	9,985,497
Deferred Charges to Future Years Taxation- General Capital Fund	17,647,926	15,971,215
Land, Buildings, Machinery, and Equipment	<u>29,212,488</u>	<u>29,121,263</u>
TOTAL ASSETS	<u>\$ 82,167,654</u>	<u>\$ 78,919,785</u>

LIABILITIES, RESERVES AND FUND BALANCE

Bonds, Loans and Notes Payable	\$ 16,354,485	\$ 18,140,882
Improvement Authorizations	6,533,294	4,205,296
Other Liabilities and Special Funds	13,015,727	12,719,728
Amortization of Debt for Fixed Capital Acquired or Authorized	6,059,739	5,680,031
Reserve for Certain Assets Receivable	3,297,449	2,935,232
Investments in General Fixed Assets	29,212,488	29,121,263
Fund Balance	<u>7,694,472</u>	<u>6,117,353</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	<u>\$ 82,167,654</u>	<u>\$ 78,919,785</u>

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUE AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 2,145,000	\$ 2,145,000
Miscellaneous-From Other Than Local Property Taxes	6,043,897	7,095,728
Collection of Delinquent Taxes and Tax Title Liens	553,008	702,183
Collection of Current Tax Levy	54,451,290	52,886,298
Other Credits to Income	<u>1,685,271</u>	<u>997,935</u>
TOTAL INCOME	<u>64,878,466</u>	<u>63,827,144</u>
EXPENDITURES		
Budget Appropriations:		
Municipal Purposes	24,254,693	24,591,049
County Taxes	4,787,916	4,962,164
Local and Regional School Taxes	32,521,408	31,339,344
Other Expenditures	<u>90,251</u>	<u>24,365</u>
TOTAL EXPENDITURES	61,654,268	60,916,922
Statutory Excess to Fund Balance	3,224,198	2,910,222
Fund Balance, January 1	<u>3,754,755</u>	<u>2,989,533</u>
	6,978,953	5,899,755
Less: Utilization as Anticipated Revenue	<u>2,145,000</u>	<u>2,145,000</u>
Fund Balance, December 31	<u>\$ 4,833,953</u>	<u>\$ 3,754,755</u>

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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUE AND OTHER INCOME REALIZED		
Fund Balance		\$ 300,000
Collection of Water Rents	\$ 3,240,956	3,062,949
Miscellaneous-From Other Than Local Water Rents	21,196	14,618
Other Credits	<u>241,215</u>	<u>319,377</u>
TOTAL INCOME	<u>3,503,367</u>	<u>3,696,944</u>
EXPENDITURES		
Budget Expenditures:		
Operating	2,196,766	2,196,766
Debt Service	458,680	459,599
Capital Improvement Fund	300,000	300,000
Deferred Charges and Statutory and Expenditures	<u>50,000</u>	<u>50,000</u>
TOTAL EXPENDITURES	<u>3,005,446</u>	<u>3,006,365</u>
Excess in Revenue	497,921	690,579
Fund Balance, January 1	<u>1,558,359</u>	<u>1,367,780</u>
	2,056,280	2,058,359
Less: Utilizations Anticipated Revenue		300,000
Anticipated Revenue in Current Fund Budget	<u>-</u>	<u>200,000</u>
	<u>-</u>	<u>500,000</u>
Fund Balance, December 31	<u><u>\$ 2,056,280</u></u>	<u><u>\$ 1,558,359</u></u>

**BOROUGH OF ELMWOOD PARK
RECOMMENDATIONS**

It is recommended that:

1. The Borough develop a procedure to ensure all material contracts and/or commitments are encumbered when awarded or incurred.
2. Purchase orders be issued at the time the order is being placed for the goods and/or services.
3. A purchase order/voucher be created for all Other Trust Fund Escrow cash disbursements.
4. All Construction Code checks have two signatures and that all disbursements made to the Borough and state be done in the subsequent month/quarter ending.
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6. The state and federal tax filing forms have the Borough's address and not the payroll provider's address.
7. The Borough enroll all eligible employees in the DCRP pension system.
8. All checks issued from the net payroll account have two signatures and that the issuance of manual checks be limited.
9. All manual checks issued from the net payroll account contain the proper documentation supporting reason for issuance and that the payroll records be updated to reflect the issuance of manual net payroll check.
10. All vacation checks be issued through the payroll cycle to ensure the proper federal withholdings are withheld in accordance with IRS Publication 15 (Circular E) the Employer's Tax Guide, Section 7 Supplemental Wages.

A Corrective Action Plan, which outlines actions the Borough of Elmwood Park will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the Office of the Borough Clerk in the Borough of Elmwood Park within 45 days of this notice.

The above synopsis was prepared from the audit of the Borough of Elmwood Park, County of Bergen, for the calendar year 2014. This report of audit, submitted by Paul J. Lerch, Registered Municipal Accountant, is on file at the Borough Clerk's office, and may be inspected by any interested person.

Borough Clerk