PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 25, 2026

NEW ISSUE **NOT RATED**

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with its Tax Certificate described herein, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

$12,873,000 BOND ANTICIPATION NOTES OF THE BOROUGH OF ELMWOOD PARK COUNTY OF BERGEN, NEW JERSEY

(Non-Callable)(Not Bank-Qualified)(Book-Entry Only)

Dated: October 8, 2026
Due: October 8, 2027

The $12,873,000 Bond Anticipation Notes (the "Notes") of the Borough of Elmwood Park, in the County of Bergen, New Jersey (the "Borough"), shall be issued as fully registered book-entry notes registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of the beneficial ownership interests in the Notes may be in book-entry form only on the records of DTC and its Participants and only in the principal amount of $1,000 or any integral multiple thereof with a minimum of $5,000 required. Beneficial Owners of the Notes will not receive certificates representing their interests in the Notes. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Notes. See "THE NOTES - Book-Entry Only System" herein.

The Notes are general obligations of the Borough and are secured by a pledge of the full faith and credit of the Borough for the payment of the principal thereof and the interest thereon. The Borough is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

Interest on the Notes will be payable at maturity on October 8, 2027. Principal and interest on the Notes will be paid to DTC by the Borough. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity.

INTEREST RATE	YIELD	CUSIP NO.
________%	______%	290090___

The Notes are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Notes in definitive form will be available for delivery to DTC in Brooklyn, New York, on or about October 8, 2026.

PROPOSALS FOR THE NOTES WILL BE RECEIVED
UNTIL 11:00 AM ON OCTOBER 1, 2026
BY BOND COUNSEL ON BEHALF OF THE BOROUGH,
VIA ELECTRONIC MAIL AT SLR@ROGUTMCCARTHY.COM OR
VIA THE PARITY ELECTRONIC BID SYSTEM OF I-DEAL LLC
FOR MORE DETAILS REFER TO THE NOTICE OF SALE

BOROUGH OF ELMWOOD PARK
IN THE COUNTY OF BERGEN, NEW JERSEY

MAYOR

Robert Colletti

BOROUGH COUNCIL

Lorraine Pellegrine– Council President
Francesco Fasolo
Joseph S. Oswald
Eric H. Saimson
Theresa Sheridan
Pamela Troisi

BOROUGH CLERK

Shanee Morris

CHIEF FINANCIAL OFFICER

Roy Riggitano

BOROUGH ATTORNEY

Arthur R. Thibault, Jr., Esq.
Liberty Corner, New Jersey

BOROUGH AUDITOR

Lerch, Vinci & Bliss, LLP
Fair Lawn, New Jersey

BOND COUNSEL

Rogut McCarthy LLC
Cranford, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriter to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter.

TABLE OF CONTENTS

**OFFICIAL STATEMENT
OF THE BOROUGH OF ELMWOOD PARK
IN THE COUNTY OF BERGEN, NEW JERSEY
relating to**

$12,873,000 BOND ANTICIPATION NOTES

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Elmwood Park (the "Borough"), in the County of Bergen (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its $12,873,000 Bond Anticipation Notes (the “Notes”). This Official Statement has been executed by and on behalf of the Borough by the Chief Financial Officer and may be distributed in connection with the Notes.

This Preliminary Official Statement is “deemed final”, as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriters and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the “final official statement” within the meaning of Rule 15c2-12.

THE NOTES

General Description

The Notes shall be dated and shall bear interest from October 8, 2026 and shall mature on October 8, 2027. The Notes shall bear interest at the interest rate set forth on the cover hereof, which interest is payable on October 8, 2027. The Notes will be issued as fully registered notes in book-entry only form and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Notes. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of $1,000 or any integral multiple thereof, with a minimum purchase of $5,000. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its Direct Participants and transfers of the interests among its Direct Participants. The Direct Participants and Indirect Participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Borough or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to Direct Participants, which will in turn remit such payments to the Beneficial Owners of the Notes.

Book-Entry Only System

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for the Notes, in the principal amount of the Notes, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of the Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borough or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Borough or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

NEITHER THE BOROUGH NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Prior Redemption

The Notes are not subject to redemption prior to their stated maturity.

SECURITY AND SOURCE OF PAYMENT

The Notes are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. The Notes are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy *ad valorem* taxes upon all the real property taxable within the Borough for the payment of the principal of and the interest on the Notes without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Borough is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Notes or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal

Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services (the "Division") in the State of New Jersey Department of Community Affairs (the "Local Finance Board").

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended (the "Local Bond Law") and adopted bond ordinances of the Borough.

The bond ordinances included in the sale of the Notes were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty-day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale or the execution or the delivery of the Notes by the Borough.

The proceeds of the Notes will be used to (i) renew $8,242,099 of the Borough's outstanding $8,910,000 bond anticipation notes maturing on October 9, 2026 and (ii) provide $4,630,901 to finance unfunded projects of the Borough.

Ord No.	Description	Amount
21-23	Improvement of Mola Boulevard (Phase 2)	$ 18,473
21-25	2021 Curb and Gutter Replacement Program	293,210
21-27	2021 Road Resurfacing Program	900,142
22-03	Acquisition of a Pumper Fire Engine	888,631
22-07	Design and Engineering Phases for Traffic Signal Improvements	99,189
22-16	Various Public Improvements and Acquisitions	916,772
22-20	Acquisition of a Vehicle and Equipment for Police Department	135,111
22-22	Improvement of 15th Avenue	53,024
22-27	Streetscape Improvements to Mola Blvd	86,219
22-28	Improvement of Grove Street	119,000
23-07	Installation of Synthetic Turf at Borough Park	1,545,114
23-11	Suppl. Mola Blvd Streetscape Improvements	230,000
23-12	Various Public Improvements and Acquisitions	831,000
23-23	2023 Road Resurfacing Program	1,352,000
23-27	Storm and Sanitary Sewer Improvements	123,800
23-28	Suppl. Installation of Synthetic Turf at Borough Park	500,000
23-34	Various Public Improvements and Acquisition of a Fire Engine	695,000
23-38	Improvement of 14th Avenue and East 53rd and 16th Avenue	371,000
24-15	2024 Road Resurfacing Program	1,271,000
24-16	Borough Park Pavilion and Amphitheater Project	595,000
24-17	Various Public Improvements and Acquisitions	569,000
25-05	Streetscape Improvements to Mola Blvd (Phase 2)	1,010,000
25-07	Suppl. Installation of Synthetic Turf at Borough Park	270,315
		$ 12,873,000

NO DEFAULT

No principal or interest payments on Borough indebtedness are past due. The Borough has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION – BOND AND NOTE FINANCING

The Borough does not contemplate issuing any bonds, additional bond anticipation notes or tax anticipation notes during the balance of 2026.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director of the Division (the "Director"), a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Borough's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within eight months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

Debt Limits

The net authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last 3 years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

The Borough has not exceeded its statutory debt limit. On December 31, 2025 the statutory net debt as a percentage of average equalized valuation was 0.90%. As noted above, the statutory limit is 3.50%.

	Gross Debt	Deductions	Net Debt
General Purposes	$ 29,510,446	$ 391,781	$ 29,118,665
Utility Purposes	2,263,740	2,263,740	-
School Purposes	11,325,000	11,325,000	-
	$ 43,099,186	$ 13,980,521	$ 29,118,665

Exceptions to Debt Limits - Extensions of Credit

The Borough may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing

The Borough may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year's principal payment for a bond issue.

School Debt (<u>N.J.S.A. 18A:24-1 et seq.</u>)

New Jersey's school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Borough's school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("U.S. Government Securities"); (2) government money market mutual funds invested in U.S. Government Securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less (a) constituting local obligations or (b) approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above or local obligations. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq., or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in U.S. Government Securities, Federal Government Agency obligations, certain short-term investment-grade corporate obligations, commercial paper rated “prime”, certificates of deposit, repurchase agreements involving U.S. Government Securities and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Borough has no investments in derivatives.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Tax anticipation notes are limited in amount by law and must be paid in full within 120 days of the close of the fiscal year. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the 2011 budget for the Borough) reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Chapter 44 eliminated the process for obtaining waivers for additional spending under the tax levy limitation.

The Borough's appropriation and tax levy increase for 2011 through 2026, inclusive, were within the limits allowed under the CAP Law, taking into account applicable adjustments and without conducting a referendum to exceed the cap limits.

Miscellaneous Revenues

The Local Budget Law (N.J.S.A. 40A:4-26) provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected tax by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See “ASSESSMENT AND COLLECTION OF TAXES - Tax Collection Procedure” herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the municipality. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, property revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three (3) months of the year to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

Operation of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Fiscal Year

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, c. 92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

Budget Process

Primary responsibility for the Borough's budget process lies with the Borough Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 35% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

Capital Budget

In accordance with the Local Budget Law, the Borough must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period of the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Borough, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. 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, and an additional penalty of 6% on delinquent taxes in excess of $10,000. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, is 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. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

Tax Appeals

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Bergen County Tax Board on or before the first day of April of the current tax year for review. The Bergen County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Bergen County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period. In addition, pursuant to Assembly Bill No. 2004, signed into law by Governor Phil Murphy on August 9, 2019, commercial tax appeal refunds exceeding $100,000 may be paid to the property owner, with interest, in substantially equal payments within a three year period - rather than within sixty days of the final judgment (the standard period for refunds).

Further, pursuant to Assembly Bill No. 862, signed into law by Governor Murphy on January 18, 2022, residential tax appeal refunds, or commercial tax appeal refunds exceeding $100,000, may be paid to the property owner, with interest, as a credit against the balance of property taxes that become due within a three-year period, with any excess after three years being paid immediately.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Notes and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Notes, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. For other Federal tax information, see "Tax Matters - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of governmental obligations, such as the Notes, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Notes. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Proposals for Tax Changes

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further, such proposals may impact the marketability or market value of the Notes simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

STATEMENT OF LITIGATION

To the knowledge of the Borough Attorney, there is no litigation of any nature now pending or threatened that seeks to restrain or enjoin the issuance or the delivery of the Notes, the levy or the collection of any taxes to pay the principal of or the interest on the Notes or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of the taxes, affecting the validity of the Notes or the levy or the collection of taxes or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers of the Borough to their respective offices.

Additionally, there is at present no single action pending or threatened against the Borough which would impose an undue financial burden on the Borough. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Borough is a party-defendant in certain lawsuits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Borough Attorney, would adversely impair the Borough's ability to pay its noteholders. All of the Borough's tort actions are being defended by either an insurance company or insurance underwriters. Pending municipal real estate tax appeals are limited in number and based upon the Borough’s prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Borough, such resolution would not in any way endanger the Borough's ability to pay its noteholders.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Borough, including the Notes, and such Notes are authorized security for any and all public deposits.

UNDERWRITING

The Notes have been purchased at a public sale from the Borough for resale by _______________ (the "Underwriter").

The Underwriter has agreed, subject to certain conditions, to purchase all but not less than all of the Notes. If all the Notes are sold at the public offering price or at the yield set forth on the cover page of this Official Statement, the Underwriter anticipates total selling compensation of $______*. The public offering price or yield on the Notes may be changed from time to time by the Underwriter without notice. The Notes may be offered and sold to dealers, including the Underwriter and dealers acquiring the Notes for their own account or any account managed by them, at prices lower than the public offering price.

* Information obtained from the Underwriter

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the Borough shall furnish a certificate of the Borough Attorney, dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Borough wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Borough, or adversely affect the power of the Borough to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Notes will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Notes have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough, enforceable in accordance with their terms, except as enforcement of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Notes, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such *ad valorem* taxes as may be necessary to pay the Notes and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix C – Proposed Form of Bond Counsel Opinion" herein.

Certificates of Borough Officials

The original purchasers of the Notes shall also receive a certificate, dated as of the date of delivery of the Notes and signed by the Chief Financial Officer that (a) as of the date of the Official Statement furnished by the Borough in relation to the Notes, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Borough is not guaranteed as to accuracy, completeness or fairness, such officer has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officer, since the date of said Official Statement and since the date of the sale of the Notes, there have been no material transactions not in the ordinary course of affairs entered into by the Borough and no material adverse change in the general affairs of the Borough or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Notes. In addition, the original purchasers of the Notes shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Notes and receipt of payment therefor and a certificate, dated as of the date of delivery of the Notes and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes are issued, and that neither the corporate existence or boundaries of the Borough, nor the title of the said officers to their respective offices, is being contested.

INFECTIOUS DISEASE OUTBREAK – COVID-19

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "Plan"). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

To date, the overall finances and operations of the Borough have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the Borough. The Borough cannot quantify any such impacts at this time.

The Plan, signed into law on March 11, 2021, provided $1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID- 19 pandemic. For municipalities with populations less than 50,000, such as the Borough, the relief funds were distributed by the State. The relief funds were received from the State in two equal payments, one within 30 days of receipt of the funding by the State and the balance no earlier than 12 months from the initial payment. The deadline to obligate the funds was December 31, 2024, and to spend them is December 31, 2026. The Borough received the full amount of its relief funds in the amount of $2,089,812. The Borough utilized the funds to replace lost public sector revenue and to fund police salaries and wages.

SECONDARY MARKET DISCLOSURE

The Borough has a limited secondary market disclosure obligation pursuant to Rule 15c2-12(d)(3) because the Notes have a stated maturity of 18 months or less. In accordance with such exemption from full secondary market disclosure, the Borough will agree, pursuant to a continuing disclosure certificate to be executed on the date of issuance of the Notes, to undertake for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, as prescribed by the MSRB. Specifically, the Borough will do the following for the benefit of the holders of the Notes and the beneficial owners thereof:

Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Notes or financial obligations of the Borough:

(1) Principal or interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
(7) Modifications to the rights of Noteholders, if material;
(8) Note calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution or sale of property which secures the repayment of the Notes, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership or similar event of the Borough (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borough in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borough, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borough);
(13) The consummation of a merger, consolidation, or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) Incurrence of a financial obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borough, any of which affect Noteholders, if material; and
(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borough, any of which reflect financial difficulties.

The Borough intends the words used in paragraphs (15) and (16) and the definition of "financial obligation" to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Borough fails to comply with the above-described undertaking, any Noteholder or beneficial owner of the Notes may pursue an action for specific performance to enforce the rights of all Noteholders and beneficial owners with respect to such undertaking; *provided*, *however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Notes or any liability by the Borough for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Noteholders and beneficial owners of the Notes.

The Borough reserves the right to terminate its obligation to provide notice of material events, as set forth above, if and when the Borough no longer remains an "obligated person" with respect to the Notes within the meaning of Rule 15c2-12.

The undertaking may be amended by the Borough from time to time, without the consent of the Noteholders or the beneficial owners of the Notes, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Borough, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Noteholders and the beneficial owners of the Notes.

The Borough has previously entered into continuing disclosure undertakings in accordance with Rule 15c2-12. Phoenix Advisors, Hamilton, New Jersey, serves as continuing disclosure agent to assist the Borough in complying with the requirements of Rule 15c2-12.

FINANCIAL STATEMENTS

Appendix "B" to this Official Statement contains the audited financial statements of the Borough for the years ended December 31, 2025 and 2024. The audited financial data was provided by Lerch, Vinci & Bliss, LLP, Fair Lawn, New Jersey (the "Auditor"), and is included herein in reliance upon the authority of such firm. The Auditor has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Borough.

PREPARATION OF OFFICIAL STATEMENT

The Auditor takes responsibility for the financial statements to the extent specified in the Independent Auditor's Report.

All other information has been obtained from sources which the Borough considers to be reliable and the Borough makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Borough of Elmwood Park, 182 Market Street, Elmwood Park, New Jersey, 07407, Roy Riggitano, Chief Financial Officer, (201) 796-1457 ext. 2007.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Chief Financial Officer on behalf of the Borough.

BOROUGH OF ELMWOOD PARK, IN THE COUNTY OF BERGEN, NEW JERSEY

By: /s/__________________________
Roy Riggitano
Chief Financial Officer

Dated:

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE BOROUGH OF ELMWOOD PARK

GENERAL INFORMATION REGARDING THE BOROUGH OF ELMWOOD PARK

Size and Geographical Location

The Borough of Elmwood Park comprises an area of approximately 2.5 square miles, located in western Bergen County, and is situated 15 miles west of New York City. Surrounding municipalities include Saddle Brook, Fair Lawn, Garfield and Paterson.

Form of Government

Elmwood Park was incorporated in 1916 under the borough form of government. There is a Mayor and a six-member Borough Council.

The Mayor is elected to serve a four-year term and may succeed that term by re-election. He is empowered, amongst his legal powers as head of the municipal government, to: (i) provide for the proper execution of local and State laws; (ii) recommend to the Borough Council measures he deems in the best interest of the Borough; (iii) nominate and, with the advice and consent of the Borough Council, appoint most subordinate officers of the Borough; and (iv) maintain peace and order. Although he presides over meetings of the Borough Council, the Mayor votes only in case of a tie. State law requires that he be a member of the Planning Board and the Board of Trustees of the municipal Public Library.

The six Borough Council members are elected at-large, two each year, for terms of three years. The Borough Council exercises general legislative powers conferred upon it by State law to protect and promote the general welfare of the Borough. Among these are the right to enact ordinances, approve resolutions, approve mayoral appointments, adopt the annual budget and determine the tax levy. The Borough Council, acting in committees, oversees the various departments and functions of the Borough Government.

Transportation

Because of its close proximity to New York City, many residents are employed in the City of New York and commute through access of mass transportation. Commuter rail service to New York City via the PATH is provided by New Jersey Transit. Bus service in the Borough is also provided by New Jersey Transit, which runs throughout the metropolitan area.

Borough residents have easy access to all parts of New Jersey and New York via Route 4, Route 23, Route 46, Route 80 and the Garden State Parkway, all of which are located near the Borough.

Protection

Elmwood Park is served by a police department consisting of 33 officers and 6 detectives who operate 20 patrol vehicles, a volunteer fire department and a volunteer ambulance squad.

Sanitation

The Borough provides garbage collection for all homes on a semi-weekly basis. Recycling collection is provided for all homes on a weekly basis. The Borough contracts with a private contractor for both of these services. Payment for such garbage collection services is part of the general property tax levy.

Utilities

Electricity and gas are supplied by Public Service Electric and Gas.

The Borough owns and operates a self-supporting Water Utility, which sells water on a retail basis to the residents of the Borough. All water consumption is metered to insure full payment for water use. Water is obtained from the Passaic Valley Water Commission.

The Borough's sewerage system is connected with the Passaic Valley Sewerage Commission. For this service, the Borough pays an annual service charge based on the metered flow of sewerage. This service charge is part of the general property tax levy.

Education

The Borough's school district, coterminous with the boundaries of the Borough, is a type II school district, and is an independent legal entity administered by a five-member Board of Education elected by the voters of the school district. The school district provides for kindergarten through 12th grade, and is authorized by law to issue debt for school purposes upon vote of the electorate.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Population trends for the Borough, County and the State of New Jersey since 1990 are shown below:

Area	1990	2000	2010	2020	2025
Borough of Elmwood Park	17,623	18,925	19,485	21,422	21,534
County of Bergen	825,380	884,118	905,116	955,732	977,026
State of New Jersey	7,730,188	8,414,350	8,791,894	9,288,994	9,548,215

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research

Income as of 2024

	Median Household Income	Median Family Income	Per Capita Income
Borough of Elmwood Park	$ 101,740	$ 110,690	$ 43,773
County of Bergen	124,884	152,200	63,735
State of New Jersey	103,556	127,025	54,253

Source: U.S. Census Bureau, 2020 – 2024 American Community Survey – 5 Year Estimates

Labor Force, Employment and Unemployment

The New Jersey Department of Labor reported the following annual average employment information for the Borough of Elmwood Park, the County of Bergen and the State of New Jersey:

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Borough of Elmwood Park				
2025	11,728	11,057	671	5.7%
2024	11,753	11,148	605	5.1%
2023	11,677	11,109	568	4.9%
2022	11,424	10,879	545	4.8%
2021	11,158	10,178	980	8.8%
County of Bergen				
2025	538,487	515,300	23,187	4.3%
2024	540,094	519,526	20,568	3.8%
2023	536,155	516,755	19,400	3.6%
2022	522,154	504,541	17,613	3.4%
2021	502,698	471,385	31,313	6.2%
State of New Jersey				
2025	4,905,633	4,648,499	257,134	5.2%
2024	4,899,384	4,672,089	227,295	4.6%
2023	4,879,285	4,668,296	210,989	4.3%
2022	4,771,781	4,586,675	185,106	3.9%
2021	4,674,518	4,361,147	313,371	6.7%

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research

DEBT INFORMATION

Debt Statements

The Borough must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year the Borough must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Borough as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

Debt Incurring Capacity
As of December 31, 2025

Municipal		
Equalized Valuation Basis (last 3 years average)	$	3,225,497,777
		-
3 1/2% Borrowing Margin		112,892,422
Net Debt Issued, Outstanding and Authorized		29,118,665
Remaining Municipal Borrowing Capacity		83,773,757
Local School		
4% Borrowing Margin		129,019,911
Debt, Issued, Outstanding and Authorized		11,325,000
Remaining School Borrowing Capacity		117,694,911

Source: Borough of Elmwood Park 2025 Annual Audit Report

Gross and Statutory Net Debt
as of December 31,

	Gross Debt	Statutory Net Debt	
Year	Amount	Amount	Percentage
2025	$ 43,099,186	$ 29,118,665	0.900%
2024	45,569,560	29,628,610	1.015%
2023	48,694,037	29,375,774	1.106%
2022	45,279,507	23,924,502	0.954%
2021	45,501,079	22,227,104	0.931%

Source: Borough of Elmwood Park Annual Audit Reports

Statement of Indebtedness
As of December 31, 2025

GENERAL PURPOSES		
Bonds Issued and Outstanding	$ 11,735,000	
Bond Anticipation Notes	8,910,000	
Loans Outstaning	474,320	
Bonds and Notes Authorized But Not Issued	8,391,126	
		$ 29,510,446
WATER UTILITY		
Bonds Issued and Outstanding	1,225,000	
Loans Outstanding	170,247	
Bonds and Notes Authorized But Not Issued	868,493	
		2,263,740
LOCAL SCHOOL		
Bonds Issued, Outstanding and Authorized		11,325,000
TOTAL GROSS DEBT		43,099,186
STATUTORY DEDUCTIONS		
Municipal	391,781	
Water Utility	2,263,740	
Local School	11,325,000	
		13,980,521
TOTAL NET DEBT		$ 29,118,665
OVERLAPPING DEBT		
County of Bergen (Note 1)	$ 19,102,085	
Passaic Valley Sewerage Commission (2)	11,444,473	
TOTAL OVERLAPPING DEBT		$ 30,546,558
GROSS DEBT		
Per Capita (2025 - 21,534)		$ 2,001
Percent of Net Valuation Taxable (2026 - $4,410,597,868)		0.98%
Percent of Estimated True Value of Real Property (2026 - $4,037,561,257)		1.07%
NET MUNICIPAL DEBT		
Per Capita (2025 - 21,534)		$ 1,352
Percent of Net Valuation Taxable (2026 - $4,410,597,868)		0.66%
Percent of Estimated True Value of Real Property (2026 - $4,037,561,257)		0.72%
OVERALL DEBT (Gross and Overlapping Debt)		
Per Capita (2025 - 21,534)		$ 3,420
Percent of Net Valuation Taxable (2026 - $4,410,597,868)		1.67%
Percent of Estimated True Value of Real Property (2026 - $4,037,561,257)		1.82%

Note (1) Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County as provided in the 2025 Bergen County Abstract of Ratables published by the Bergen County Board of Taxation.

Note (2) Overlapping debt was computed based upon usage.

Source: Borough of Elmwood Park 2025 Annual Debt Statement

BUDGET INFORMATION
Current Fund
(As Adopted)

	2026	2025	2024	2023	2022
Anticipated Revenues					
Fund Balance	$ 4,650,000	$ 5,285,000	$ 5,670,149	$ 4,598,087	$ 4,346,000
Miscellaneous Revenues	7,429,853	9,159,919	8,533,639	7,518,244	6,359,855
Receipts from Delinquent Taxes	550,000	550,000	590,000	490,000	470,000
Amount to be Raised by Taxes for Support of Municipal Budget	28,773,611	24,698,580	22,605,651	20,049,897	19,987,379
	$ 41,403,464	$ 39,693,499	$ 37,399,439	$ 32,656,228	$ 31,163,234
Appropriations					
Salaries and Wages	$ 13,731,410	$ 13,285,384	$ 12,832,392	$ 10,736,756	$ 10,909,297
Other Expenses	18,242,059	17,027,564	14,453,246	14,379,872	13,117,201
Deferred Charges and Statutory Expenditures	4,233,425	4,146,439	4,628,827	3,242,250	3,156,736
Capital Improvement Fund	400,000	360,000	725,000	250,000	150,000
Municipal Debt Service	2,346,570	2,484,112	2,469,705	1,847,350	1,630,000
Reserve for Uncollected Taxes	2,450,000	2,390,000	2,290,269	2,200,000	2,200,000
	$ 41,403,464	$ 39,693,499	$ 37,399,439	$ 32,656,228	$ 31,163,234

Source: Borough of Elmwood Park Adopted Municipal Budgets

FINANCIAL INFORMATION

Current Fund Balance and Amounts Utilized in Succeeding Year's Budget

Year	Fund Balance December 31	Utilized in Budget of Succeeding Year
2025	$ 6,895,987	$ 4,650,000
2024	7,713,605	5,285,000
2023	10,126,064	5,670,149
2022	9,076,000	4,598,087
2021	9,696,518	4,346,000

Source: Borough of Elmwood Park Annual Audit Reports

Current Tax Collections

Year	Tax Levy	Collection During Year of Levy Amount	Collection During Year of Levy Percent
2025	$ 70,724,501	$ 70,105,598	99.12%
2024	67,649,161	66,816,684	98.77%
2023	64,750,558	63,895,724	98.68%
2022	63,203,348	62,671,813	99.16%
2021	63,413,276	62,878,822	99.16%

Source: Borough of Elmwood Park Annual Audit Reports

Delinquent Taxes

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Levy
2025	$ 21,404	$ 593,216	$ 614,620	0.87%
2024	11,029	574,219	585,248	0.87%
2023	3,501	846,738	850,239	1.31%
2022	914	504,469	505,383	0.80%
2021	914	474,649	475,563	0.75%

Source: Borough of Elmwood Park Annual Audit Reports

Assessed Valuation of Property Owned by the Borough Acquired for Taxes

Year	Amount
2025	$ 23,450
2024	23,450
2023	23,450
2022	23,450
2021	23,450

Source: Borough of Elmwood Park Annual Audit Reports

Ten Largest Taxpayers

The ten largest taxpayers in the Borough and their 2026 assessed valuations are listed below:

Taxpayer	Assessment
Exchange Market Street LLC	$ 109,113,100
Riverwalk III, LLC	91,690,600
Chipt Newark Elmwood Park LLC	59,944,400
SG National LLC	40,221,400
TA-Hampshire Fairfalls JV LLC	34,332,900
RD Elmwood Assoc. c/o Ryan PTS Dept. 800	31,091,100
BAM MOLA LLC	26,884,200
Riverfront Residential 1 LLC	24,276,000
Tamarisk Kohner Place LLC	22,041,600
487 Edward Ross Drive LLC	19,517,900
	$ 459,113,200
Percentage of 2026 Net Valuation Taxable	10.41%

Source: Borough of Elmwood Park Tax Assessor.

Assessed Valuation
Land Improvements by Class

Year	Vacant Land	Residential	Commercial	Industrial	Apartment	Total
2026 (1)	$ 14,549,000	$ 3,083,580,500	$ 460,614,100	$ 528,005,900	$323,848,300	$ 4,410,597,800
2025	10,725,000	1,637,348,600	248,736,200	181,697,500	123,070,300	2,201,577,600
2024	9,918,300	1,635,946,300	249,866,800	166,937,400	119,900,300	2,182,569,100
2023	20,559,700	1,633,961,000	249,508,200	115,667,100	100,315,300	2,120,011,300
2022	8,259,600	1,633,964,100	249,210,300	117,300,000	88,478,700	2,097,212,700

(1) Revaluation

Source: Borough of Elmwood Park Tax Duplicate

Assessed Valuations
Net Valuation Taxable

Year	Real Property	Business Personal Property	Net Valuation Taxable	Ratio of Assessed Value to True Value of Real Property	Total True Value of Assessed Property
2026 (1)	$ 4,410,597,800	$ 68	$ 4,410,597,868	109.77%	$ 4,037,561,257
2025	2,201,577,600	68	2,201,577,668	67.54%	3,278,130,849
2024	2,182,569,100	89	2,182,569,189	74.51%	2,947,288,849
2023	2,120,011,300	89	2,120,011,389	78.15%	2,729,147,257
2022	2,097,212,700	89	2,097,212,789	85.48%	2,469,579,292

(1) Revaluation

Source: Bergen County Abstract of Ratables

Components of Real Estate Tax Rate
(per $100 of Assessment)

Year	Total	Municipal	Local School	County
2026 (1)	$ 1.753	$ 0.652	$ 0.891	$ 0.210
2025	3.202	1.122	1.733	0.347
2024	3.069	1.035	1.720	0.314
2023	2.992	0.945	1.739	0.308
2022	3.012	0.952	1.775	0.285

(1) Revaluation

Source: Borough of Elmwood Park Annual Audit Reports and Tax Collector

Apportionment of Tax Levy
(Including School and County Purposes)

Year	Total	Municipal	Local School	County
2026	$ 77,316,048	$ 28,773,611	$ 39,328,868	$ 9,213,569
2025	70,724,501	24,921,744	38,150,204	7,652,553
2024	67,649,161	23,211,786	37,534,767	6,902,608
2023	64,750,558	21,249,176	36,853,745	6,647,637
2022	63,203,348	20,036,623	37,209,864	5,956,861

Source: Borough of Elmwood Park Annual Audit Reports

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APPENDIX B

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE BOROUGH OF ELMWOOD PARK, IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY

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TYLER NASCIMENTO, CPA, PSA
SHAHEED OGLESBY, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Borough of Elmwood Park which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2025 and 2024, and the related statements of operations and changes in fund balance - regulatory basis and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the years then and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Elmwood Park as of December 31, 2025 and 2024, and the results of operations and changes in fund balance – regulatory basis of such funds, the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the years then in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Elmwood Park as of December 31, 2025 and 2024, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2025 and 2024. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 10 percent and 11 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2025 and 2024, respectively.

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

By/s/ LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
July 9, 2026

EXHIBIT A

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Fund:		
Cash	$ 8,542,300	$ 10,341,277
Cash - Change Funds	200	200
	8,542,500	10,341,477
Receivables and Other Assets With Full Reserves		
Delinquent Property Taxes Receivable	593,216	574,219
Tax Title Liens Receivable	21,404	11,029
Property Acquired for Taxes - Assessed Valuation	23,450	23,450
Revenue Accounts Receivable	147,910	67,369
Due from Animal Control Trust Fund	3,607	5,648
Due From Other Trust Fund	7,238	30,436
Due from General Capital Fund	2,207	700,194
	799,032	1,412,345
Deferred Charges:		
Overexpenditure of Appropriation Reserve		31,167
Expenditure without Appropriations		179,584
Special Emergency Authorizations	566,263	790,528
	566,263	1,001,279
	9,907,795	12,755,101
Federal and State Grant Fund:		
Grants Receivable	307,962	307,962
Due from Current Fund	176,092	137,211
Due from Other Trust Fund	144,433	144,433
Due from General Capital Fund	4,827	4,827
	633,314	594,433
Total Assets	$ 10,541,109	$ 13,349,534

The Accompanying Notes are an Integral Part of these Financial Statements

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

	2025	2024
LIABILITIES, RESERVES AND FUND BALANCE		
Current Fund:		
Appropriation Reserves	$ 475,256	$ 648,183
Encumbrances Payable	331,718	1,362,131
Accounts Payable	195,836	25,035
Tax Overpayments	9,205	239,241
Prepaid Taxes	468,640	433,726
School Taxes Payable	29	29
County Taxes Payable	24,945	
Due to State of New Jersey-		
Senior Citizens' and Veterans' Deductions	75,156	77,696
Marriage License Fees	675	675
Due to Federal and State Grant Fund	176,092	137,211
Due to Water Utility Operating Fund		250,000
Reserve for Tax Appeals	455,224	455,224
	2,212,776	3,629,151
Reserve for Receivables	799,032	1,412,345
Fund Balance	6,895,987	7,713,605
	9,907,795	12,755,101
Federal and State Grant Fund:		
Reserve for Grants - Appropriated	520,797	445,314
Reserve for Grants - Unappropriated	112,517	149,119
	633,314	594,433
Total Liabilities, Reserves and Fund Balance	$ 10,541,109	$ 13,349,534

The 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, 2025 AND 2024

	2025	2024
REVENUE AND OTHER INCOME REALIZED		
Fund Balance Utilized	$ 5,285,000	$ 5,670,149
Miscellaneous Revenue Anticipated	9,288,716	9,269,492
Receipts from Delinquent Taxes	563,183	719,171
Receipts from Current Taxes	70,105,598	66,816,684
Non-Budget Revenues	981,853	527,285
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	696,698	579,912
Interfunds Returned	736,278	135,116
Other Liabilities Cancelled		102,752
Statutory Excess	3,607	5,635
Total Income	87,660,933	83,826,196
EXPENDITURES		
Budget Appropriations		
Salaries and Wages	13,286,344	12,431,917
Other Expenses	16,955,487	15,754,736
Capital Improvement Fund	400,000	665,000
Municipal Debt Service	2,485,229	2,463,733
Deferred Charges and Statutory Expenditures	4,176,439	4,647,588
Local District School Tax	38,150,204	37,534,767
County Taxes Including Added Taxes	7,652,553	6,902,608
Refund of Prior Year Taxes and Revenue	74,243	-
Interfunds Advanced	13,052	736,278
Prior Year Senior Citizens and Veterans' Disallowed	-	1,879
Total Expenditures	83,193,551	81,138,506
Excess in Revenue Over Expenditures	4,467,382	2,687,690
Adjustments to Income before Surplus:		
Expenditures Included Above Which are By Statute Deferred Charges to Budget of Succeeding Year	-	570,000
Statutory Excess to Fund Balance	4,467,382	3,257,690
Fund Balance, January 1	7,713,605	10,126,064
	12,180,987	13,383,754
Decreased by:		
Utilization as Anticipated Revenue	5,285,000	5,670,149
Fund Balance, December 31	$ 6,895,987	$ 7,713,605

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025 Budget After Modification	2025 Actual	2024 Budget After Modification	2024 Actual
Surplus Anticipated	$ 5,285,000	$ 5,285,000	$ 5,670,149	$ 5,670,149
Miscellaneous Revenues				
Local Revenues				
Licenses				
Alcoholic Beverages	15,000	21,850	15,000	$ 22,430
Other	17,000	13,166	17,000	70,440
Fees and Permits	400,000	307,495	258,874	450,713
Fines and Costs				
Municipal Court	300,000	341,911	340,000	324,557
Interest and Costs on Taxes	65,000	154,270	110,000	65,190
Interest on Investments and Deposits	450,000	469,801	450,000	550,292
State Aid Without Offsetting Appropriations				
Energy Receipts Tax	1,479,336	1,479,336	1,479,336	1,479,336
Consolidated Municipal Property Tax Relief			152,485	152,485
Dedicated Uniform Construction Code Fees				
Uniform Construction Code Fees	600,000	550,966	566,400	680,688
Shared Service Agreements				
Board of Education - School Resource Officers	225,000	243,757	180,000	187,100
Little Falls - CFO & Tax Collector	140,000	116,667		
Public and Private Revenues Offset with Appropriations				
Recycling Tonnage Grant			70,797	70,797
Safe and Secure Communities Program	45,150	45,150		
Safe and Secure Communities Program - Reserve	12,750	12,750	32,400	32,400
Stormwater Assistance Grant	15,000	15,000		
Clean Communities			80,815	80,815
Drunk Driving Enforcement Fund			7,000	7,000
Impaired Driving	4,760	4,760		
Distracted Driving	14,980	14,980		
Body Armor Replacement Fund	3,923	3,923	7,003	7,003
Alcohol Education and Rehabilitation Fund			10,622	10,622
Pedestrian Safety			12,600	12,600
Click It or Ticket			7,000	7,000
Body Worn Camera Grant			30,570	30,570
Local Recreational Improvement Grant			70,000	70,000
Spotted Lantern Fly Program			20,000	20,000
You Drink, You Drive, You Lose			13,720	13,720
American Rescue Plan Firefighter Grant			75,000	75,000
Opioid Settlement	91,266	91,266		
Occupant Protection	6,440	6,440		
Other Special Items of Revenue				
Utility Operating Surplus	2,381,000	2,381,000	2,300,000	2,300,000
Uniform Fire Safety Act	64,500	87,162	58,000	84,326
Trunk Sewer Revenue	2,221,748	2,219,981	1,643,007	1,643,338
Capital Fund Balance	117,066	117,066		
EMS Services	490,000	590,019	500,000	499,045
Reserve for Payment of Debt	-	-	322,025	322,025
Total Miscellaneous Revenues	9,159,919	9,288,716	8,829,654	9,269,492
Receipts from Delinquent Taxes	550,000	563,183	590,000	719,171
Subtotal General Revenues	14,994,919	15,136,899	15,089,803	15,658,812
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	23,621,407	25,615,668	21,657,228	23,721,155
Minimum Library Tax	1,077,173	1,077,173	948,423	948,423
Total Amount to be Raised by Taxes for Support of Municipal Budget	24,698,580	26,692,841	22,605,651	24,669,578
Total General Revenues	$ 39,693,499	$ 41,829,740	$ 37,695,454	$ 40,328,390

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2025 STATEMENT OF EXPENDITURES
CURRENT FUND

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
OPERATIONS WITHIN "CAPS"	Budget	Budget After Modification	Paid or Charged	Reserved
GENERAL GOVERNMENT FUNCTIONS				
Mayor and Council				
Salaries and Wages	$ 86,500	$ 86,600	$ 86,500	$ 100
General Administration				
Salaries and Wages	239,483	239,483	232,314	7,169
Other Expenses	70,000	70,000	67,844	2,156
Grant Consultant	65,000	68,200	68,200	
Financial Administration				
Salaries and Wages	290,000	390,000	372,222	17,778
Other Expenses	65,000	115,000	104,401	10,599
Other Expenses - ADS Payroll	75,000	75,000	73,000	2,000
Audit Services				
Other Expenses	75,000	75,000	73,000	2,000
Collection of Taxes				
Salaries and Wages	100,000	150,000	127,508	22,492
Other Expenses	32,000	22,000	16,048	5,952
Postage	30,000	20,000	18,674	1,326
Assessment of Taxes				
Salaries and Wages	110,000	110,000	108,648	1,352
Other Expenses	25,000	25,000	15,578	9,422
Legal Services and Costs				
Salaries and Wages	120,000	140,000	108,647	31,353
Other Expenses	120,000	120,000	120,000	
Engineering Services				
Other Expenses	80,000	55,000	50,150	4,850
Municipal Land Use Law				
Planning Board				
Salaries and Wages	10,000	10,300	10,131	169
Other Expenses	8,000	15,500	6,920	8,580
Zoning Board of Adjustment				
Salaries and Wages	25,500	25,500	24,953	547
Other Expenses	7,500	7,500	4,741	2,759
Council on Affordable Housing				
Other Expenses	40,000	60,000	57,091	2,909
Town Planner				
Other Expenses	30,000	5,000	800	4,200
Insurance				
General Liability	603,785	406,834	403,177	3,657
Workers Compensation Insurance	577,942	577,942	571,203	6,739
Employee Group Health	3,832,737	3,754,235	3,749,279	4,956
Health Benefit Waiver	15,000	15,000	7,484	7,516
Municipal Court				
Municipal Court				
Salaries and Wages	265,000	265,000	262,455	2,545
Other Expenses	20,000	20,000	14,904	5,096
Public Defender				
Other Expenses	19,000	9,000	4,141	4,859

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
OPERATIONS WITHIN "CAPS"	Budget	Budget After Modification	Paid or Charged	Reserved
PUBLIC SAFETY FUNCTIONS				
Police Department				
Salaries and Wages	$ 7,291,458	$ 6,963,961	$ 6,963,961	
Salaries and Wages - Crossing Guards	175,000	185,000	184,856	$ 144
Salaries and Wages - Other Police Person	650,000	575,000	569,835	5,165
Other Expenses-Regular/Specials	500,000	470,000	465,832	4,168
Police Dispatch/911:				
Salaries and Wages	305,000	322,500	316,439	6,061
Office of Emergency Management				
Salaries and Wages	500,000	513,000	497,502	15,498
Other Expenses	12,000	74,350	70,622	3,728
Fire Department				
Stipend Program	180,000	195,000	191,868	3,132
Other Expenses - Miscellaneous	200,000	215,000	204,932	10,068
Other Expenses - Clothing Allowance	50,000	104,000	94,976	9,024
Other Expenses - Rental of Firehouse	75,000	75,000	75,000	
Uniform Fire Safety Act (Ch. 383, PL 1983)				
Salaries and Wages - Fire Official	160,000	175,000	172,596	2,404
Other Expenses	30,000	30,000	24,423	5,577
Municipal Prosecutor				
Salaries and Wages	35,000	25,000	23,503	1,497
PUBLIC WORKS FUNCTIONS				
Streets and Road Maintenance				
Salaries and Wages	1,450,000	1,665,000	1,660,352	4,648
Other Expenses	370,000	390,000	386,219	3,781
Other Public Works Function				
Other Expenses - Traffic Lights	25,000	25,000	15,686	9,314
Shade Tree Commission				
Other Expenses	15,000	15,000	13,825	1,175
Solid Waste Collection				
Salaries and Wages	60,000	60,000	48,084	11,916
Other Expenses - Recycling	660,000	631,883	625,889	5,994
Other Expenses - Solid Waste Tipping	1,373,846	1,239,963	1,144,854	95,109
Vehicle Maintenance				
Other Expenses	65,000	75,000	72,147	2,853
HEALTH AND HUMAN SERVICES FUNCTIONS				
Public Health Services				
Salaries and Wages	20,000	20,000	16,564	3,436
Other Expenses	16,000	16,000	11,514	4,486
PARKS AND RECREATION FUNCTIONS				
Recreation Services and Programs				
Salaries and Wages	540,000	660,000	657,133	2,867
Other Expenses	165,000	165,000	156,100	8,900
Maintenance of Parks				
Other Expenses	35,000	35,000	25,170	9,830
Celebration of Public Events				
Other Expenses	135,000	167,000	160,188	6,812
Senior Citizen's				
Other Expenses	15,000	15,000	11,535	3,465

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
OPERATIONS WITHIN "CAPS"	Budget	Budget After Modification	Paid or Charged	Reserved
Utility Expenses and Bulk Purchases				
Electric and Gas	$ 280,000	$ 280,000	$ 279,989	$ 11
Street Lighting	240,000	320,000	318,338	1,662
Telephone	140,000	140,000	135,774	4,226
Gasoline	220,000	190,000	179,474	10,526
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES				
Uniform Construction Code Enforcement Functions				
Salaries and Wages	450,000	480,000	474,468	5,532
Other Expenses	35,000	35,000	34,926	74
Total Operations Within "CAPS"	23,510,751	23,480,751	23,044,587	436,164
Contingent	-	-	-	-
Total Operations including Contingent - Within "CAP	23,510,751	23,480,751	23,044,587	436,164
Detail:				
Salaries and Wages	12,882,941	13,061,344	12,918,671	142,673
Other Expenses (including contingent)	10,627,810	10,419,407	10,125,916	293,491
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Deferred Charges				
Overexpenditure Appropriation Reserves	31,167	31,167	31,167	
Expenditure without Appropriation	179,584	179,584	179,584	
Statutory Expenditures				
Contribution to:				
Public Employees' Retirement System	613,163	613,163	613,163	
Social Security System	620,000	650,000	643,214	6,786
Police and Firemen's Retirement Fund of NJ	2,478,260	2,478,260	2,478,260	-
Total Deferred Charges and Statutory Expenditures - Within "CAPS"	3,922,174	3,952,174	3,945,388	6,786
Total General Appropriations for Municipal Purposes within "CAPS"	27,432,925	27,432,925	26,989,975	442,950

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
OPERATIONS - EXCLUDED FROM "CAPS"				
Library				
Maintenance of Free Public Library	$ 1,077,173	$ 1,077,173	$ 1,077,173	
Public Works Functions				
Recycling Tax	65,000	65,000	64,842	$ 158
Garbage and Trash	426,154	385,037	385,037	
Sewerage Processing and Disposal				
Passaic Valley Sewer Commission				
Operating and Maintenance Costs	3,954,380	3,954,380	3,953,282	1,098
Insurance				
Liability Insurance	194,851	194,851	194,851	
Group Health Insurance	442,263	442,263	442,263	
Workers Compensation	11,561	11,561	11,561	-
Total Other Operations - Excluded from "CAPS"	6,171,382	6,130,265	6,129,009	1,256
SHARED ERVICE AGREEMENTS				
Elmwood Park BOE - School Resource Officers	225,000	225,000	225,000	
County of Bergen				
Public Health Officer and Animal Control	123,000	123,000	103,264	19,736
Employee Assistance Program	7,743	7,743	7,743	
Township of Little Falls				
Chief Financial Officer	40,000	40,000	40,000	
Tax Collector	25,000	25,000	14,167	10,833
Total Interlocal Municipal Service Agreements	420,743	420,743	390,174	30,569
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES				
FEDERAL AND STATE GRANTS				
Safe and Secure Communities Act - Police				
State Share	45,150	45,150	45,150	
Local Share	15,803	15,803	15,803	
Body Armor Grant	3,923	3,923	3,923	
Stormwater Assistance Grant	15,000	15,000	15,000	
Safe and Secure Communities	12,750	12,750	12,750	
Opiod Settlement	91,266	91,266	91,266	
Occupent Protection	6,440	6,440	6,440	
Distracted Driving	14,980	14,980	14,980	
Impaired Driving	4,760	4,760	4,760	-
Total Public and Private Programs Offset by Revenues	210,072	210,072	210,072	-
Total Operations Excluded from "CAPS"	6,802,197	6,761,080	6,729,255	31,825
Detail:				
Salaries and Wages	225,000	225,000	225,000	
Other Expenses	6,802,197	6,536,080	6,504,255	31,825

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"				
Capital Improvement Fund	$ 100,000	$ 100,000	$ 100,000	
Purchase of Police Vehicles	260,000	300,000	299,519	$ 481
Total Capital Improvements - Excluded from "CA	360,000	400,000	399,519	481
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"				
Payment of Bond Principal	1,545,000	1,545,000	1,545,000	
Interest on Bonds	413,420	414,537	414,537	
Interest on Notes	265,335	265,335	265,335	
New Jersey EIT Loans	260,357	260,357	260,357	-
Total Municipal Debt Service-Excluded from "CAPS"	2,484,112	2,485,229	2,485,229	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL EXCLUDED FROM "CAPS"				
Special Emergency Authorization - 5 Years (N.J.S. 40A:4-55)	224,265	224,265	224,265	-
Total Deferred Charges and Statutory Expenditures - Municipal Excluded from "CAPS"	224,265	224,265	224,265	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	9,870,574	9,870,574	9,838,268	32,306
Subtotal General Appropriations	37,303,499	37,303,499	36,828,243	475,256
RESERVE FOR UNCOLLECTED TAXES	2,390,000	2,390,000	2,390,000	-
Total General Appropriations	$ 39,693,499	$ 39,693,499	$ 39,218,243	$ 475,256

2024 STATEMENT OF EXPENDITURES
CURRENT FUND

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

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

The Accompanying Notes are an Integral Part of these Financial Statements

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

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

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

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

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

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

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

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

Appropriation by NJSA 40A:4-87	$ 296,015
Emergency Appropriations by NJSA 40A:4-87	570,000
Adopted Budget	37,399,439
	$ 38,265,454

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
ANIMAL CONTROL TRUST FUND		
Cash	$ 12,431	$ 14,291
Due From Other Trust Fund	-	13
	12,431	14,304
OTHER TRUST FUND		
Cash	5,023,152	4,257,397
	5,023,152	4,257,397
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND		
Cash	137,719	194,436
	137,719	194,436
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)		
Investment	605,803	543,983
	605,803	543,983
Total Assets	$ 5,779,105	$ 5,010,120

The 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, 2025 AND 2024

	2025	2024
LIABILITIES, RESERVES AND FUND BALANCE		
ANIMAL CONTROL TRUST FUND		
Due to State of New Jersey	$ 20	$ 2
Reserve for Animal Control Expenditures	8,804	8,654
Due to Current Fund	3,607	5,648
	12,431	14,304
OTHER TRUST FUND		
Due to Animal Control Trust Fund		13
Due to Current Fund	7,238	30,436
Due to Federal and State Grant Fund	144,433	144,433
Miscellaneous Reserves and Deposits	4,871,481	4,082,515
	5,023,152	4,257,397
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND		
Due to State of New Jersey	4,225	9,860
Reserve for Unemployment Expenditures	133,494	184,576
	137,719	194,436
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)		
Reserve for Length of Service Award Program	605,803	543,983
Total Liabilities, Reserves and Fund Balance	$ 5,779,105	$ 5,010,120

The 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, 2025 AND 2024

	2025	2024
ASSETS		
Cash	$ 856,445	$ 3,173,680
Grants Receivable	1,344,959	1,111,967
Infrastructure Loan Receivable	17,514	17,514
Contributions Receivable	5,355	5,355
Deferred Charges to Future Taxation		
Funded	12,209,320	13,988,484
Unfunded	16,909,345	15,640,126
Overexpenditure of Ordinance Appropriation	-	460,956
Total Assets	$ 31,342,938	$ 34,398,082

	2025	2024
LIABILITIES, RESERVES AND FUND BALANCE		
General Serial Bonds Payable	$ 11,735,000	$ 13,280,000
Bond Anticipation Notes Payable	8,910,000	7,581,000
NJ Infrastructure Trust Loan Payable	474,320	708,484
Due to Current fund	2,207	700,194
Due to Federal and State Grant Fund	4,827	4,827
Improvement Authorizations		
Funded	1,533,439	1,576,929
Unfunded	4,085,174	5,364,317
Contracts Payable	2,882,657	3,648,943
Capital Improvement Fund	443,500	377,500
Reserve for Grants Receivable	1,271,814	1,038,822
Fund Balance	-	117,066
Total Liabilities, Reserves and Fund Balance	$ 31,342,938	$ 34,398,082

There were bonds and notes authorized but not issued of $8,391,126 and $8,130,378 at December 31, 2025 and December 31, 2024.

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
Balance, January 1	$ 117,066	$ 117,066
Decreased by:		
Anticipated as Current Fund Revenue	117,066	-
Balance, December 31	$ -	$ 117,066

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2025 AND 2024

ASSETS	2025	2024
Operating Fund		
Cash	$ 3,382,035	$ 5,313,860
Due from Current Fund		250,000
Due from Water Utility Capital Fund	6,709	32,837
	3,388,744	5,596,697
Receivables with Full Reserves		
Consumer Accounts Receivable	1,220,907	667,052
Inventory - Materials and Supplies	500	500
	1,221,407	667,552
Total Operating Fund	$ 4,610,151	$ 6,264,249
Capital Fund		
Cash	$ 1,597,793	$ 1,819,552
Fixed Capital	8,652,408	8,652,408
Fixed Capital Authorized and Uncompleted	4,985,000	4,985,000
Total Capital Fund	15,235,201	15,456,960
	$ 19,845,352	$ 21,721,209

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2025 AND 2024

LIABILITIES	2025	2024
Operating Fund		
Appropriation Reserves	$ 77,785	$ 276,675
Encumbrances Payable	225,868	446,570
Accrued Interest on Bonds and Loans Payable	23,230	24,282
Prepaid Rent	-	209,852
	326,883	957,379
Reserve for Receivables and Invetory	1,221,407	667,552
Fund Balance	3,061,861	4,639,318
Total Operating Fund	4,610,151	6,264,249
Capital Fund		
Due to Water Utility Operating Fund	6,709	32,837
Serial Bonds Payable	1,225,000	1,300,000
Environmental Infrastructure Loans Payable	170,247	436,205
Improvement Authorizations		
Funded	584,724	603,516
Unfunded	194,117	296,129
Contracts Payable	25,173	
Capital Improvement Fund	1,418,000	1,418,000
Reserve for		
Payment of Debt	105,269	205,269
Amortization	8,489,668	8,148,710
Deferred Reserve for Amortization	2,884,000	2,884,000
Fund Balance	132,294	132,294
Total Capital Fund	15,235,201	15,456,960
	$ 19,845,352	$ 21,721,209

There were bonds and notes authorized but not issued of $868,493 at both December 31, 2025 and December 31, 2024 respectively.

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - WATER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2025 AND 2024

REVENUE REALIZED	2025	2024
Fund Balance Utilized		$ 396,665
Water Rents	$ 4,429,234	4,651,283
Miscellaneous Other than Water Rents	100,000	
Miscellaneous Revenue not Anticipated	18,332	286,397
Unexpended Balance Appropriation Reserve	375,833	174,898
Total Revenue and Other Income	4,923,399	5,509,243
EXPENDITURES		
Budget Expenditures:		
Operating	3,660,000	4,010,000
Debt Service	379,856	390,459
Deferred Charges and Statutory Expenditures	80,000	69,029
Total Expenditures	4,119,856	4,469,488
Excess in Revenue	803,543	1,039,755
Fund Balance, January 1	4,639,318	6,296,228
	5,442,861	7,335,983
Decreased by:		
Utilization by Current Fund Budget	2,381,000	2,300,000
Utilized by Water Operating Budget	-	396,665
Fund Balance, December 31	$ 3,061,861	$ 4,639,318

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
STATEMENT OF FUND BALANCE - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
Balance - December 31	$ 132,294	$ 132,294
Balance - December 31	$ 132,294	$ 132,294

The Accompanying Notes are an Integral Part of these Financial Statements

COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2025 AND 2024

	2025		2024	
	Anticipated	Realized	Anticipated	Realized
Fund Balance Utilized			$ 396,665	$ 396,665
Water Rents	$ 4,020,908	$ 4,429,234	4,074,414	4,651,283
Reserve for Payment of Debt	100,000	100,000	-	286,397
Total Assets	$ 4,120,908	$ 4,529,234	$ 4,471,079	$ 5,334,345

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2025

	Appropriations		Expended		
	Budget	Budget after Modification	Paid or Charged	Reserved	Canceled
Operating:					
Salaries and Wages	$ 560,000	$ 560,000	$ 539,018	$ 20,982	
Other Expenses	3,100,000	3,100,000	3,099,031	969	
Statutory Expenditures					
Contribution to Social Security System (O.A.S.I.)	80,000	80,000	24,166	55,834	
Debt Service					
Payment of Bond Principal	75,000	75,000	75,000		
Interest on Bonds	48,688	48,688	47,636		$ 1,052
Environmental Infrastructure Principal and Interest	257,220	257,220	257,220	-	-
	$ 4,120,908	$ 4,120,908	$ 4,042,071	$ 77,785	$ 1,052

The Accompanying Notes are an Integral Part of these Financial Statements

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

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

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ELMWOOD PARK
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024

	2025	2024
GENERAL FIXED ASSETS		
Land	$ 13,664,400	$ 13,664,400
Land Improvements	1,368,146	1,005,017
Buildings	7,224,893	7,224,893
Machinery and Equipment	15,917,821	14,720,911
	38,175,260	36,615,221
Investment in Fixed Assets	$ 38,175,260	$ 36,615,221

The Accompanying Notes are an Integral Part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Description of Regulatory Basis of Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Reclassifications – Certain reclassifications may have been made to the December 31, 2024 balances to conform to the December 31, 2025 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 and cash equivalents includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund
Water Utility Capital Fund

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2025, the Borough Council did not increase the original budget. During 2024 the Borough Council increased the original Current Fund budget by $866,015. The increase was attributable to a special emergency authorization of $570,000 for the Borough-wide reassessment program and additional aid of $296,015 allotted to the Borough. In addition, the governing body approved several budget transfers during 2025 and 2024.

B. Excess Expenditures Over Appropriations

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

Current Fund	Modified Budget	Actual	Unfavorable Variance
2025			
None			
2024			
Appropriation Reserves			
Insurance - Workers Compensation	$ (9,956)		$ 9,956
First Aid Organization - Contribution	6,791	$ 8,632	1,841
Streets and Roads			
Other Expenses	15,817	29,646	13,829
Recreation			
Other Expenses	11,770	17,311	5,541

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to $250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At December 31, 2025 and 2024, the book value of the Borough's deposits were $19,552,075 and $24,479,873 and bank and brokerage firm balances of the Borough's deposits amounted to $20,258,481 and $25,340,764, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

	Bank Balance	
Depository Account	2025	2024
Insured	$ 19,236,658	$ 24,491,132
Uninsured and Collaterized	1,021,823	849,632
	$ 20,258,481	$ 25,340,764

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, 2025 and 2024, the Borough's bank balances of $1,021,823 and $849,632, respectively, were exposed to custodial credit risk as follows:

	Bank Balance	
Depository Account	2025	2024
Uninsured and Collaterized		
Collateral held by Borough's Agent in the Borough's name	$ 1,021,823	$ 849,632

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments

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

As of December 31, 2025 and 2024, the Borough had the following investments:

	Fair Value	
Investment Type	**2025**	**2024**
Investment:		
Lincoln Financial LOSAP Retirement Fund (Unaudited)	$ 605,803	$ 543,983
N.J. Management Fund	661,802	634,820
	$ 1,267,605	$ 1,178,803

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2025 and 2024, $1,267,605 and $1,178,803 of the Borough's investments were exposed to custodial credit risk as follows:

	2025	**2024**
Uninsured and Collateralized:		
Collateral Held By Pledging Financial Institution's Trust Ddepartment But Not In The Borough's Name	$ 1,267,605	$ 1,178,803

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2025 and 2024, the Borough's investment in Lincoln Financial Group, a subsidiary of Lincoln National Life Insurance Company, were rated A2, by Moody's Investor Service.

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

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

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

Investments in the LOSAP plans are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the LOSAP plan investments held by the Borough at December 31, 2025 and 2024 are categorized as Level 2.

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

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2025 consisted of the following:

	Current	Water Utility	Total
2025			
Property Taxes	$ 593,216		$ 593,216
Tax Title Liens	21,404		21,404
Utility Charges and Fees	-	$ 1,220,907	1,220,907
	$ 614,620	$ 1,220,907	$ 1,835,527

In 2025, the Borough collected $563,183 and $667,052 from delinquent taxes and water utility charges and fees, respectively which represented 96% and 100% of the delinquent tax and water receivable at December 31, 2024.

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

Receivables at December 31, 2024 consisted of the following:

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

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

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	2025		2024	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	$ 13,052	$ 176,092	$ 736,278	$ 387,211
Grant Fund	325,352		286,471	
Trust Fund:				
Animal Control		3,607	13	5,648
Other Trust		151,671		174,882
General Capital Fund		7,034		705,021
Water Utility Fund:				
Operating	6,709		282,837	
Capital	-	6,709	-	32,837
Total	$ 345,113	$ 345,113	$ 1,305,599	$ 1,305,599

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

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

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
2025			
Current Fund			
Special Emergency Authorizations (40A:4-55)	$ 566,263	$ 224,265	$ 341,998
2024			
Current Fund			
Overexpenditure of Appropriation Reserves	$ 31,167	$ 31,167	
Special Emergency Authorizations (40A:4-55)	790,528	224,265	$ 566,263
	179,584	179,584	
General Capital Fund			
Overexpenditure of Ordinance Appropriation	460,956 *		

* Funded by Subsequent Year Bond Ordinance

NOTE 7 FUND BALANCES APPROPRIATED

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

	2025		2024	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	$ 6,329,724	$ 4,650,000	$ 6,712,326	$ 5,285,000
Non-Cash Surplus	566,263	-	1,001,279	-
	$ 6,895,987	$ 4,650,000	$ 7,713,605	$ 5,285,000
Water Utility Operating Fund				
Cash Surplus	$ 3,055,152	$ 1,550,000	$ 4,606,481	
Non-Cash Surplus	6,709	-	32,837	-
	$ 3,061,861	$ 1,550,000	$ 4,639,318	$ -

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2025 and 2024.

	Balance, December 31, 2024	Additions	Retirements	Balance, December 31, 2025
2025				
Land	$ 13,664,400			$ 13,664,400
Land Improvements	1,005,017	$ 363,129		1,368,146
Buildings and Building Improvements	7,224,893			7,224,893
Machinery and Equipment	14,720,911	1,196,910	$ -	15,917,821
	$ 36,615,221	$ 1,560,039	$ -	$ 38,175,260

	Balance, December 31, 2023	Additions	Retirements	Balance, December 31, 2024
2024				
Land	$ 13,664,400			$ 13,664,400
Land Improvements	932,525	$ 72,492		1,005,017
Buildings and Building Improvements	7,165,455	59,438		7,224,893
Machinery and Equipment	15,725,445	576,298	1,580,832	14,720,911
	$ 37,487,825	$ 708,228	$ 1,580,832	$ 36,615,221

B. Utility Funds Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2025 and 2024.

Water Utility Fund	Balance December 31, 2024	Additions	Retirements	Balance, December 31, 2025
2025				
Fixed Capital				
Water System Improvements and Equipment	$ 8,652,408	$ -	$ -	$ 8,652,408

	Balance December 31, 2023	Additions	Retirements	Balance, December 31, 2024
2024				
Fixed Capital				
Water System Improvements and Equipment	$ 8,652,408	$ -	$ -	$ 8,652,408

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (NJSA 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	2025	2024
Issued		
General		
Bonds, Notes and Loans	$ 21,119,320	$ 21,569,484
Water Utility		
Bonds and Loans	1,395,247	1,736,205
	22,514,567	23,305,689
Less Funds Temporarily Held to Pay Bonds, Notes and Loans	391,781	276,521
Net Debt Issued	22,122,786	23,029,168
Authorized But Not Issued		
General		
Bonds and Notes	8,391,126	8,130,378
Water Utility		
Bonds and Notes	868,493	868,493
Net Bonds and Notes Issued and Authorized But Not Issued	$ 31,382,405	$ 32,028,039

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of 0.90% and 1.015% at December 31, 2025 and 2024, respectively.

	Gross Debt	Deductions	Net Debt
2025			
General Debt	$ 29,510,446	$ 391,781	$ 29,118,665
School Debt	11,325,000	11,325,000	
Utility Debt	2,263,740	2,263,740	-
Total	$ 43,099,186	$ 13,980,521	$ 29,118,665

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

Statutory Borrowing Power

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

	2025	**2024**
3-1/2% of Equalized Valuation Basis (Municipal)	$ 112,892,422	$ 102,204,259
Less: Net Debt	29,118,665	29,628,610
Remaining Borrowing Power	$ 83,773,757	$ 72,575,649

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	2025	2024
$6,830,000, 2013 Bonds, due in annual installments of $720,000 through August 1, 2025, interest at 3.00%		$ 720,000
$6,950,000, 2019 Bonds, due in annual installments of $700,000 to $750,000 through August 15, 2031, interest at 2.00%	$ 4,440,000	4,895,000
$8,025,000, 2023 Bonds, due in annual installments of $455,000 to $725,000 through Ausgust 15, 2036, interest at 4.00%	7,295,000	7,665,000
	$ 11,735,000	$ 13,280,000

General Intergovernmental Loans Payable

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

	2025	2024
$1,885,000, 2007 Trust Loan, due in annual installments of $133,000 to $138,000 through August 1, 2027, interest at 4.50%	$ 271,000	$ 399,000
$2,042,471, 2007 Fund Loan, due in annual installments of $98,138 to $105,182 through August 1, 2027, interest free	203,320	309,484
	$ 474,320	$ 708,484

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable (Continued)

Utility Bonds

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

Water Utility

	2025	2024
$1,365,000, 2023 Water Utility Bonds, due in annual installments of $80,000 to $125,000 through August 15, 2036, interest at 4.00%	$ 1,225,000	$ 1,300,000

Utility Intergovernmental Loans Payable

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

Water Utility

	2025	2024
$2,300,814, 2006 Trust Loan, due in an annual installment of $170,247 on August 1, 2026, interest at 5.00%	$ 170,247	$ 336,128
$2.222,699, 2006 Fund Loan, due in annual installments of $4,868 to $114,005 through August 1, 2025, interest free	-	100,077
	$ 170,247	$ 436,205

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2025 is as follows:

	General				Water Utility				
Calendar	Serial Bonds		Loans		Serial Bonds		Loans		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2026	$ 1,155,000	$ 367,913	$ 238,182	$ 19,780	$ 80,000	$ 46,813	$ 170,247	$ 14,010	$ 2,091,945
2027	1,225,000	335,713	236,138	12,925	95,000	43,613			1,948,389
2028	1,330,000	301,513			100,000	39,813			1,771,326
2029	1,455,000	263,313			105,000	35,813			1,859,126
2030	1,470,000	220,113			110,000	31,613			1,831,726
2031-2035	4,375,000	538,815			610,000	89,515			5,613,330
2036	725,000	29,000	-	-	125,000	5,000	-	-	884,000
	$ 11,735,000	$ 2,056,380	$ 474,320	$ 32,705	$ 1,225,000	$ 292,180	$ 170,247	$ 14,010	$ 15,999,842

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2025 and 2024 were as follows:

	Balance, December 31, 2024	Additions	Reductions	Balance, December 31, 2025	Due Within One Year
2025					
General Capital Fund					
Bonds Payable	$ 13,280,000		$ 1,545,000	$ 11,735,000	$ 1,155,000
Intergovernmental Loans Payable	708,484	-	234,164	474,320	238,182
General Capital Fund Long-Term Liabilities	$ 13,988,484	$ -	$ 1,779,164	$ 12,209,320	$ 1,393,182
Water Capital Fund					
Bonds Payable	$ 1,300,000		$ 75,000	$ 1,225,000	$ 80,000
Intergovernmental Loans Payable	436,205	-	265,958	170,247	170,247
Water Capital Fund Long-Term Liabilities	$ 1,736,205	$ -	$ 340,958	$ 1,395,247	$ 250,247

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

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

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2025 and 2024 was as follows:

Bond Anticipation Notes

Purpose	Rate (%)	Maturity Date	Balance December 31, 2024	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2025
2025						
General Capital Fund						
Imps to Mola Blvd, Phase 2	3.25%	10/9/2026	$ 238,000	$ 238,000	$ 238,000	$ 238,000
2021 Curb & Gutter Replacement Program	3.25%	10/9/2026	309,500	309,500	309,500	309,500
2021 Road Improvement Program	3.25%	10/9/2026	971,000	951,248	971,000	951,248
Acq of New Pumper Fire Engine	3.25%	10/9/2026	938,000	938,000	938,000	938,000
Design/Engineering Phase for Traffic Signalization Imp	3.25%	10/9/2026	104,700	104,700	104,700	104,700
Various Public Improvements	3.25%	10/9/2026	972,000	972,000	972,000	972,000
Acq of Vehicles & Equipment for Police Dept	3.25%	10/9/2026	152,000	152,000	152,000	152,000
Installation of Synthetic Turf Field at Borough Park	3.25%	10/9/2026	1,314,800	1,314,800	1,314,800	1,314,800
Improvement of Grove Street	3.25%	10/9/2026	53,024	53,024	53,024	53,024
Streetscape Improvements - Mola Blvd	3.25%	10/9/2026	501,000	501,000	501,000	501,000
Improvement of Grove Street	3.25%	10/9/2026	170,500	119,000	170,500	119,000
Various Public Improvements	3.25%	10/9/2026	656,000	656,000	656,000	656,000
2023 Road Resurfacing Program	3.25%	10/9/2026	953,223	953,223	953,223	953,223
Improvement of 14th Ave, East 53rd and 16th Ave	3.25%	10/9/2026	247,253	247,253	247,253	247,253
Storm and Sanitary Sewer Improvements	3.25%	10/9/2026		123,800		123,800
Synthetic Turf Athletic Field at Borough Park	3.25%	10/9/2026		500,000		500,000
Various Imps Supp to 2022-03 & 2020-04	3.25%	10/9/2026		695,000		695,000
2024 Road Resurfacing Program	3.25%	10/9/2026	-	81,452	-	81,452
Total General Capital Fund			$ 7,581,000	$ 8,910,000	$ 7,581,000	$ 8,910,000

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

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

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

Capital Project	Construction/ Commitment	Estimated Date of Completion/Acquisition
2025		
Electric Pole with Foundation Credit	$134,901	2026
Electric and Gas Construction Costs	356,735	2026
Fire Pumper Engine	1,455,189	2026
2023 Road Program	99,266	2026
2024		
Streetscape Improvements to Mola Boulevard	$222,726	2025
Improvements to Elmwood Drive Park	78,500	2025
2024 Road Improvements	165,000	2025
Fire Pumper Engine	929,941	2025
Fire Pumper Engine	1,455,189	2026
2023 Road Program	208,701	2026

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate $3,215,500 and $3,273,742 at December 31, 2025 and 2024, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2025 and 2024, the Borough has reserved in the Other Trust Fund $330,814 and $389,791, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2025 and 2024 were as follows:

	Balance, December 31, 2024	Additions	Reductions	Balance, December 31, 2025	Due Within One Year
2025					
Compensated Absences*	$ 3,273,742		$ 58,242	$ 3,215,500	
Net Pension Liability - PERS **(1)**	6,122,927			6,122,927	
Net Pension Liability - PFRS **(1)**	18,501,496			18,501,496	
Net OPEB Liability (1)	32,598,296	-	-	32,598,296	-
Total	$ 60,496,461	$ -	$ 58,242	$ 60,438,219	$ -

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

	Balance, December 31, 2023	Additions	Reductions	Balance, December 31, 2024	Due Within One Year
2024					
Compensated Absences*	$ 4,352,492		$ 1,078,750	$ 3,273,742	
Net Pension Liability - PERS	6,248,680	$ 487,410	613,163	6,122,927	
Net Pension Liability - PFRS	18,235,938	2,743,818	2,478,260	18,501,496	
Net OPEB Liability	29,446,282	3,152,014	-	32,598,296	-
Total	$ 58,283,392	$ 6,383,242	$ 4,170,173	$ 60,496,461	$ -

* The change in compensated absences liability is presented as a net change.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

The following represents the membership tiers for PFRS:

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

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

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

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

Other Pension Funds

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

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2025 was not available and for June 30, 2024 is $13.7 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.22% at June 30, 2024. The collective net pension liability of the participating employers for local PFRS at June 30, 2025 was not available and for June 30, 2024 is $12.4 billion and the plan fiduciary net position as a percentage of total pension liability is 72.66% at June 30, 2024.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2025 and 2024 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

For the years ended December 31, 2025 and 2024 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2024, 2023 and 2022 were equal to the required contributions.

During the years ended December 31, 2025, 2024 and 2023, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

Year Ended December 31	PFRS	PERS (1)	DCRP
2025	$ 2,478,260	$ 613,163	$ 57,091
2024	2,197,138	576,589	69,026
2023	2,154,603	499,947	44,428

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

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2025 for the measurement date of June 30, 2025 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2025 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2024 and 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due, based on statutory requirements.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2024, the Borough reported a liability of $6,122,927 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough's proportionate share was .04506 percent, which was an increase of .00192 percent from its proportionate share measured as of June 30, 2023 of .04314 percent.

For the year ended December 31, 2024, the pension system has determined the Borough's pension expense to be $125,960 for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of $576,589. At December 31, 2024, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 122,654	$ 16,301
Changes of Assumptions	7,607	69,665
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		283,903
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	587,410	89,583
Total	$ 717,671	$ 459,452

At December 31, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending December 31,	Total
2025	$ 55,766
2026	55,766
2027	55,766
2028	78,343
2029	12,578
Thereafter	-
	$ 258,219

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2024
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75 - 6.55% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2024, are summarized in the following table:

	2024	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2024 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

2024	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	$ 8,135,865	$ 6,122,927	$ 4,409,928

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2024. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2024, the Borough reported a liability of $18,501,496 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough's proportionate share was .17916 percent, which was an increase of .01411 percent from its proportionate share measured as of June 30, 2023 of .16505 percent.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2024, the pension system has determined the Borough pension expense to be $1,470,717 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of $2,197,138. At December 31, 2024, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 1,165,580	$ 633,388
Changes of Assumptions	29,247	543,358
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		144,808
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	1,812,567	606,638
Total	$ 3,007,394	$ 1,928,192

At December 31, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending December 31,	Total
2025	222,556
2026	222,556
2027	222,554
2028	(9,626)
2029	383,517
Thereafter	37,645
	$ 1,079,202

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2024
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the Pub-2010 (safety employee) amount-weighted mortality table (sex specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality (sex specific) projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retire amount – weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2024, are summarized in the following table:

	2024	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Cash Equivalents	2.00%	3.40%
U.S. Treasury Bond	7.00%	4.10%
Non-US Developed Large-Cap Equity	9.50%	6.70%
Non-US Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Small Cap Equity	1.50%	9.60%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Private Debit/Credit	8.00%	9.10%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Equity	10.00%	10.00%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2024 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

2024	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	$ 26,434,521	$ 18,501,496	$ 11,895,024

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2024. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

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

At December 31, 2024, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is $3,647,530. For the years ended December 31, 2024, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is $419,619, which is equal to the actual contributions the State made on behalf of the Borough of $419,619. At December 31, 2024 (measurement date June 30, 2024) the State's share of the PFRS net pension liability attributable to the Borough was .17916 percent, which was an increase of .01411 percent from its proportionate share measured as of December 31, 2023 (measurement date June 30, 2023) of .16505 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported in the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired Employees (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at www.nj.gov/treasury/pensions/annual-reports.

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

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

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

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2024:

Active Plan Members	60,691
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	28,899
Total	89,590
Contributing Employers	555
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2025 was not available and for June 30, 2024 is $17.9 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.89)% at June 30, 2024.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2023 which was rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of $399.4 million and the State of New Jersey, as the non-employer contributing entity, contributed $62.8 million for fiscal year 2024.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2025, 2024 and 2023 were $1,661,607, $1,179,695 and $1,337,265, 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, 2025 and 2024 were $160,610 and $162,606, respectively.

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2024 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2025 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2024 and 2023. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2024, the Borough reported a liability of $32,598,296, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2024 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2024. As of the measurement date of June 30, 2024 the Borough's proportionate share was .18205 percent, which was a decrease of .01417 percent from its proportionate share measured as of June 30, 2023 of .19622 percent.

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

For the year ended December 31, 2024, the Plan has determined the Borough's OPEB benefit to be $150,036, based on the actuarial valuation which is less than the actual contributions reported in the Borough's financial statements of $1,661,607. At December 31, 2024, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	2024	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference Between Expected and Actual Experience	$ 1,650,873	$ 5,523,273
Changes of Assumptions		5,411,111
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5,449,818	14,756
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	6,561,115	3,043,715
Contributions made Subsequent to the Measurement Date	-	-
Total	$ 13,661,806	$ 13,992,855

At December 31, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending December 31,	Total
2025	$ 427,426
2026	427,426
2027	427,427
2028	428,639
2029	(931,036)
Thereafter	(1,110,931)
	$ (331,049)

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2024
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55% Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25% Based on Years of Service

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

Mortality Rates

Pre-retirement healthy mortality

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

Post-retirement healthy mortality

Post-retirement mortality rates for Chapter 330 retirees were based on the Pub-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the Pub-2010 General classification headcount-weighted mortality table with fully generational improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality

Disabled retiree mortality rates for PERS future disabled retirees were based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on Pub-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the Pub-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled mortality rates for other current retirees were based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 7.50% and decreases to a 4.50% long-term trend rate after 9 years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in Fiscal Year 2027 and decreasing to 4.50% in Fiscal Year 2034. For HMO the trend is increasing to 23.58% in Fiscal Year 2027 and decreasing to 4.50% in Fiscal Year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after 9 years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 measurement date was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2024 calculated using the discount rate of 3.93% as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.93% or 1-percentage-point higher 4.93% than the current rate:

2024	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Borough's Proportionate Share of the Net OPEB Liability	$ 37,973,502	$ 32,598,296	$ 28,293,234

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2024. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

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

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

2024	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Borough's Proportionate Share of the Net OPEB Liability	$ 27,571,505	$ 32,598,296	$ 39,061,337

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2024. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

OPEB Plan Fiduciary Net Position

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

NOTE 14 RISK MANAGEMENT

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

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

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

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

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

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

Year Ended December 31	Employee Contributions	Amount Reimbursed	Ending Balance
2025	$ -	$ 51,082	$ 133,494
2024	12,403	22,171	184,576
2023	18,424	18,111	194,344

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2025 and 2024. 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 both December 31, 2025 and 2024, the Borough reserved $455,224 in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

NOTE 15 CONTINGENT LIABILITIES (Continued)

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2025 and 2024, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2025 and 2024, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

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

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

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

The Borough, with the adoption of Ordinance 2016-21, eliminated the Borough's contribution to its established LOSAP program and instead implemented a stipend program based on attendance. These stipends are paid on a quarterly basis to eligible members based on tier 1 or tier 2 attendance to emergency calls and are paid through payroll from direct charges to the current operating budget. Total borough contributions under the original LOSAP plan were $-0- and $-0- for 2025 and 2024, respectively. Future activity involving the Length of Service Award Program is limited to investment appreciation and/or depreciation with withdrawals of funds by vested members.

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

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 18 SUBSEQUENT EVENTS

Debt Authorized

On March 19, 2026, the governing body adopted a bond ordinance authorizing the issuance of $191,600 in bonds or bond anticipation notes to fund a capital project for the improvement of Garden Drive. As of the date of this report, the Borough has not issued nor awarded the sale of said bonds or notes.

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

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APPENDIX C

[Proposed Form of Bond Counsel Opinion]

October ___, 2026

Borough Council
Borough of Elmwood Park
County of Bergen
State of New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of a $12,873,000 Bond Anticipation Note (the "Note") by the Borough of Elmwood Park, a municipal corporation of the State of New Jersey, located in the County of Bergen (the "Borough"). The Note is dated October 8, 2026, is payable October 8, 2027, bears interest from its date at the rate of ______% per annum, payable at maturity, and is numbered 26-1R.

The Note has been issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to and in anticipation of the issuance of bonds authorized by twenty-three bond ordinances adopted by the Borough Council of the Borough on October 14, 2021 (Ord. No. 21-23), November 10, 2021 (two ordinances: Ord. Nos. 21-25 and 21-27), February 17, 2022 (Ord. No. 22-03), April 21, 2022 (Ord. No. 22-07), May 19, 2022 (Ord. No. 22-16), August 18, 2022 (Ord. No. 22-20), September 15, 2022 (Ord. No. 22-22), November 10, 2022 (two ordinances: Ord. Nos. 22-27 and 22-28), March 16, 2023 (Ord. No. 23-07), April 20, 2023 (two ordinances: Ord. Nos. 23-11 and 23-12), July 20, 2023 (Ord. No. 23-23), September 21, 2023 (two ordinances: Ord. Nos. 23-27 and 23-28), October 19, 2023 (Ord. No. 23-34), November 9, 2023 (Ord. No. 23-38), September 5, 2024 (three ordinances: Ord. Nos. 24-15, 24-16 and 24-17), March 20, 2025 (Ord. No. 25-05) and April 17, 2025 (Ord. No. 25-07) (the "Bond Ordinances") to finance the making of various public improvements in, by and for the Borough.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Note and other amounts and the rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Note to be included in gross income of the owners thereof retroactive to the date of issuance of the Note, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Note be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Note, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the Bond Ordinances and a copy of the form of Note. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below including the Tax Certificate executed by the Chief Financial Officer of the Borough of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and any exhibits thereto. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents. We have relied, as to the execution and delivery of the Note, on a certificate of the Borough.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Borough in connection with the sale and issuance of the Note, or (ii) other documents of the Borough delivered to the purchaser of the Note, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Note has been duly authorized, executed and delivered and constitutes a valid and legally binding obligation of the Borough enforceable in accordance with its terms, except as enforcement of the Note may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Note, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such ad valorem taxes as may be necessary to pay the Note and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Note is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Note is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Note that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Note and any gain from the sale of the Note are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC