

**BOROUGH OF PARAMUS
COUNTY OF BERGEN, NEW JERSEY**

**REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2019**

BOROUGH OF PARAMUS
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BOROUGH OF PARAMUS

Part I

Report on Audit of Financial Statements and Supplementary Schedules

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Paramus, as of December 31, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting 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.

Auditors' Responsibility

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

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

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

Independent Auditors' Report (Continued)

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

As described in Note 1 of the financial statements, the financial statements are prepared and presented by the Borough of Paramus 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed above in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Paramus as of December 31, 2019 and 2018, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The notes to the Borough of Paramus's financial statements do not disclose the other post employment benefit obligations related to post-retirement medical benefits provided to its eligible retirees and their dependents as required by Government Accounting Standards Board Statement Number 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our opinion, disclosure of that information is required to conform with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the omission of the note disclosure regarding the other post-employment benefit obligations, as described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph above, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Paramus as of December 31, 2019 and 2018, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the respective revenues - regulatory basis and expenditures - regulatory basis of the various funds for the year ended December 31, 2019 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.

Independent Auditors' Report (Continued)

Other Matters

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2020 on our consideration of the Borough of Paramus's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Paramus's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP
Accountants and Advisors

Frank Di Maria

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

September 30, 2020

BOROUGH OF PARAMUS
 CURRENT FUND
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 AS OF DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Current Fund</u>			
<u>Assets</u>			
Cash:			
Current Account.....		\$ 13,200,430	\$ 3,607,784
Ambulance Fee Account.....		415,515	303,819
Change Funds.....		450	450
		<u>13,616,395</u>	<u>3,912,053</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable.....	A-4	923,025	770,331
Tax Title Liens Receivable.....	A-5	5,118	4,760
Property Acquired for Taxes - Assessed Valuation.....	A-6	23,978	23,978
Due from - Golf Course Utility Operating Fund.....		251,121	250,000
Due from - General Capital Fund.....		-	2,600,000
Due from - Municipal Court Bail.....		2,500	-
Due from - Escrow Trust.....		5,979	-
		<u>1,211,721</u>	<u>3,649,069</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47).....	A-7	-	2,100,000
Deficit in Operations.....		1,118,721	-
		<u>1,118,721</u>	<u>2,100,000</u>
		<u>15,946,837</u>	<u>9,661,122</u>
<u>Grant Fund</u>			
<u>Assets</u>			
Cash - Grant Account.....		950,857	406,644
Cash - DEA Account.....		-	207,303
Due from - Current Account.....		780,065	545,901
Grants Receivable.....	A-8	-	-
		<u>1,730,922</u>	<u>1,159,848</u>
		<u>\$ 17,677,759</u>	<u>\$ 10,820,970</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF PARAMUS
 CURRENT FUND
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 AS OF DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Current Fund</u>			
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Due to - Grant Fund.....	\$	780,065	\$ 545,901
Due to - General Capital Fund.....		1,807,954	-
Due County for Added & Omitted Taxes.....		74,202	111,804
Local District School Tax Payable.....		-	101
Due Affordable Housing Corporation.....		2,240	-
Due State of New Jersey.....		72,025	-
Tax Overpayments.....		2,573	
Appropriation Reserves.....		1,068,350	1,001,815
Reserve for Encumbrances.....		809,150	570,322
Pre-Paid Taxes.....		1,074,020	1,037,573
Tax Anticipation Notes Payable.....		8,400,000	-
Emergency Note Payable.....		-	2,100,000
		<u>14,090,579</u>	<u>5,367,516</u>
Reserve for Receivables and Other Assets.....		1,211,721	3,649,069
Fund Balance.....		<u>644,537</u>	<u>644,537</u>
		<u>15,946,837</u>	<u>9,661,122</u>
		-	-

Grant Fund

Liabilities

Appropriated Reserves.....	A-9	1,052,455	1,093,740
Unappropriated Reserves.....	A-10	678,467	66,108
		<u>1,730,922</u>	<u>1,159,848</u>
		-	-
		<u>\$ 17,677,759</u>	<u>\$ 10,820,970</u>
		-	-

BOROUGH OF PARAMUS
 CURRENT FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND
 CHANGES IN FUND BALANCE (REGULATORY BASIS)
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized.....	A-2	\$ -	\$ 4,764,000
Miscellaneous Revenue Anticipated.....	A-2	22,540,526	18,244,797
Receipts from Delinquent Taxes.....	A-2	771,711	1,050,975
Receipts from Current Taxes.....	A-2	148,760,917	146,952,234
Non-Budget Revenue.....	A-2	1,433,472	117,371
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves.....	A-1	203,245	1,687,567
Other Cancellations & Non-Cash Adjustments.....		-	-
Total Income.....		<u>173,709,871</u>	<u>172,816,944</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations:			
Salaries and Wages.....	A-3	29,177,154	30,281,833
Other Expenses.....	A-3	18,042,605	18,273,705
Deferred Charges.....	A-3	373,384	811,763
Statutory Expenditures.....	A-3	6,769,850	5,971,833
Excluded From "CAPS":			
Operations:			
Salaries and Wages.....	A-3	96,000	20,000
Other Expenses.....	A-3	7,407,279	7,299,339
Capital Improvements.....	A-3	250,000	275,000
Debt Service.....	A-3	5,423,138	4,066,114
Deferred Charges and Statutory Expenditures.....	A-3	1,726,616	-
County Tax.....	A-2	23,201,500	24,567,788
County Open Space Tax.....	A-2	1,001,819	1,051,186
Local District School Tax.....	A-2	80,151,823	78,692,572
Added County Taxes.....	A-2	74,202	111,804
Refund of Prior Year Revenue.....	A-1	1,133,222	-
Interfund Loans Originating.....	A-1	-	2,850,000
Total Expenditures.....		<u>174,828,592</u>	<u>174,272,937</u>
Excess (Deficit) in Revenue.....		(1,118,721)	(1,455,993)
Adjustments to Income before Fund Balance:			
Deficit in Operations.....	A	1,118,721	-
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year.....	A-3	-	2,100,000
Statutory Excess to Fund Balance.....		-	644,007
Fund Balance, January 1.....	A	644,537	4,764,530
Decreased by - Utilization as Anticipated Revenue.....	A-1	-	4,764,000
Fund Balance, December 31.....	A	<u>\$ 644,537</u>	<u>\$ 644,537</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF PARAMUS
CURRENT FUND
STATEMENT OF REVENUES (REGULATORY BASIS)
YEAR ENDED DECEMBER 31, 2019

	Ref.	Anticipated		Realized	Excess/ (Deficit)
		Budget	Added by N.J.S. 40A:4-87		
Fund Balance Anticipated.....	A-1	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenues:					
Alcoholic Beverage Licenses.....		118,000	-	93,687	(24,313)
Other Licenses.....		900,000	-	882,076	(17,924)
Fees and Permits.....		650,000	-	554,276	(95,724)
Municipal Court Fines and Costs.....		658,000	-	596,915	(61,085)
Interest and Costs on Taxes.....		211,000	-	215,923	4,923
Interest on Investments and Deposits.....		316,000	-	320,632	4,632
Energy Receipts Tax.....		3,947,966	-	3,947,966	-
Consolidated Municipal Property Tax Relief...		108,343	-	108,343	-
Uniform Construction Code Fees.....		1,823,000	-	1,686,964	(136,036)
Woodcliffe Lake BORO -Tax Assessor.....		50,000	-	50,000	-
Maywood BORO - Municipal Court.....		70,000	-	72,201	2,201
Maywood BORO - Leaf & Grass Collection....		132,000	-	-	(132,000)
Maywood BORO - Commingled Recycling Collection		95,000	-	-	(95,000)
Oradell BORO - Municipal Court.....		90,000	-	92,596	2,596
Palisades Park BORO - COAH Officer.....		38,500	-	60,000	21,500
911 Services.....		38,000	-	62,962	24,962
Pistol Range.....		131,500	-	152,600	21,100
Vehicle Maintenance.....		500,000	-	407,088	(92,912)
Sale of Gasoline.....		82,000	-	96,960	14,960
Traffic Light Repairs.....		11,000	-	4,489	(6,511)
Street Sweeping & Snow Plowing.....		107,000	-	105,855	(1,145)
Dumping Fees - BOE.....		19,000	-	25,979	6,979
FD COPS Grant.....		-	215,303	215,303	-
Uniform Fire Safety Act.....		240,000	-	143,779	(96,221)
Sewer User Charges.....		1,154,000	-	938,487	(215,513)
Sanitary Sewer Tie-In (Washington TWP)....		27,250	-	-	(27,250)
Sanitary Sewer Tie-In (River Edge BORO)....		126,700	-	-	(126,700)
Sanitary Sewer Tie-In (Oradell BORO).....		18,650	-	6,539	(12,111)
Hotel Occupancy Tax.....		482,000	-	459,251	(22,749)
Ambulance Fees.....		1,237,000	-	1,177,696	(59,304)
Cable TV Franchise Fee - Cablevision.....		206,385	-	206,385	-
Cable TV Franchise Fee - Verizon FIOS.....		163,631	-	163,631	-
Library PERS Reimbursement.....		200,000	-	200,000	-
Golf Course Utility Fund - Group Insurance Reimburs		75,000	-	75,000	-
Golf Course Utility Surplus.....		250,000	-	250,000	-
General Capital Fund Balance.....		900,000	-	635,024	(264,976)
BAN Proceeds.....		2,100,000	-	2,100,000	-
Trust - Snow Plow.....		410,411	-	410,411	-
Trust - Accumulated Absences.....		575,800	-	575,800	-
Trust - Escrow.....		1,409,362	-	1,398,118	(11,244)
Trust - Elevator.....		53,242	-	53,242	-
Trust - Other.....		1,394,348	-	1,394,348	-
Interfund Loan Returned - General Capital Fund		2,600,000	-	2,600,000	-
Trust - Other.....		526,351	-	-	(526,351)
Interfund Loan Returned - Golf Course Utility Surplus		250,000	-	-	(250,000)
Total Miscellaneous Revenues.....	A-1	24,496,439	215,303	22,540,526	(2,171,216)
Receipts From Delinquent Taxes.....	A-1	750,000	-	771,711	771,711

The accompanying notes are an integral part of this statement.

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF REVENUES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes.....	41,600,653	-	42,126,832	526,179
Library Tax.....	3,304,741	-	3,304,741	-
A-2	<u>44,905,394</u>	<u>-</u>	<u>45,431,573</u>	<u>526,179</u>
 Budget Totals.....	 <u>70,151,833</u>	 <u>215,303</u>	 <u>68,743,810</u>	 <u>(873,326)</u>
 Non-Budget Revenues.....	 A-2 <u>-</u>	 <u>-</u>	 <u>1,433,472</u>	 <u>1,433,472</u>
	<u>\$ 70,151,833</u>	<u>\$ 215,303</u>	<u>\$ 70,177,282</u>	<u>\$ 560,146</u>
	A-3	A-3		

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF REVENUES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

Analysis of Realized Revenues

Allocation of Current Tax Collections

Ref.

Revenue from Current Tax Collections.....	\$	148,760,917	A-1
Add: Appropriation "Reserve for Uncollected Taxes".....		1,100,000	A-3
		<u>149,860,917</u>	

Allocated to:

County Tax.....	A-4	23,201,500	
County Open Space Tax.....	A-4	1,001,819	
Local District School Tax.....	A-4	80,151,823	
Added County Taxes.....	A-4	<u>74,202</u>	
		<u>104,429,344</u>	

Balance for Support of Municipal Budget Appropriations.....	\$	<u>45,431,573</u>	A-2
---	----	-------------------	-----

Analysis of Non-Budget Revenues

Miscellaneous Revenue Not Anticipated

Sale of Municipal Assets	\$	8,511
Bus Shelter Ad Fees		2,044
DMV Inspection Fines		3,452
NJ Vets & SC Admin Payment		3,558
Miscellaneous		115,570
Fire Insurance Reports		-
Copy Fees		2,071
Refunds		170,786
Offsets not Applied		51,677
Bounced Check Fees		1,000
Outside Vehicles		1,642
Recycling Proceeds		145,776
PILOT		62,928
FEMA		117,791
Difference in Receipts		242,151
Connect One Account		504,515
	\$	<u>1,433,472</u>

A-1:A-2

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
OPERATIONS - WITHIN "CAPS"							
<u>General Government Functions</u>							
General Administration:							
Salaries and Wages	\$ 290,250	\$ -	\$ 280,250	\$ 280,241	\$ 9	\$ -	\$ -
Other Expenses	63,000	-	33,000	25,719	7,281	-	-
Other Expenses - Grants Consultant	45,000	-	46,000	42,000	4,000	-	-
Mayor and Council:							
Salaries and Wages	75,000	-	75,000	75,000	-	-	-
Other Expenses	2,550	-	2,550	684	1,866	-	-
Municipal Clerk:							
Salaries and Wages	278,000	-	268,000	268,000	-	-	-
Other Expenses	151,500	-	121,500	109,588	11,912	-	-
Financial Administration:							
Salaries and Wages	461,584	-	403,584	403,576	8	-	-
Other Expenses	151,500	-	129,500	68,069	61,431	-	-
Audit Services:							
Other Expenses	100,000	-	100,000	100,000	-	-	-
Central Equipment and Data Processing:							
Salaries and Wages	286,130	-	267,130	266,623	507	-	-
Other Expenses	347,150	-	347,150	346,059	1,091	-	-
Revenue Administration:							
Salaries and Wages	153,000	-	153,000	152,480	520	-	-
Other Expenses	24,150	-	24,150	22,079	2,071	-	-
Tax Assessment Administration:							
Salaries and Wages	256,000	-	241,000	240,977	23	-	-
Other Expenses	7,700	-	2,700	1,238	1,462	-	-
Legal Services:							
Salaries and Wages	31,000	-	31,000	30,000	1,000	-	-
Other Expenses	912,000	-	712,000	672,490	39,510	-	-
Engineering Services:							
Other Expenses	60,000	-	85,000	74,032	10,968	-	-

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Land Use Administration</u>							
Planning Board:							
Salaries and Wages	\$ 65,200	\$ -	\$ 65,200	\$ 65,141	\$ 59	\$ -	\$ -
Other Expenses	24,800	-	54,800	46,901	7,899	-	-
Zoning Board:							
Salaries and Wages	82,000	-	76,000	75,671	329	-	-
<u>Insurance</u>							
Liability Insurance (JIF)	512,000	-	512,000	425,786	86,214	-	-
Worker Compensation Insurance (JIF)	250,000	-	250,000	250,000	-	-	-
Other Insurance Premiums	25,000	-	25,000	-	25,000	-	-
Liability Insurance (Self)	300,000	-	337,000	332,000	5,000	-	-
Worker Compensation Insurance (Self)	700,000	-	975,000	966,006	8,994	-	-
Vision (Self)	70,000	-	70,000	48,762	21,238	-	-
Unemployment	60,000	-	60,000	40,000	20,000	-	-
Employee Group Health	7,872,000	-	7,872,000	7,825,573	46,427	-	-
Health Insurance Waivers	20,000	-	20,000	-	20,000	-	-

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Public Safety Functions</u>							
Police:							
Salaries and Wages	\$ 14,762,200	\$ -	\$ 14,762,200	\$ 14,762,194	\$ 6	\$ -	\$ -
Other Expenses	228,650	-	228,650	227,470	1,180	-	-
Police Dispatch/911:							
Salaries and Wages	1,020,800	-	1,015,800	979,378	36,422	-	-
Other Expenses	108,800	-	108,800	106,306	2,494	-	-
Office of Emergency Management:							
Salaries and Wages	141,500	-	150,500	150,338	162	-	-
Other Expenses	76,400	-	57,400	57,148	252	-	-
Rescue Squad:							
Salaries and Wages	108,000	-	98,000	98,000	-	-	-
Other Expenses	44,500	-	44,500	44,120	380	-	-
Fire Department:							
Salaries and Wages	630,000	-	736,000	736,000	-	-	-
Other Expenses	222,650	-	206,650	196,165	10,485	-	-
Ambulance Corps.							
Salaries and Wages	1,088,000	-	1,008,000	984,187	23,813	-	-
Other Expenses	110,350	-	110,350	110,142	208	-	-
Uniform Fire Safety Act:							
Salaries and Wages	475,500	-	456,500	454,787	1,713	-	-
Other Expenses	12,300	-	12,300	12,032	268	-	-

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Public Works Functions</u>							
Streets and Road Maintenance:							
Salaries and Wages	\$ 1,547,500	\$ -	\$ 1,657,500	\$ 1,657,451	\$ 49	\$ -	\$ -
Other Expenses	312,000	-	312,000	300,527	11,473	-	-
Shade Tree Commission:							
Salaries and Wages	1,415,200	-	1,295,200	1,285,952	9,248	-	-
Other Expenses	78,725	-	72,725	72,375	350	-	-
Solid Waste Collection:							
Salaries and Wages	1,567,000	-	1,517,000	1,510,501	6,499	-	-
Other Expenses	37,150	-	37,150	31,142	6,008	-	-
Buildings and Grounds:							
Salaries and Wages	495,060	-	495,060	493,919	1,141	-	-
Other Expenses	413,250	-	401,250	398,124	3,126	-	-
Vehicle Maintenance:							
Salaries and Wages	1,656,000	-	1,671,100	1,665,676	5,424	-	-
Other Expenses	1,034,000	-	1,034,000	1,028,089	5,911	-	-
<u>Health and Human Services</u>							
Public Health Services:							
Salaries and Wages	594,100	-	602,200	601,522	678	-	-
Other Expenses	37,730	-	25,730	22,883	2,847	-	-
Animal Control:							
Other Expenses	33,400	-	33,400	29,520	3,880	-	-
Administration of Public Assistance							
Salaries and Wages	91,250	-	91,250	91,210	40	-	-
Other Expenses	850	-	850	811	39	-	-

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Park and Recreation Functions</u>							
Recreational Services & Programs							
Salaries and Wages	\$ 373,250	\$ -	\$ 363,250	\$ 358,420	\$ 4,830	\$ -	\$ -
Other Expenses	63,700	-	63,700	37,736	25,964	-	-
Senior Citizens Center							
Salaries and Wages	164,230	-	176,230	176,230	-	-	-
Other Expenses	37,400	-	37,400	32,959	4,441	-	-
<u>Utility Expenses and Bulk Purchases</u>							
Electricity & Natural Gas	575,000	-	533,800	461,472	72,328	-	-
Street Lighting	452,000	-	422,000	398,559	23,441	-	-
Telephone	275,000	-	286,000	253,646	32,354	-	-
Water	100,000	-	75,000	61,490	13,510	-	-
Fire Hydrant Service	450,000	-	450,000	449,350	650	-	-
Gasoline	315,000	-	285,000	256,484	28,516	-	-
Diesel Fuel	315,000	-	275,000	222,221	52,779	-	-
Outside Fuel Agreements	20,000	-	-	-	-	-	-
Landfill/Solid Waste Disposal Costs:							
Other Expenses	700,000	-	700,000	627,784	72,216	-	-
Other Expenses - Vegetative Waste	250,000	-	395,000	394,021	979	-	-
<u>Municipal Court</u>							
Municipal Court Administration:							
Salaries and Wages	578,000	-	584,000	576,417	7,583	-	-
Other Expenses	42,350	-	36,350	31,323	5,027	-	-

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<u>OPERATIONS - WITHIN "CAPS" (Continued)</u>							
<u>Code Enforcement Administration</u>							
Uniform Construction Code Enforcement Functions:							
Salaries and Wages	\$ 586,200	\$ -	\$ 637,200	\$ 635,943	\$ 1,257	\$ -	\$ -
Other Expenses	18,250	-	18,250	14,114	4,136	-	-
Total Operations - Within "CAPS"	47,334,759	-	47,219,759	46,350,833	868,926	-	-
Contingent	-	-	-	-	-	-	-
Total Operations Including Contingent	47,334,759	-	47,219,759	46,350,833	868,926	-	-
Detail:							
Salaries and Wages	29,271,954	-	29,177,154	29,075,833	101,321	-	-
Other Expenses	18,062,805	-	18,042,605	17,275,000	767,605	-	-
	-	-	-	-	-	-	-

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAPS"</u>							
<u>Deferred Charges</u>							
Emergency Authorizations	\$ 373,384	\$ -	\$ 373,384	\$ 373,384	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-
	<u>373,384</u>	<u>-</u>	<u>373,384</u>	<u>373,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Statutory Expenditures</u>							
Public Employees' Retirement System	1,820,517	-	1,820,517	1,679,644	140,873	-	-
Social Security System (O.A.S.I.)	1,300,000	-	1,415,000	1,394,411	20,589	-	-
Police and Firemen's Retirement System	3,509,333	-	3,509,333	3,509,333	-	-	-
Defined Contribution Retirement Program	25,000	-	25,000	-	25,000	-	-
	<u>6,654,850</u>	<u>-</u>	<u>6,769,850</u>	<u>6,583,388</u>	<u>186,462</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipality	<u>54,362,993</u>	<u>-</u>	<u>54,362,993</u>	<u>53,307,605</u>	<u>1,055,388</u>	<u>-</u>	<u>-</u>

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
OPERATIONS - EXCLUDED FROM "CAPS"						
<u>Utility Expenses & Bulk Purchases</u>						
Sewerage Processing & Disposal						
Other Expenses - Operations & Mair	\$ 2,743,590	\$ -	\$ 2,743,590	\$ 2,743,590	\$ -	\$ -
Other Expenses - Debt Service	913,645	-	913,645	913,645	-	-
<u>Education</u>						
Maintenance of Free Public Library:						
Other Expenses - Third of a Mil	3,304,741	-	3,304,741	3,304,741	-	-
<u>Shared Service Agreements</u>						
Paramus BOE - Solid Waste Disposal:						
Other Expenses	25,000	-	25,000	25,000	-	-
Maywood BORO - Municipal Court:						
Salaries and Wages	66,000	-	66,000	56,270	9,730	-
Mechanical Maintenance:						
Salaries and Wages	30,000	-	30,000	30,000	-	-
Other Expenses	205,000	-	205,000	201,768	3,232	-
<u>Public and Private Programs Offset by Revenues</u>						
FD COPS Grant	215,303	-	215,303	215,303	-	-
Clean Community Grant	-	-	-	-	-	-
Drunk Driving Enforcement Fund	-	-	-	-	-	-
Alcohol Education & Rehabilitation Fund	-	-	-	-	-	-
Recycling Tonnage Grant	-	-	-	-	-	-
Bergen County Prosecutor - Confiscation	-	-	-	-	-	-
NJ Solid Waste Admin. Grant - Public	-	-	-	-	-	-
Total Operations Excluded from "CAPS":	7,503,279	-	7,503,279	7,490,317	12,962	-
Detail:						
Salaries and Wages	96,000	-	96,000	86,270	9,730	-
Other Expenses	7,407,279	-	7,407,279	7,404,047	3,232	-

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriated			Expended		Unexpended	Overexpended
	2019 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>							
Capital Improvement Fund	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
<u>DEBT SERVICE - EXCLUDED FROM "CAPS"</u>							
<u>Municipal Debt Service</u>							
Bond Principal	4,415,000	-	4,415,000	4,415,000	-	-	-
Bond Interest	844,248	-	844,248	844,022	-	226	-
Note Interest	165,000	-	165,000	164,116	-	884	-
	<u>5,424,248</u>	<u>-</u>	<u>5,424,248</u>	<u>5,423,138</u>	<u>-</u>	<u>1,110</u>	<u>-</u>
<u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>							
Emergency Authorizations	1,726,616	-	1,726,616	1,726,616	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,726,616</u>	<u>-</u>	<u>1,726,616</u>	<u>1,726,616</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal	<u>14,904,143</u>	<u>-</u>	<u>14,904,143</u>	<u>14,890,071</u>	<u>12,962</u>	<u>1,110</u>	<u>-</u>
Subtotal General Appropriations	69,267,136	-	69,267,136	68,197,676	1,068,350	1,110	-
Reserve for Uncollected Taxes	1,100,000	-	1,100,000	1,100,000	-	-	-
Total General Appropriations	<u>\$ 70,367,136</u>	<u>\$ -</u>	<u>\$ 70,367,136</u>	<u>\$ 69,297,676</u>	<u>\$ 1,068,350</u>	<u>\$ 1,110</u>	<u>\$ -</u>
Adopted Budget	\$ 70,151,833	\$ -	\$ 70,151,833				
Added by: N.J.S. 40A:4-87	215,303	-	215,303				
	<u>\$ 70,367,136</u>	<u>\$ -</u>	<u>\$ 70,367,136</u>				
	-	-	-				

BOROUGH OF PARAMUS
 TRUST FUND
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 AS OF DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Animal Control Trust</u>			
<u>Assets</u>			
Cash - Animal Control Trust Account		\$ 90,651	\$ 80,756
<u>Liabilities and Reserves</u>			
Due State of New Jersey		\$ 31	\$ -
Reserve for Animal Control Expenditures		90,620	80,756
		<u>\$ 90,651</u>	<u>\$ 80,756</u>
<u>Other Trust</u>			
<u>Assets</u>			
Cash		\$ 9,527,178	\$ 12,013,331
<u>Liabilities and Reserves</u>			
Due to - Current Fund		\$ 5,979	\$ -
Trust Reserves	B-1	9,521,199	12,013,331
		<u>\$ 9,527,178</u>	<u>\$ 12,013,331</u>
		-	-

BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
AS OF DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Cash.....		\$ 156,885	\$ 6,191,789
Grants Receivable.....	C-4	50,500	202,000
Due from - Current Fund.....	C-5	1,807,954	-
Overexpenditure of Ordinance Appropriation.....	C-6	7,157	-
Deferred Charges to Future Taxation - Funded.....	C-7	29,925,000	34,340,000
Deferred Charges to Future Taxation - Unfunded.....	C-8	12,051,766	8,011,166
		<u>\$ 43,999,262</u>	<u>\$ 48,744,955</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Due to - Current Fund.....	C-9	\$ -	\$ 2,600,000
Serial Bonds Payable.....	C-10	29,925,000	34,340,000
Bond Anticipation Notes Payable.....	C-11	9,510,000	5,470,853
Improvement Authorizations - Funded.....	C-13	148,152	342,086
Improvement Authorizations - Unfunded.....	C-13	3,940,018	4,287,682
Capital Improvement Fund.....	C-14	163,858	121,258
Reserve for Encumbrances.....	C-15	312,234	544,764
Fund Balance.....	C-1	-	1,038,312
		<u>\$ 43,999,262</u>	<u>48,744,955</u>
		-	-
There were bonds and notes authorized but not issued on December 31, in the amounts of.....	C-17	<u>\$ 1,453</u>	<u>-</u>

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE (REGULATORY BASIS)
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	<i>Ref.</i>	2019	2018
Fund Balance, January 1.....	C	\$ 1,038,312	\$ 918,805
Increased by:			
Premiums.....		12,541	325,371
Improvement Authorizations Cancelled.....		-	2,251,975
Miscellaneous Cancellations.....		-	142,161
		<u>12,541</u>	<u>2,719,507</u>
		1,050,853	3,638,312
Decreased by:			
Appropriated to Current Fund.....		635,024	2,600,000
Correction.....		415,829	-
		<u>1,050,853</u>	<u>2,600,000</u>
Fund Balance, December 31.....	C	<u>\$ -</u>	<u>\$ 1,038,312</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY FUND
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 AS OF DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Operating Fund</u>			
<u>Assets</u>			
Cash.....		\$ 529,142	\$ 1,074,304
Due from - GCU Capital Fund.....	D-6	14,751	-
		<u>\$ 543,893</u>	<u>\$ 1,074,304</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Due to - Current Fund.....	D-7	\$ 251,121	\$ 250,000
Reserve for Encumbrances.....	D-9	23,013	51,273
Appropriation Reserves.....	D-10	108,106	214,775
Accrued Interest.....	D-11	36,928	39,778
Fund Balance.....	D-1	124,725	518,478
		<u>\$ 543,893</u>	<u>\$ 1,074,304</u>
		-	-
<u>Capital Fund</u>			
<u>Assets</u>			
Cash.....		\$ 587,243	\$ 660,127
Fixed Capital.....	D-13	12,961,822	12,961,822
Fixed Capital Authorized & Uncompleted.....	D-14	5,206,362	5,156,362
		<u>18,755,427</u>	<u>18,778,311</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Due to - GCU Operating Fund.....	D-15	14,751	-
Serial Bonds Payable.....	D-16	3,900,000	4,280,000
Reserve for Amortization.....	D-18	9,061,822	8,681,822
Reserve for Deferred Amortization.....	D-19	4,332,884	4,332,884
Capital Improvement Fund.....	D-20	59,098	59,098
Improvement Authorizations - Funded.....	D-21	1,345,000	1,420,482
Improvement Authorizations - Unfunded.....	D-21	41,872	4,025
Fund Balance.....	D-2	-	-
		<u>\$ 18,755,427</u>	<u>\$ 18,778,311</u>
		-	-
There were bonds and notes authorized but not issued on December 31, in the amounts of.....	D-22	<u>\$ 50,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND
 CHANGES IN FUND BALANCE (REGULATORY BASIS)
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>			
Surplus Utilized.....	D-3	\$ 419,500	\$ 250,000
Membership Fees.....	D-3	154,500	280,695
Registration Fees.....	D-3	104,803	116,935
Golf Cart Rental.....	D-3	359,363	326,314
Green Fees.....	D-3	1,283,881	1,158,987
Snack Bar Rental.....	D-3	47,725	37,500
Miscellaneous.....	D-3	322,425	292,936
Miniature Golf.....	D-3	110,467	77,190
Reserve for Debt Service.....	D-3	-	-
Non-Budget Revenue.....	D-3	-	-
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves.....	D-8	220,233	107,207
Cancellations and Adjustments.....	D-8	2,850	872
Total Income.....		<u>3,025,747</u>	<u>2,648,636</u>
<u>Expenditures</u>			
Operations:			
Salaries and Wages.....	D-4	1,348,000	1,290,000
Other Expenses.....	D-4	829,725	818,050
Capital Improvements.....	D-4	-	120,456
Debt Service.....	D-4	482,275	53,038
Deferred Charges.....	D-4	-	7,299
Statutory Expenditures.....	D-4	90,000	90,000
Surplus - General Budget.....	D-4	250,000	250,000
Total Expenditures.....		<u>3,000,000</u>	<u>2,628,843</u>
Excess in Revenue.....		25,747	19,793
Adjustments to Income Before Surplus:			
Deferred Charges to Budget of Succeeding Year.....		-	-
Statutory Excess to Fund Balance.....		25,747	19,793
Fund Balance, January 1.....	D	518,478	748,685
Decreased by - Utilization as Anticipated Revenue.....	D-1:D-4	419,500	250,000
Fund Balance, December 31.....	D	<u>\$ 124,725</u>	<u>\$ 518,478</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE (REGULATORY BASIS)
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	<i>Ref.</i>	<u>2019</u>	<u>2018</u>
Fund Balance, January 1.....	D	\$ -	\$ -
Increased by:		-	-
Decreased by:		-	-
Fund Balance, December 31.....	D	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF REVENUES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2018

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized.....	D-1:D-4	\$ 419,500	\$ 419,500	\$ -
Membership Fees.....		300,000	154,500	(145,500)
Registration Fees.....		116,000	104,803	(11,197)
Golf Cart Rental.....		350,000	359,363	9,363
Green Fees.....		1,350,000	1,283,881	(66,119)
Snack Bar Rental.....		37,500	47,725	10,225
Miscellaneous.....		350,000	322,425	(27,575)
Miniature Golf.....		77,000	110,467	33,467
		<u>\$ 3,000,000</u>	<u>\$ 2,802,664</u>	<u>\$ (197,336)</u>

Analysis of Non-Budget Revenues:

Interest on Investments - Utility Operating Fund	\$ -
Interest on Investments - Utility Capital Fund	-
Miscellaneous Charges	-
Prior Year Refund	-
	<u>\$ -</u>
	D-1

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriations		Expended		Unexpended Balance Canceled	Overexpenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages.....	\$ 1,348,000	\$ 1,348,000	\$ 1,240,922	\$ 107,078	\$ -	\$ -
Other Expenses.....	829,725	829,725	828,697	1,028	-	-
Capital Improvements:						
Capital Improvement Fund.....	-	-	-	-	-	-
Capital Outlay.....	-	-	-	-	-	-
Debt Service:						
Payment of Bonds.....	380,000	380,000	380,000	-	-	-
Payment of Notes.....	-	-	-	-	-	-
Interest on Bonds.....	102,275	102,275	102,275	-	-	-
Interest on Notes.....	-	-	-	-	-	-
	<u>482,275</u>	<u>482,275</u>	<u>482,275</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Charges:						
Emergency Authorizations.....	-	-	-	-	-	-
DCFTU.....	-	-	-	-	-	-
Statutory Expenditures:						
Public Employees Retirement System..	-	-	-	-	-	-
Social Security System.....	90,000	90,000	90,000	-	-	-
Unemployment Compensation.....	-	-	-	-	-	-
	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deficit in Operations in Prior Years.....	-	-	-	-	-	-
Surplus - General Budget.....	250,000	250,000	250,000	-	-	-
Total Appropriations.....	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,891,894</u>	<u>\$ 108,106</u>	<u>\$ -</u>	<u>\$ -</u>
	D-3		D-1	D:D-1		

<u>Ref.</u>			
D-5	\$	2,868,881	Disbursed
D		23,013	Encumbered
	<u>\$</u>	<u>2,891,894</u>	

BOROUGH OF PARAMUS
 SWIM POOL UTILITY FUND
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 AS OF DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Operating Fund</u>			
<u>Assets</u>			
Cash.....		\$ 106,594	\$ 224,175
Due from - SPU Capital Fund.....	E-6	10,353	8,908
		<u>\$ 116,947</u>	<u>\$ 233,083</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Reserve for Encumbrances.....	E-9	\$ -	\$ 25
Appropriation Reserves.....	E10	10,219	16,303
Accrued Interest.....	E-11	7,974	8,573
Fund Balance.....	E-1	98,754	208,182
		<u>\$ 116,947</u>	<u>\$ 233,083</u>
		-	-
<u>Capital Fund</u>			
<u>Assets</u>			
Cash.....		\$ 53,138	\$ 63,093
Fixed Capital.....	E-13	3,372,780	3,372,780
Deferred Charges.....	E-15	10,770	10,770
		<u>\$ 3,436,688</u>	<u>\$ 3,446,643</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Due to - SPU Operating Fund.....	E-16	\$ 10,353	\$ 8,908
Serial Bonds Payable.....	E-18	840,000	920,000
Reserve for Amortization.....	E-20	2,532,780	2,452,780
Improvement Authorizations - Funded.....	E-22	53,541	64,941
Improvement Authorizations - Unfunded.....	E-22	-	-
Fund Balance.....	E-2	14	14
		<u>\$ 3,436,688</u>	<u>\$ 3,446,643</u>
		-	-
There were bonds and notes authorized but not issued on December 31, in the amounts of.....	E-23	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY OPERATING FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND
 CHANGES IN FUND BALANCE (REGULATORY BASIS)
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>			
Surplus Utilized.....	D-3	\$ 134,000	\$ 510
Membership Fees.....	D-3	347,637	355,669
Registration Fees.....	D-3	5,450	5,800
Guest Fees.....	D-3	51,580	49,110
Miscellaneous.....	D-3	47,190	37,125
Concession Stand.....	D-3	73,105	74,154
Non-Budget Revenue.....	D-3	1,445	-
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves.....	D-8	16,328	7,928
Cancellations and Adjustments.....	D-8	599	1,089
Total Income.....		<u>677,334</u>	<u>531,385</u>
<u>Expenditures</u>			
Operations:			
Salaries and Wages.....	D-4	284,000	250,420
Other Expenses.....	D-4	233,000	233,000
Capital Improvements.....	D-4	1,364	-
Debt Service.....	D-4	102,062	22,360
Deferred Charges.....	D-4	-	3,730
Statutory Expenditures.....	D-4	25,000	20,000
Surplus - General Budget.....	D-4	-	-
Refund of Prior Year's revenue.....	D-4	7,336	-
Total Expenditures.....		<u>652,762</u>	<u>529,510</u>
Excess in Revenue.....		24,572	1,875
Adjustments to Income Before Surplus:			
Deferred Charges to Budget of Succeeding Year.....		-	-
Statutory Excess to Fund Balance.....		24,572	1,875
Fund Balance, January 1.....	D	208,182	206,817
Decreased by - Utilization as Anticipated Revenue.....	D-1:D-4	134,000	510
Fund Balance, December 31.....	D	<u>\$ 98,754</u>	<u>\$ 208,182</u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY CAPITAL FUND
 COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE (REGULATORY BASIS)
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Fund Balance, January 1.....	D	\$ 14	\$ 14
Increased by:		-	-
Decreased by:		-	-
Fund Balance, December 31.....	D	<u>\$ 14</u>	<u>\$ 14</u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY OPERATING FUND
 STATEMENT OF REVENUES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized.....	D-1:D-4	\$ 134,000	\$ 134,000	\$ -
Membership Fees.....		355,000	347,637	(7,363)
Registration Fees.....		5,000	5,450	450
Guest Fees.....		49,000	51,580	2,580
Miscellaneous.....		37,000	47,190	10,190
Concession Stand.....		74,000	73,105	(895)
		<u>\$ 654,000</u>	<u>\$ 658,962</u>	<u>\$ 4,962</u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES (REGULATORY BASIS)
 YEAR ENDED DECEMBER 31, 2019

	Appropriations		Expended		Unexpended Balance Canceled	Overexpenditure
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages.....	\$ 284,000	\$ 284,000	\$ 284,000	\$ -	\$ -	\$ -
Other Expenses.....	233,000	233,000	226,547	6,453	-	-
	<u>517,000</u>	<u>517,000</u>	<u>510,547</u>	<u>6,453</u>	<u>-</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund.....	-	-	-	-	-	-
Capital Outlay.....	1,364	1,364	-	1,364	-	-
	<u>1,364</u>	<u>1,364</u>	<u>-</u>	<u>1,364</u>	<u>-</u>	<u>-</u>
Debt Service:						
Payment of Bonds.....	80,000	80,000	80,000	-	-	-
Payment of Notes.....	-	-	-	-	-	-
Interest on Bonds.....	30,636	30,636	22,062	-	8,574	-
Interest on Notes.....	-	-	-	-	-	-
	<u>110,636</u>	<u>110,636</u>	<u>102,062</u>	<u>-</u>	<u>8,574</u>	<u>-</u>
Deferred Charges:						
Expenditure Without Appropriation.....	-	-	-	-	-	-
DCFTU.....	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Statutory Expenditures:						
Public Employees Retirement System..	-	-	-	-	-	-
Social Security System.....	25,000	25,000	22,598	2,402	-	-
Unemployment Compensation.....	-	-	-	-	-	-
	<u>25,000</u>	<u>25,000</u>	<u>22,598</u>	<u>2,402</u>	<u>-</u>	<u>-</u>
Deficit in Operations in Prior Years.....	-	-	-	-	-	-
Surplus - General Budget.....	-	-	-	-	-	-
Total Appropriations.....	<u>\$ 654,000</u>	<u>\$ 654,000</u>	<u>\$ 635,207</u>	<u>\$ 10,219</u>	<u>\$ 8,574</u>	<u>\$ -</u>
	<i>Ref.</i> D-3		D-1	D:D-1		

BOROUGH OF PARAMUS
 GENERAL FIXED ASSET ACCOUNT GROUP
 COMPARATIVE BALANCE SHEET (REGULATORY BASIS)
 AS OF DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Land.....	D-1	\$ 118,448,300	\$ 118,448,300
Buildings & Improvements.....	D-1	12,091,900	12,091,900
Machinery and Equipment.....	D-1	30,757,718	29,976,082
		<u>\$ 161,297,918</u>	<u>\$ 160,516,282</u>
<u>Fund Balance</u>			
Investment in General Fixed Assets.....	D-1	<u>\$ 161,297,918</u>	<u>\$ 160,516,282</u>
		-	-

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - REPORTING ENTITY, ORGANIZATION AND FUNCTION

A. Introduction

The Borough of Paramus (the "Borough") is a municipal corporation of the State of New Jersey located in the county of Bergen and is located approximately 8 miles west of the City of New York. The Borough's population according to the 2010 census is 26,342.

The Borough operates under a "Mayor-Council" form of government. The Mayor is the chief executive officer. The Borough operates on a calendar fiscal year, January 1 to December 31.

The municipal budget includes the following generally stated municipal services:

- General Government Functions
- Land Use Administration Functions
- Public Safety Functions
- Health and Human Service Functions
- Park and Recreation Functions
- Educational Functions
- Code Enforcement Functions
- Municipal Court Functions
- Capital Improvements
- Debt Service

B. Component Units

The financial statements of the component units of the municipality are not presented in accordance with Governmental Accounting Standards Board Statement No. 14 as amended by Statement No. 61. If the provisions of GASBS No. 61 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the municipality:

- Volunteer Fire Department
- Volunteer Ambulance Corp.
- Free Public Library

C. Basis of Accounting

A modified accrual basis of accounting is followed with minor exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local government units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Reporting

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

A. Funds and Account Groups

The accounts are organized into the following funds and account groups:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature.

Grant Fund - The Grant Fund accounts for the budgeted and unbudgeted revenue/receipt, expenditure/disbursement of federal and state grants which qualify for accounting treatment more closely related to GAAP.

Trust Fund - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The General Capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. It is also the only fund, other than the Current Fund, that possesses the statutory authority to issue debt.

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Borough owned real and personal property in accordance with N.J.A.C 5:30-5.6.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Budgets and Budgetary Accounting

The municipality must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten (10) days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight (28) days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board. 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 2 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.

The Borough is not required to adopt budgets for the Trust and General Capital Funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the municipality requires that funds be deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units. All certificates of deposit are recorded as cash regardless of date of maturity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

E. Inventories of Supplies

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.

F. General Fixed Assets

Accounting for Governmental Fixed Assets, as promulgated by N.J.A.C. 5:30-5.6 differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the statute. Property and equipment purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at estimated fair market value at the date of donation. Purchases prior to December 31, 1985 are stated as assessed value for Land & Buildings and estimated historical cost for Machinery & Equipment. Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation on general fixed assets is recorded in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately. Fixed Assets acquired by the Water Utility and Sewer Utility Funds are capitalized as Fixed Capital and not depreciated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed value when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Asset Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Asset Account Group. GAAP requires property to be recorded in the General Fixed Asset Account Group at the market value at the time of acquisition.

H. Deferred Charges

The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

I. Appropriation Reserves

Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

J. Liens Sold for Other Governmental Units

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

K. Fund Balance

Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Revenues

Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized as and when anticipated as such in the Borough's budget. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenues be recognized when the actual expenditures financed by the grant are made.

M. Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with the statutes. The amount of taxes levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the local free public library (if applicable), municipal open space (if applicable) and the entities described in "N" and "O" below. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when available and measurable reduced by an allowance for doubtful accounts.

N. School Taxes

The municipality is responsible for levying, collecting and remitting school taxes for the Local School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30. GAAP would require the recording of a deferred revenue.

O. County Taxes

The municipality is responsible for levying, collecting and remitting taxes for the County. Operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the municipality's annual budget protects from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

Q. 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 the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

R. Compensated Absences and Postemployment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long term obligations.

S. Total Columns on Combined Statements

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

T. Use of Estimates

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. New Reporting Standards

GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. New Reporting Standards

GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

GASB No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pension, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 3 - CASH AND CASH EQUIVALENTS

Change funds, petty cash, cash in banks, certificates of deposit and funds on deposit with the New Jersey Cash Management Fund are considered cash and cash equivalents.

A. Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm.

At December 31, the municipality's deposits are summarized as follows:

Year	Bank Balance	Book Balance
2019	\$ 26,942,233	\$ 25,618,081
2018	\$ 25,888,483	\$ 24,529,305

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, 2019 and 2018, the Borough's bank balances were not exposed to custodial credit risk.

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper. At December 31, 2019 and 2018 the Borough did not have any cash deposited with the New Jersey Cash Management Fund.

NOTE 4 - INVESTMENTS

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

As of December 31, 2019 and 2018, the Borough did not hold any investments:

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 5 - FIXED ASSETS

The following is a summary of general fixed asset additions, deletions and adjustments:

2019	Balance December 31, 2018	Additions	Retirements	Adjustments	Balance December 31, 2019
Land.....	\$ 118,448,300	\$ -	\$ -	\$ -	\$ 118,448,300
Buildings & Improvements.....	12,091,900	-	-	-	12,091,900
Machinery and Equipment.....	29,976,082	1,635,475	853,839	-	30,757,718
	<u>\$ 160,516,282</u>	<u>\$ 1,635,475</u>	<u>\$ 853,839</u>	<u>\$ -</u>	<u>\$ 161,297,918</u>

2018	Balance December 31, 2017	Additions	Retirements	Adjustments	Balance December 31, 2018
Land.....	\$ 118,448,300	\$ -	\$ -	\$ -	\$ 118,448,300
Buildings & Improvements.....	12,091,900	-	-	-	12,091,900
Machinery and Equipment.....	28,291,041	1,965,324	280,283	-	29,976,082
	<u>\$ 158,831,241</u>	<u>\$ 1,965,324</u>	<u>\$ 280,283</u>	<u>\$ -</u>	<u>\$ 160,516,282</u>

NOTE 6 - MUNICIPAL DEBT

A. Types of Municipal Debt

The "Local Bond Law" of New Jersey Statutes governs the issuance of bonds and notes to finance capital expenditures, and are permitted only from the General Capital Fund. Bonds and Notes are backed by the full faith and credit of the municipality. Capital projects financed under the Local Bond Law must have a minimum useful life of five years.

Bond Anticipated Notes - Bond Anticipation Note ("BANs") are issued to temporarily finance projects prior to the issuance of permanent bonds. Generally, the term of BANs can not exceed one year, but may be renewed from time to time for periods not exceeding one year, and ultimately paid or permanently financed no later than the first day of the fifth month following the close of the tenth fiscal year following the original issue date of the BAN. New Jersey Statutes require that on or before the third anniversary date of the original BAN issue date, an amount at least equal to the first legally payable installment must be paid towards the BAN upon each renewal until permanently funded or retired.

Bonds - Bonds issued are retired in serial installments within statutory periods of usefulness. New Jersey Statutes limit installment increments unless approval for a non-conforming maturity schedule is approved by the Local Finance Board.

NOTE 6 - MUNICIPAL DEBT

The Borough's long term debt consisted of the following at December 31, 2019:

\$2,395,000 - Pension Refunding Bonds Series 2003 issued 3/1/2003 payable in annual installments through 3/1/2021. Interest is paid semi-annually at varying rates from 2.40% to 5.20% per annum. The balance remaining on this issue as of December 31, 2019 is \$625,000.

\$30,800,000 - General Improvement Bonds Series 2018 issued 2/15/2018 payable in annual installments through 2/15/2029. Interest is paid semi-annually at varying rates from 2.00% to 3.00% per annum. The balance remaining on this issue as of December 31, 2019 is \$29,300,000.

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 6 - MUNICIPAL DEBT

B. Summary of Debt and Remaining Borrowing Power

The following information summarizes the statutory debt calculations of the municipality as reported on the Borough's Annual Debt Statement:

	2019	2018
<i>Issued:</i>		
School Bonds and Notes.....	\$ 11,095,000	\$ 12,185,000
Utility Bonds and Notes.....	4,790,000	5,200,000
General Bonds	29,925,000	34,340,000
Loans.....	-	-
Bond Anticipation Notes.....	9,510,000	5,470,853
	55,320,000	57,195,853
<i>Authorized but not Issued:</i>		
School Bonds and Notes.....	-	-
Utility Bonds and Notes.....	-	-
General Bonds and Notes.....	1,453	-
	1,453	-
Gross Debt.....	55,321,453	57,195,853
Deductions.....	15,885,000	18,815,000
Net Debt.....	\$ 39,436,453	\$ 38,380,853
Equalized Valuation Basis.....	\$ 10,250,927,997	\$ 9,991,461,295
Statutory Net Debt Percentage.....	0.385%	0.384%
3-1/2% of Equalized Valuation Basis.....	\$ 358,782,480	\$ 349,701,145
Remaining Borrowing Power.....	\$ 319,346,027	\$ 311,320,292

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 6 - MUNICIPAL DEBT

C. Long-Term Bonded Debt Service Requirements to Maturity

General Obligation Bonds

Calendar Year	3/1/2003		9/1/2005	
	Refunding Bonds - Pension		General Improvement Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 295,000	\$ 24,830	\$ -	\$ -
2021	330,000	8,580	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
	<u>\$ 625,000</u>	<u>\$ 33,410</u>	<u>\$ -</u>	<u>\$ -</u>

Calendar Year	9/1/2007		2/15/2018	
	Refunding Bonds - Tax Appeals		General Improvement Bonds	
	Principal	Interest	Principal	Interest
2020	\$ -	\$ -	\$ 2,900,000	\$ 712,250
2021	-	-	2,900,000	654,250
2022	-	-	2,900,000	596,250
2023	-	-	2,900,000	534,625
2024	-	-	2,900,000	465,750
2025	-	-	2,900,000	393,250
2026	-	-	2,900,000	313,500
2027	-	-	3,000,000	225,000
2028	-	-	3,000,000	135,000
2029	-	-	3,000,000	45,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,300,000</u>	<u>\$ 4,074,875</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 6 - MUNICIPAL DEBT

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

General Obligation Bonds (Continued)

<u>Calendar Year</u>	<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 3,195,000	\$ 737,080
2021	3,230,000	662,830
2022	2,900,000	596,250
2023	2,900,000	534,625
2024	2,900,000	465,750
2025	2,900,000	393,250
2026	2,900,000	313,500
2027	3,000,000	225,000
2028	3,000,000	135,000
2029	3,000,000	45,000
	<u>\$ 29,925,000</u>	<u>\$ 4,108,285</u>

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 6 - MUNICIPAL DEBT

D. Summary of Changes in Municipal Debt

General Debt

	<u>2019</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Short-Term Debt:</i>						
Bond Anticipation Notes...	\$	5,470,853	\$ 4,039,147	\$ -	\$ 9,510,000	\$ 9,510,000
<i>Long-Term Debt:</i>						
Serial Bonds.....		34,340,000	-	4,415,000	29,925,000	3,195,000
Loans.....		-	-	-	-	-
Authorized/not Issued.....		-	4,040,600	4,039,147	1,453	-
		<u>34,340,000</u>	<u>4,040,600</u>	<u>8,454,147</u>	<u>29,926,453</u>	<u>3,195,000</u>
	<u>\$</u>	<u>39,810,853</u>	<u>\$ 8,079,747</u>	<u>\$ 8,454,147</u>	<u>\$ 39,436,453</u>	<u>\$ 12,705,000</u>

	<u>2018</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Short-Term Debt:</i>						
Bond Anticipation Notes...	\$	28,435,500	\$ 5,470,853	\$ 28,435,500	\$ 5,470,853	\$ 5,470,853
<i>Long-Term Debt:</i>						
Serial Bonds.....		6,455,000	30,800,000	2,915,000	34,340,000	4,415,000
Loans.....		45,777	-	45,777	-	-
Authorized/not Issued.....		4,418,329	5,470,853	9,889,182	-	-
		<u>10,919,106</u>	<u>36,270,853</u>	<u>12,849,959</u>	<u>34,340,000</u>	<u>4,415,000</u>
	<u>\$</u>	<u>39,354,606</u>	<u>\$ 41,741,706</u>	<u>\$ 41,285,459</u>	<u>\$ 39,810,853</u>	<u>\$ 9,885,853</u>

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 6 - MUNICIPAL DEBT

E. Summary of Changes in Other 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.

Changes in other long-term liabilities for the years ended December 31, 2019 and 2018 were as follows:

	Beginning			Ending	Due
<u>2019</u>	Balance	Additions	Reductions	Balance	Within
					One Year
Compensated Absences.....	\$ 3,500,000	\$ -	\$ 665,755	\$ 2,834,245	\$ -
Net Pension Liability - PFRS.	46,016,921	-	2,713,125	43,303,796	-
Net Pension Liability - PERS.	34,568,318	-	217,894	34,350,424	-
Net OPEB Liability.....	58,089,940	-	5,519,670	52,570,270	-
	<u>\$ 142,175,179</u>	<u>\$ -</u>	<u>\$ 9,116,444</u>	<u>\$ 133,058,735</u>	<u>\$ -</u>

	Beginning			Ending	Due
<u>2018</u>	Balance	Additions	Reductions	Balance	Within
					One Year
Compensated Absences.....	\$ 3,000,000	\$ 601,264	\$ 101,264	\$ 3,500,000	\$ -
Net Pension Liability - PFRS.	51,460,283	-	5,443,362	46,016,921	-
Net Pension Liability - PERS.	40,024,545	-	5,456,227	34,568,318	-
Net OPEB Liability.....	74,333,478	-	16,243,538	58,089,940	-
	<u>\$ 168,818,306</u>	<u>\$ 601,264</u>	<u>\$ 27,244,391</u>	<u>\$ 142,175,179</u>	<u>\$ -</u>

Note 7 - Risk Management

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. The Borough of Paramus is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) 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 and worker's compensation. The BJIF 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 insurance, to report claims on a timely basis, cooperate with the management of the Fund, its claims investigation and settlement, and to follow risk management procedures as outlined by the insurance pools. Members have a contractual obligation to fund any deficit of the insurance fund 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 preventive procedures to be followed by the members. There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years. Contributions to the Funds, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the State of New Jersey provides the administration of payments to former employees of the Borough. The Borough is billed quarterly for benefits paid to former employees. A separate dedicated unemployment Trust account is not maintained. Unemployment expenditures are charged against Current fund budget appropriations under the title "Unemployment Compensation".

Unemployment expenditures for the past 3 years are as follows:

CY2019 - \$40,000
CY2018 - \$40,000
CY2017 - \$42,868

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 8 - INTERFUNDS

As of December 31, interfund balances on the Borough's various balance sheets were as follows:

<u>2019</u>	Interfunds Receivable	Interfunds Payable
Current Fund.....	\$ 257,100	\$ 2,588,019
Grant Fund.....	780,065	-
Trust Fund.....	-	5,979
General Capital Fund.....	1,807,954	-
Golf Course Utility Fund.....	14,751	251,121
Swim Pool Utility Fund.....	-	14,751
	<u>\$ 2,859,870</u>	<u>\$ 2,859,870</u>

<u>2018</u>	Interfunds Receivable	Interfunds Payable
Current Fund.....	\$ 2,850,000	\$ 545,901
Grant Fund.....	545,901	-
Trust Fund.....	-	-
General Capital Fund.....	-	2,600,000
Golf Course Utility Fund.....	-	250,000
Swim Pool Utility Fund.....	8,908	8,908
	<u>\$ 3,404,809</u>	<u>\$ 3,404,809</u>

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 9 - DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are shown on the Borough's various balance sheets:

<u>2019</u>	<u>Balance December 31,</u>	<u>Raised in Subsequent Year's Budget</u>	<u>Balance to Succeeding</u>
Current Fund:			
Operating Deficit.....	\$ 1,118,721	\$ 1,118,721	\$ -

<u>2018</u>	<u>Balance December 31,</u>	<u>Raised in Subsequent Year's Budget</u>	<u>Balance to Succeeding</u>
Current Fund:			
Emergency Authorizations (40A:4-47).....	\$ 2,100,000	\$ 2,100,000	\$ -

NOTE 10 - RETIREMENT PLANS

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 City 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, refer to the State Division of Pension and Benefits ("Division's") Comprehensive Annual Financial Report ("CAFR") 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.

NOTE 10 - RETIREMENT PLANS

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, refer to the State Division of Pension and Benefits ("Division's") Comprehensive Annual Financial Report ("CAFR") at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/5 5th 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.

NOTE 10 - RETIREMENT PLANS

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 City employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP)

Established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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 State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, 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 10 - RETIREMENT PLANS

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. 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 PERS at June 30, 2019 and 2018 is \$18.1 billion and \$19.7 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 56.27% and 53.60%, respectively. The collective net pension liability of the participating employers for PFRS at June 30, 2019 and 2018 is \$14.2 billion and \$15.4 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 65.00% and 62.48%, respectively. The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 and 2017 which were rolled forward to June 30, 2019 and 2018, respectively.

Actuarial Methods and Assumptions

In the July 1, 2018 and 2017 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.

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 10 - RETIREMENT PLANS

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 2019 and 2018 based on 10.0% for PFRS, 7.50% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2019 and 2018 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 City for 2019, 2018 and 2017 were equal to the required contributions.

During the years ended December 31, 2019, 2018 and 2017, the City, 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	DCRP
2019	\$ 3,509,333	\$ 1,820,517	\$ -
2018	\$ 3,133,899	\$ 1,498,639	\$ -
2017	\$ 2,952,561	\$ 1,466,309	\$ -

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

	2019		2018	
	Liability	Actuarial Valuation Percentage	Liability	Actuarial Valuation Percentage
The Borough's PFRS liability and proportionate share at December 31 was.....	\$ 43,303,796	0.3538522429	\$ 46,016,921	0.3400688457

	2019		2018	
	Actuarial Valuation	Actual Contributions	Actuarial Valuation	Actual Contributions
The Borough's pension expense calculations for years ended December 31, were.....	\$ 5,050,755	\$ 3,509,333	\$ 4,382,540	\$ 3,133,899

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 at December 31:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.....	\$ 365,540	\$ 274,164	\$ 468,162	\$ 190,429
Changes of assumptions.....	1,483,824	13,995,390	3,949,934	11,793,342
Net difference between projected and actual earnings on pension plan investments.....	-	586,752	-	251,754
Changes in proportion and differences between Borough contributions and proportionate share of contributions.....	3,077,884	348,257	2,212,414	482,719
Total	\$ 4,927,248	\$ 15,204,563	\$ 6,630,510	\$ 12,718,244

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2019	2018
Inflation Rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Thru 2026		2.10% - 8.98% based on age
Thereafter		3.10% - 9.98% based on age
All Future Years	3.25% - 15.25% based on service years	
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub-2010	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019 and AA for 2018.

The actuarial assumptions used in the July 1, 2018 and 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018, and July 1, 2010 to June 30, 2013, respectively.

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Long-Term Expected Rate of Return

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, 2019 and 2018, as reported for the years ended December 31, 2019 and 2018, respectively, are summarized in the following tables:

Asset Class	2019		2018	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.87%
US Equity	28.00%	8.26%	30.00%	8.19%
Non-US Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
High Yield	2.00%	5.37%	2.50%	6.82%
Global Diversified Credit	0.00%	0.00%	5.00%	7.10%
Credit Oriented Hedge Funds	0.00%	0.00%	1.00%	6.60%
Debt Related Private Equity	0.00%	0.00%	2.00%	10.63%
Debt Related Real Estate	0.00%	0.00%	1.00%	6.61%
Real Assets	2.50%	9.31%	2.50%	11.83%
Equity Related Real Estate	0.00%	0.00%	6.25%	9.23%
Buyouts/Venture Capital	0.00%	0.00%	8.25%	13.08%
Private Credit	6.00%	7.92%	0.00%	0.00%
Real Estate	7.50%	8.33%	0.00%	0.00%
Private Equity	12.00%	10.85%	0.00%	0.00%
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Discount Rate

	2019		2018	
	Measurement Date	Discount Rate	Measurement Date	Discount Rate
The discount rate used to measure total pension liabilities was as follows.....	06/30/19	6.85%	06/30/18	6.51%

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	2019	2018
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2076	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2076 and Thereafter	From July 1, 2062 and Thereafter

*The municipal bond return rate used is 3.50% and 3.87% as of the measurement dates of June 30, 2019 and 2018, respectively. 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 AAa or higher.

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2019 and 2018 calculated using the discount rate of 6.85% and 6.51%, respectively, 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 5.85% and 5.51%, respectively or 1-percentage-point higher 7.85% and 7.51%, respectively than the current rate:

<u>2019</u>	1.00% Decrease <u>5.85%</u>	Current Discount Rate <u>6.85%</u>	1.00% Increase <u>7.85%</u>
The Borough's Proportionate Share of the PFRS Net Pension Liability.....	<u>\$ 43,768,678</u>	<u>\$ 43,303,796</u>	<u>\$ 42,838,913</u>
<u>2018</u>	1.00% Decrease <u>5.51%</u>	Current Discount Rate <u>6.51%</u>	1.00% Increase <u>7.51%</u>
The Borough's Proportionate Share of the PFRS Net Pension Liability.....	<u>\$ 46,509,134</u>	<u>\$ 46,016,921</u>	<u>\$ 45,524,709</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

NOTE 10 - RETIREMENT PLANS

Police and Firemen's Retirement System (PFRS)

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

Special Funding Situation

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 20 I, P .L. 200 I. 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.

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. report may be accessed via the New Jersey, Division of Pensions and Benefits, website www.state.nj.us/treasury/pensions.

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

	2019		2018	
	Liability	Actuarial Valuation Percentage	Liability	Actuarial Valuation Percentage
The Borough's PERS liability and proportionate share at December 31 was.....	\$ 34,350,424	0.1906399339	\$ 34,568,318	0.1755672587

	2019		2018	
	Actuarial Valuation	Actual Contributions	Actuarial Valuation	Actual Contributions
The Borough's pension expense calculations for years ended December 31, were.....	\$ 3,483,169	\$ 1,820,517	\$ 3,206,688	\$ 1,498,639

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 at December 31:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.....	\$ 616,545	\$ 151,745	\$ 659,223	\$ 178,245
Changes of assumptions.....	3,430,016	11,922,923	5,696,286	11,053,110
Net difference between projected and actual earnings on pension plan investments.....	-	542,235	-	324,252
Changes in proportion and differences between Borough contributions and proportionate share of contributions.....	5,194,881	-	3,658,106	-
Total	\$ 9,241,442	\$ 12,616,903	\$ 10,013,615	\$ 11,555,607

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2019	2018
Inflation Rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Thru 2026	2.00% - 6.00% based on years of service	1.65% - 4.15% based on age
Thereafter	3.00% - 7.00% based on years of service	2.65% - 5.15% based on age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019 and AA for 2018.

The actuarial assumptions used in the July 1, 2018 and 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018, and July 1, 2011 to June 30, 2014, respectively.

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

Long-Term Expected Rate of Return

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, 2019 and 2018, as reported for the years ended December 31, 2019 and 2018, respectively, are summarized in the following tables:

Asset Class	2019		2018	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.87%
US Equity	28.00%	8.26%	30.00%	8.19%
Non-US Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
High Yield	2.00%	5.37%	2.50%	6.82%
Global Diversified Credit	0.00%	0.00%	5.00%	7.10%
Credit Oriented Hedge Funds	0.00%	0.00%	1.00%	6.60%
Debt Related Private Equity	0.00%	0.00%	2.00%	10.63%
Debt Related Real Estate	0.00%	0.00%	1.00%	6.61%
Real Assets	2.50%	9.31%	2.50%	11.83%
Equity Related Real Estate	0.00%	0.00%	6.25%	9.23%
Buyouts/Venture Capital	0.00%	0.00%	8.25%	13.08%
Private Credit	6.00%	7.92%	0.00%	0.00%
Real Estate	7.50%	8.33%	0.00%	0.00%
Private Equity	12.00%	10.85%	0.00%	0.00%
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

Discount Rate

	2019		2018	
	Measurement Date	Discount Rate	Measurement Date	Discount Rate
The discount rate used to measure total pension liabilities was as follows.....	06/30/19	6.28%	06/30/18	5.66%

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	2019	2018
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2057	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2057 and Thereafter	From July 1, 2046 and Thereafter

*The municipal bond return rate used is 3.50% and 3.87% as of the measurement dates of June 30, 2019 and 2018, respectively. 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 AAa or higher.

NOTE 10 - RETIREMENT PLANS

Public Employees' Retirement System (PERS)

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

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2019 and 2018 calculated using the discount rate of 6.28% and 5.66%, respectively, 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 5.28% and 4.66%, respectively or 1-percentage-point higher 7.28% and 6.66%, respectively than the current rate:

<u>2019</u>	1.00% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1.00% Increase <u>7.28%</u>
The Borough's Proportionate Share of the PERS Net Pension Liability.....	<u>\$ 34,716,946</u>	<u>\$ 34,350,424</u>	<u>\$ 33,983,902</u>
<u>2018</u>	1.00% Decrease <u>4.66%</u>	Current Discount Rate <u>5.66%</u>	1.00% Increase <u>6.66%</u>
The Borough's Proportionate Share of the PERS Net Pension Liability.....	<u>\$ 34,934,741</u>	<u>\$ 34,568,318</u>	<u>\$ 34,201,896</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2019 and 2018. 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. report may be accessed via the New Jersey, Division of Pensions and Benefits, website www.state.nj.us/treasury/pensions.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

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

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

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) 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 Jw1e 28, 20 II 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 11 - OTHER POST EMPLOYMENT BENEFITS

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.

Investment Valuation

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

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, 2019 and 2018 is \$13.5 billion and \$15.7 billion, respectively, and the plan fiduciary net position as a percentage of the total OPEB liability is 1.98% and 1.97%, respectively. The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 and 2017 which were rolled forward to June 30, 2019 and 2018.

Actuarial Methods and Assumptions

In the June 30, 2018 and 2017 OPEB 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 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 the firm's belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 is 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 \$346.4 million and \$421.2 million and the State of New Jersey, as the non-employer contributing entity, contributed \$43.9 million and \$53.5 million for fiscal years 2019 and 2018, respectively.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

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, 2019, 2018 and 2017 were \$960,223, \$987,417 and \$921,186, respectively, which equaled the required contributions for each year.

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

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

	2019		2018	
	Liability	Actuarial Valuation Percentage	Liability	Actuarial Valuation Percentage
The Borough's OPEB (0937-00) liability and proportionate share at December 31 was.....	\$ 52,570,270	0.3880850000	\$ 58,089,940	0.4152050000

	2019		2018	
	Actuarial Valuation	Actual Contributions	Actuarial Valuation	Actual Contributions
The Borough's OPEB expense calculations for years ended December 31, were.....	\$ (2,680,956)	\$ 960,000	\$ 1,263,785	\$ 924,456

The Borough's deferred outflows of resources and deferred inflows of resources related to OPEB; which are not reported on the Borough's financial statements are from the following sources at December 31:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.....	\$ 43,303	\$ 15,373,596	\$ 34,375	\$ 13,207,183
Changes of assumptions.....	-	18,629,734	-	16,500,425
Net difference between projected and actual earnings on pension plan investments.....	-	-	-	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions.....	1,405,446	12,962,143	1,634,346	9,040,529
Total	\$ 1,448,749	\$ 46,965,473	\$ 1,668,721	\$ 38,748,137

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total OPEB liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2018	2017
Inflation	2.50%	2.50%
Salary Increases:		
Thru 2026	1.65% - 8.98% based on age	1.65% - 8.98% based on age
Thereafter	2.65% - 9.98% based on age	2.65% - 9.98% based on age
Long-Term Rate of Return	1.00%	1.00%
Mortality Rate Table	RP-2006	RP-2006

For the June 30, 2018 measurement date healthcare cost trend rates for pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

For the June 30, 2017 measurement date healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine year. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefit, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2017 and 2016 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% and 1.00% as of June 30, 2018 and 2017, respectively.

Discount Rate

	2019		2018	
	Measurement Date	Discount Rate	Measurement Date	Discount Rate
The discount rate used to measure total OPEB liabilities was as follows.....	06/30/19	3.50%	06/30/18	3.87%

The discount rate represents the municipal bond return rate as chosen by the Division. 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 AAJ 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.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the OPEB net liability as of December 31, 2019 and 2018 calculated using the discount rate of 3.50% and 3.87%, respectively, 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 2.50% and 2.87%, respectively or 1-percentage-point higher 4.50% and 4.87%, respectively than the current rate:

<u>2019</u>	1.00% Decrease <u>2.50%</u>	Current Discount Rate <u>3.50%</u>	1.00% Increase <u>4.50%</u>
The Borough's Proportionate Share of the Net OPEB Liability.....	<u>\$ 53,115,040</u>	<u>\$ 52,570,270</u>	<u>\$ 52,025,501</u>
<u>2018</u>	1.00% Decrease <u>2.87%</u>	Current Discount Rate <u>3.87%</u>	1.00% Increase <u>4.87%</u>
The Borough's Proportionate Share of the Net OPEB Liability.....	<u>\$ 58,694,225</u>	<u>\$ 58,089,940</u>	<u>\$ 57,485,655</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

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

The following presents the Borough's proportionate share of the OPEB net liability as of December 31, 2019 and 2018 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:

2019

	<u>1.00% Decrease</u>	<u>Healthcare Costs Trend Rates</u>	<u>1.00% Increase</u>
The Borough's Proportionate Share of the Net OPEB Liability.....	<u>\$ 53,095,973</u>	<u>\$ 52,570,270</u>	<u>\$ 52,044,567</u>

2018

	<u>1.00% Decrease</u>	<u>Healthcare Costs Trend Rates</u>	<u>1.00% Increase</u>
The Borough's Proportionate Share of the Net OPEB Liability.....	<u>\$ 58,670,839</u>	<u>\$ 58,089,940</u>	<u>\$ 57,509,041</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB 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 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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. 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. 75 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. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB 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. report may be accessed via the New Jersey, Division of Pensions and Benefits, website www.state.nj.us/treasury/pensions.

NOTE 12 - CONTINGENCIES

A. Litigation

The Borough is a party to various legal proceedings which normally occur in the operation of government. One or more related cases which stem from employment practices and procedures are likely to have a materially adverse affect on the financial condition and operations of the Borough.

B. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court and the Bergen County Board of taxation at December 31, 2019. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the prescribed accounting principles, the Borough does not recognize any charge to operations or related liability, until the cases have been adjudicated. The Borough expects such amounts, if any, to be material. Funding of any liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.

C. 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 grantor agency. If expenditures are disallowed, the Borough may be required to reimburse the grantor agency. As of December 31, 2019, significant amounts of grant expenditures have not been audited. The Borough believes that any future disallowed expenditures will not have a material effect on its financial position.

D. Federal Arbitrage Rebate

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, 2019, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

E. COVID-19

Both short and long-term financial impact from COVID-19 has yet to be determined. Preliminarily, certain anticipated revenues are deemed to be at risk, as well as amount to be raised by taxation and receipts from delinquent taxes.

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 13 - 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:

	2019		2018	
	Fund Balance December 31,	Utilized in Subsequent Years' Budget	Fund Balance December 31,	Utilized in Subsequent Years' Budget
Current Fund:				
Cash Surplus	\$ 644,537	\$ -	\$ 644,537	\$ -
Non-Cash Surplus	-	-	-	-
	<u>\$ 644,537</u>	<u>\$ -</u>	<u>\$ 644,537</u>	<u>\$ -</u>
Golf Course Utility Fund:				
Cash Surplus	\$ 124,725	\$ 120,000	\$ 518,478	\$ 419,500
Non-Cash Surplus	-	-	-	-
	<u>\$ 124,725</u>	<u>\$ 120,000</u>	<u>\$ 518,478</u>	<u>\$ 419,500</u>
Swim Pool Utility Fund:				
Cash Surplus	\$ 98,754	\$ 98,718	\$ 208,182	\$ 134,000
Non-Cash Surplus	-	-	-	-
	<u>\$ 98,754</u>	<u>\$ 98,718</u>	<u>\$ 208,182</u>	<u>\$ 134,000</u>

NOTE 14 - ECONOMIC DEPENDENCY

The Borough of Paramus is not economically dependent on any one business or industry as a major source of tax revenue for the Borough.

NOTE 15 - SUBSEQUENT EVENTS

As of the date of this report, the following material subsequent events require disclosure:

A. Capital Projects

Subsequent to December 31, 2019, the Borough adopted capital ordinances appropriating \$2,834,000 capital improvements to be funded with \$877,000 grants appropriated, \$83,500 capital improvement fund and \$1,873,500 debt authorized.

B. Deferred Charges

Prior to December 31, 2020, the Borough will require the approval of a resolution declaring the necessity of various emergency appropriations to fund operations to the end of the fiscal year. Individual line items are expected to be material and will require the approval of the Director of Local Government Services after local approval by resolution. Said amounts will appear as deferred charges on the Borough's December 31, 2020 balance sheet and will be required to be raised by taxation in full in the Borough's CY2021 municipal budget.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF DELINQUENT PROPERTY TAXES RECEIVABLE
 YEAR ENDED DECEMBER 31, 2019

Year	Balance	2019 Levied	Cash Received		Vets & SC Deductions	Transferred to TTL	Cancelled & Adjusted	Balance
	December 31, 2018		2018	2019				December 31, 2019
2018	\$ 770,331	\$ 1,630	\$ -	\$ 773,307	\$ (1,596)	\$ -	\$ -	\$ 250
2019	-	149,763,161	1,037,573	147,543,844	179,500	358	79,111	922,775
	<u>\$ 770,331</u>	<u>\$ 149,764,791</u>	<u>\$ 1,037,573</u>	<u>\$ 148,317,151</u>	<u>\$ 177,904</u>	<u>\$ 358</u>	<u>\$ 79,111</u>	<u>\$ 923,025</u>

Analysis of 2019 Property Tax Levy

Tax Yield:

General Purpose Tax.....	\$ 149,307,373
Omitted Taxes (N.J.S.A. 54:4-63.12 et. seq.).....	-
Added Taxes (N.J.S.A. 54:4-63.1 et. seq.).....	455,788
	<u>\$ 149,763,161</u>

Receipts from Delinquent Taxes:

Cash - 2019	\$ 773,307
Vest & SC	(1,596)
	<u>\$ 771,711</u>

Tax Levy:

County Levy.....	\$ 23,201,500
County Open Space Levy.....	1,001,819
Local District School Levy.....	80,151,823
Library Levy.....	3,304,741
Municipal Levy.....	41,600,653
	149,260,536
Duplicate Rounding.....	46,837
Omitted Taxes (N.J.S.A. 54:4-63.12 et. seq.).....	-
Added Taxes (N.J.S.A. 54:4-63.1 et. seq.).....	455,788
	<u>\$ 149,763,161</u>

Current Taxes Realized:

Cash - 2018	\$ 1,037,573
Cash - 2019	147,543,844
Vest & SC	179,500
	<u>\$ 148,760,917</u>

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF TAX TITLE LIENS RECEIVABLE
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018.....		\$	4,760
Increased by:			
2019 Taxes Transferred.....	358		
	-		
			358
			5,118
Decreased by:			
	-		
			-
Balance, December 31, 2019.....		\$	5,118

BOROUGH OF PARAMUS
CURRENT FUND
STATEMENT OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION
YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018.....		\$	23,978
Increased by:		-	
		-	
	<hr/>		-
			<hr/>
			23,978
Decreased by:		-	
		-	
	<hr/>		-
			<hr/>
Balance, December 31, 2019.....		<u>\$</u>	<u>23,978</u>

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF DEFERRED CHARGES
 YEAR ENDED DECEMBER 31, 2019

<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance December 31, 2018</u>	<u>Incurred/ Authorized</u>	<u>Reduced by Budget Appropriation</u>	<u>Adjustments</u>	<u>Balance December 31, 2019</u>
<i>Emergency Authorizations (40A:4-47):</i>							
COAH Loan	2,100,000		\$ 2,100,000	\$ -	\$ 2,100,000	\$ -	\$ -
<i>Operating Deficits</i>							
2019 Budget			\$ -	\$ 1,118,721	\$ -	\$ -	\$ 1,118,721
			\$ 2,100,000	\$ 1,118,721	\$ 2,100,000	\$ -	\$ 1,118,721

BOROUGH OF PARAMUS
 GRANT FUND
 STATEMENT OF GRANTS RECEIVABLE
 YEAR ENDED DECEMBER 31, 2019

Program	Balance December 31, 2018	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2019
NJ Clean Communities Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NJ Driving Enforcement Fund	-	-	-	-	-	-
NJ Recycling Tonnage Grant	-	-	-	-	-	-
NJ State Forestry Services - No Net Loss Grant	-	-	-	-	-	-
NJ State Forestry Services - Green Communities Grant	-	-	-	-	-	-
NJ Safe & Secure Grant	-	-	-	-	-	-
FD COPS Grant	-	215,303	215,303	-	-	-
Bergen County ADA Cooperative - Curb Ramp Construction	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 215,303</u>	<u>\$ 215,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF PARAMUS
 GRANT FUND
 STATEMENT OF APPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2019

Program	Balance December 31, 2018	Budget	Paid or Charged	Adjustments	Balance December 31, 2019
FD Equitable Sharing Program	\$ -	\$ -	\$ -	\$ -	\$ -
FD Assistance to Firefighters Grant Program	13,637	-	-	-	13,637
NJ Clean Communities Program	63,907	-	-	-	63,907
NJ Alcohol Education & Rehabilitation Program	1,990	-	-	-	1,990
NJ Body Armor Replacement Program	14,216	-	-	-	14,216
NJ Recycling Tonnage Grant	713,024	-	41,285	-	671,739
NJ Solid Waste Admin. Grant - Public Space Recycling	3,962	-	-	-	3,962
NJ State Forestry Services - No Net Loss Grant	244,800	-	-	-	244,800
NJ State Forestry Services - Green Communities Grant	22,125	-	-	-	22,125
NJ Safe & Secure Grant	-	-	-	-	-
Drunk Driving Enforcement Fund	16,079	-	-	-	16,079
FD COPS Grant	-	215,303	215,303	-	-
	\$ 1,093,740	\$ 215,303	\$ 256,588	\$ -	\$ 1,052,455

BOROUGH OF PARAMUS
 GRANT FUND
 STATEMENT OF UNAPPROPRIATED RESERVES
 YEAR ENDED DECEMBER 31, 2019

Program	Balance December 31, 2018	Appropriated in 2019	Received in 2019	Adjustments	Balance December 31, 2019
NJ Clean Communities Program	\$ 47,247	\$ -	\$ 52,999	\$ -	\$ 100,246
NJ Recycling Tonnage Grant	-	-	130,864	-	130,864
NJ Municipal Alliance	-	-	14,955	-	14,955
NJ State Forestry Services - No Net Loss Grant	-	-	-	-	-
NJ Drunk Driving Enforcement Fund	18,861	-	-	-	18,861
NJ Alcohol Education & Rehabilitation Program	-	-	161	-	161
NJ Distracted Driving	-	-	5,500	-	5,500
NJ Drive Sober or Get Pulled Over	-	-	5,500	-	5,500
Emergency Management	-	-	10,000	-	10,000
BCUA Grant	-	-	37,542	-	37,542
BCUA Grant	-	-	37,542	-	37,542
BCUA Grant	-	-	3,000	-	3,000
NJ Body Armor Replacement Program	-	-	8,690	-	8,690
Safe and Secure	-	-	65,000	-	65,000
FD Forfeiture	-	-	240,606	-	240,606
	\$ 66,108	\$ -	\$ 612,359	\$ -	\$ 678,467

TRUST FUND

BOROUGH OF PARAMUS
 TRUST FUND
 STATEMENT OF TRUST FUND RESERVES
 YEAR ENDED DECEMBER 31, 2019

Purpose	Balance December 31, 2018	Receipts	Disbursements	Balance December 31, 2019
Senior Citizens Recreation Activities (N.J.S	\$ 36,004	\$ 34,086	\$ 21,241	\$ 48,849
Recycling Program (PL 1981 c 278 amende	101,562	70,929	170,933	1,558
Recycling Program (PL 1981 c 278 amende	6,979	-	6,948	31
Elevator	53,242	-	53,242	-
Lead Program	17,382	94,247	15,872	95,757
Substance Abuse	2,109	-	-	2,109
Donations N.J.S.A. 40A:5-29 - Volunteers	142,483	400	78,146	64,737
Donations N.J.S.A. 40A:5-29 Celebration of	10,059	70,500	80,559	-
Donations N.J.S.A. 40A:5-29	47,008	19,750	17,153	49,605
Donations N.J.S.A. 40A:5-29 National Nigh	4,383	4,150	8,154	379
Donations N.J.S.A. 40A:5-29 Celebration of	29,333	37,000	39,237	27,096
Donations N.J.S.A. 40A:5-29 Police Vests /	14,126	23,578	8,766	28,938
Donations N.J.S.A. 40A:5-29 Celebration of	31,638	15,950	29,396	18,192
Donations N.J.S.A. 40A:5-29 Celebration of	37,869	10,045	9,090	38,824
Donations N.J.S.A. 40A:5-29 Celebration of	5,804	1,750	-	7,554
Donations N.J.S.A. 40A:5-29 Veteran's Mer	10,425	5,990	425	15,990
Donations N.J.S.A. 40A:5-29 Shade Trees	194,016	30,174	99,171	125,019
Parking Offenses Adjudication Act (PL 198	11,935	636	-	12,571
Outside Employment of Off-Duty Municipal	1,131,690	2,144,854	3,233,010	43,534
Tax Premium Account	689,300	142,600	179,300	652,600
Uniform Fire Safety Act penalty Monies (NJ	38,979	47,400	5,531	80,848
Storm Recovery Trust Fund P.L. 2013, Ch.	610,411	-	610,411	-
Accumulated Absences N.J.A.C. 5:31-15	575,800	-	575,800	-
Developers Escrow Fund (NJSA 40:55D-53	1,132,540	-	-	1,132,540
Escrow Reserves	1,442,911	-	1,442,911	-
Escrow Reserves - Accutrack	2,149,591	1,969,584	720,221	3,398,954
Affordable Housing Expenditures	975,202	1,025,433	928,210	1,072,425
COAH Expenditures	-	251,359	-	251,359
Affordable Housing Rehabilitation	333,065	32,418	235,979	129,504
FSA Expenditures	25,976	21,259	21,643	25,592
Self Insurance Programs - General Liability	6,090	332,502	335,843	2,749
Self Insurance Programs - Property	52,312	1,246	-	53,558
Self Insurance Programs - Vision	-	-	-	-
Shade Tree Expenditures	960,444	204,870	74,482	1,090,832
General Escrow Expenditures	357,222	188,626	130,015	415,833
Recreation Expenditures	746,996	445,899	567,982	624,913
Unemployment Expenditures	8,691	84,563	87,632	5,622
Workmen's Compensation Claims	19,754	1,121,914	1,138,541	3,127
	12,013,331	8,433,712	10,925,844	9,521,199

GENERAL CAPITAL FUND

BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2019

Improvement Description	Balance December 31, 2018	Improvement Authorized	Cash Received	Cancelled/ Adjusted	Balance December 31, 2019
Federal:					
Federal Housing & Community Development Act -- Passed Thru the County of Bergen -- Community Development Program:					
#88-19	\$ -	\$ -	\$ -	\$ -	\$ -
#89-17	-	-	-	-	-
#94-31	-	-	-	-	-
#97-22	-	-	-	-	-
#98-22	-	-	-	-	-
#98-26	-	-	-	-	-
#98-35	-	-	-	-	-
#99-11	-	-	-	-	-
#00-12	-	-	-	-	-
#00-19	-	-	-	-	-
#03-17	-	-	-	-	-
	-	-	-	-	-
Department of Homeland Security -- Passed Thru the State of NJ					
Division of Law & Public Saety					
#02-25	-	-	-	-	-
#04-01	-	-	-	-	-
	-	-	-	-	-
Total Federal	-	-	-	-	-
State:					
Department of Transportation -- Passed Thru the State of NJ Department of Transportation:					
#02-15	-	-	-	-	-
#03-17	-	-	-	-	-
#08-33	-	-	-	-	-
#18-07 Various Public Improvements	202,000	-	151,500	-	50,500
	202,000	-	151,500	-	50,500
Total State	202,000	-	151,500	-	50,500
Other:					
Bergen County - Open Space Trust Fund - #10-07	-	-	-	-	-
#10-07 - Paramus Board of Education	-	-	-	-	-
Total Other	-	-	-	-	-
Total Grants Receivable	\$ 202,000	\$ -	\$ 151,500	\$ -	\$ 50,500

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 STATEMENT OF DUE FROM - CURRENT FUND
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	-
Increased by:			
Advanced	\$	1,807,954	
		-	
		-	
		<hr/>	
			1,807,954
			<hr/>
			1,807,954
Decreased by:			
Cleared		-	
		-	
		-	
		<hr/>	
			-
			<hr/>
Balance, December 31, 2019		\$	<u><u>1,807,954</u></u>

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 STATEMENT OF OVEREXPENDITURE OF ORDINANCE APPROPRIATION
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	-
Increased by:			
Expended	\$	7,157	
		-	
		-	
		<hr/>	7,157
			<hr/>
			7,157
Decreased by:			
Cleared		-	
		-	
		-	
		<hr/>	-
			<hr/>
Balance, December 31, 2019		\$	<u>7,157</u>

BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2019

Improvement	Balance			Paid by Budget Appropriation	Balance December 31, 2019	Analysis of Balance	
	December 31, 2018	Increases	Refinanced			Outstanding Bonds	Outstanding Loans
3/1/03 Pension Refunding Bonds	\$ 890,000	\$ -	\$ -	\$ 265,000	\$ 625,000	\$ 625,000	\$ -
9/1/05 General Improvement Bonds	2,110,000	-	-	2,110,000	-	-	-
9/10/07 Refunding Bonds - Tax Appeals	540,000	-	-	540,000	-	-	-
02/15/18 General Improvement Bonds	30,800,000	-	-	1,500,000	29,300,000	29,300,000	-
	<u>\$ 34,340,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,415,000</u>	<u>\$ 29,925,000</u>	<u>\$ 29,925,000</u>	<u>\$ -</u>

BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2019

Improvement	Balance		Raised by			Serial Bonds Issued	Adjustments	Analysis of Balance		
	December 31, 2018	Authorized	Budget Appropriation	Receipts Applied	December 31, 2019			Outstanding BANs	B&N Authorized	Other
#18-07 Various Public Improvements	\$ 5,470,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,470,853	\$ 5,470,853	\$ -	\$ -
Prior	2,540,303	-	-	-	-	(10)	2,540,313	-	-	2,540,313
#19-12 Various Public Improvements	-	2,040,600	-	-	-	-	2,040,600	2,039,147	-	1,453
#19-01 Housing Loan	-	2,000,000	-	-	-	-	2,000,000	2,000,000	-	-
	<u>\$ 8,011,156</u>	<u>\$ 4,040,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ 12,051,766</u>	<u>\$ 9,510,000</u>	<u>\$ -</u>	<u>\$ 2,541,766</u>

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 STATEMENT OF DUE TO - CURRENT FUND
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	2,600,000
Increased by:			
Utilized as Current Fund Anticipated Revenue	\$	-	
		-	
		-	
			-
			<u>2,600,000</u>
Decreased by:			
Returned	2,600,000		
		-	
		-	
			<u>2,600,000</u>
Balance, December 31, 2019		\$	<u><u>-</u></u>

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 STATEMENT OF SERIAL BONDS PAYABLE
 YEAR ENDED DECEMBER 31, 2019

C-10

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2018	Issued In 2019	Refinanced	Paid by Budget Appropriation	Balance December 31, 2019
3/1/03 Refunding Bonds - Pension	2,395,000	\$ 890,000	\$ -	\$ -	\$ 265,000	\$ 625,000
9/1/05 General Improvement Bonds	10,480,000	2,110,000	-	-	2,110,000	-
9/10/07 Refunding Bonds - Tax Appeals	5,265,000	540,000	-	-	540,000	-
02/15/18 General Improvement Bonds	30,800,000	30,800,000	-	-	1,500,000	29,300,000
		<u>\$ 34,340,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,415,000</u>	<u>\$ 29,925,000</u>

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
 YEAR ENDED DECEMBER 31, 2019

C-11

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2018	Increased		Decreased			Balance December 31, 2019	
							New Money	Renewal	Serial Bonds Issued	Cash Receipts Applied	Budget Paydown		Renewal
<u>18-1</u>													
#18-07 Various Public Improvements	5,470,853	10/19/2018	10/19/2018	10/18/2019	3.00%	\$ 5,470,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,470,853	\$ -
#18-07 Various Public Improvements	5,470,853	10/19/2018	10/18/2019	10/16/20	1.50%	-	-	5,470,853	-	-	-	-	5,470,853
#19-12 Various Public Improvements	2,039,147	10/18/2019	10/18/2019	10/16/20	1.50%	-	2,039,147	-	-	-	-	-	2,039,147
#19-01 Housing Loan	2,000,000	10/18/2019	10/18/2019	04/30/20	2.18%	-	2,000,000	-	-	-	-	-	2,000,000
						<u>\$ -</u>	<u>\$ 4,039,147</u>	<u>\$ 5,470,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,510,000</u>
						<u>\$ 5,470,853</u>	<u>\$ 4,039,147</u>	<u>\$ 5,470,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,470,853</u>	<u>\$ 9,510,000</u>

BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2019

Description	Authorized in 2019											
	Balance - January 1, 2018		Capital Improvement Fund	Capital Surplus	Grants	From Reserve	Bonds & Notes Authorized	Expended	Refunds/ Adjustments	Cancellations	Balance - December 31, 2019	
	Funded	Unfunded									Funded	Unfunded
#14-07 Various Public Improvements	\$ 1,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,540	\$ -
#14-08 Acquisition of Ambulance	-	-	-	-	-	-	-	-	-	-	-	-
#14-24 Various Public Improvements	-	-	-	-	-	-	-	-	-	-	-	-
#14-27 Various Public Improvements	40,857	-	-	-	-	-	-	-	-	-	40,857	-
#15-19 Various Public Improvements	-	-	-	-	-	-	-	-	-	-	-	-
#15-22 Various Public Improvements	1,576	-	-	-	-	-	-	-	-	-	1,576	-
#15-23 Acquisition of Ambulance	-	-	-	-	-	-	-	-	-	-	-	-
#16-01 Various Public Improvements	-	-	-	-	-	-	415,829	415,829	-	-	-	-
#16-13 East Brook Turf Field	-	-	-	-	-	-	-	-	-	-	-	-
#16-23 Various Public Improvements	117,210	-	-	-	-	-	82,186	-	-	-	35,024	-
#17-06 Supplement to # 15-19	69,561	-	-	-	-	-	14,490	-	-	-	55,071	-
#17-10 Various Public Improvements	98,755	-	-	-	-	-	97,258	-	-	-	1,497	-
#17-24 Supplement to # 16-13	12,587	-	-	-	-	-	-	-	-	-	12,587	-
#18-07 Various Public Improvements	-	4,287,682	-	-	-	-	2,164,796	-	-	-	-	2,122,886
#19-12 Various Public Improvements	-	-	107,400	-	-	-	2,040,600	330,868	-	-	-	1,817,132
#19-01 Housing Loan	-	-	100,000	-	-	-	2,000,000	2,100,000	-	-	-	-
	<u>\$ 342,086</u>	<u>\$ 4,287,682</u>	<u>\$ 207,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,040,600</u>	<u>\$ 5,205,427</u>	<u>\$ 415,829</u>	<u>\$ -</u>	<u>\$ 148,152</u>	<u>\$ 3,940,018</u>

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 STATEMENT OF RESERVE FOR CAPITAL IMPROVEMENT FUND
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	121,258
Increased by:			
2019 Budget Appropriation	\$	250,000	
		-	
		-	
		<u> </u>	<u>250,000</u>
			<u>371,258</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations		207,400	
		-	
		-	
		<u> </u>	<u>207,400</u>
Balance, December 31, 2019		\$	<u><u>163,858</u></u>

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 STATEMENT OF RESERVE FOR ENCUMBRANCES
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	544,764
Increased by:			
Encumbered	\$	312,234	
		-	
		-	
		<hr/>	312,234
			<hr/> 856,998
Decreased by:			
Paid		544,764	
		-	
		-	
		<hr/>	544,764
			<hr/> 544,764
Balance, December 31, 2019		\$	<u><u>312,234</u></u>

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 YEAR ENDED DECEMBER 31, 2019

Improvement Description	Balance December 31, 2018	Authorized	BANs Issued	Bonds Issued	Raised in Budget	Cancelled	Balance December 31, 2019
#19-12 Various Public Improvements	\$ -	\$ 2,040,600	\$ 2,039,147	\$ -	\$ -	\$ -	\$ 1,453
#19-01 Housing Loan	-	2,000,000	2,000,000	-	-	-	-
	\$ -	\$ 4,040,600	\$ 4,039,147	\$ -	\$ -	\$ -	\$ 1,453

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF DUE FROM - GCU CAPITAL FUND
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	-
Increased by:			
Advanced	\$	14,751	
		-	
		-	
		<hr/>	14,751
			<hr/>
			14,751
Decreased by:			
		-	
		-	
		-	
		<hr/>	-
			<hr/>
Balance, December 31, 2019		\$	<u>14,751</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF DUE TO - CURRENT FUND
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	250,000
Increased by:			
	\$	-	
Advanced		1,121	
		-	
		<u>1,121</u>	<u>1,121</u>
			251,121
Decreased by:			
		-	
		-	
		-	
		<u>-</u>	<u>-</u>
Balance, December 31, 2019		\$	<u><u>251,121</u></u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF RESERVE FOR ENCUMBRANCES
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	51,273
Increased by:			
Encumbered	\$	23,013	
		-	
		-	
		<u> </u>	<u>23,013</u>
			<u>74,286</u>
Decreased by:			
Paid		51,273	
		-	
		-	
		<u> </u>	<u>51,273</u>
Balance, December 31, 2019		\$	<u><u>23,013</u></u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF APPROPRIATION RESERVES
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	214,775
Increased by:			
2019 Appropriation Balances	\$	108,106	
Adjustment		5,458	
		-	
		<u> </u>	113,564
			<u>328,339</u>
Decreased by:			
Cash Disbursed		-	
Lapsed		220,233	
		-	
		<u> </u>	220,233
			<u> </u>
Balance, December 31, 2019		\$	<u>108,106</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF ACCRUED INTEREST
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	39,778
Increased by:			
Accrued	\$	-	
		-	
		-	
		<u> </u>	<u>-</u>
			39,778
Decreased by:			
Expended		-	
Adjustment		2,850	
		<u> </u>	<u>2,850</u>
Balance, December 31, 2019		<u>\$</u>	<u>36,928</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF FIXED CAPITAL
 YEAR ENDED DECEMBER 31, 2019

Description	Balance December 31, 2018	Transferred From Fixed Capital Authorized & Uncompleted	Transferred From Golf Utility Operating Fund Capital Outlay	Adjustments	Cancellations	Balance December 31, 2019
Unallocated	\$ 12,961,822	\$ -	\$ -	\$ -	\$ -	\$ 12,961,822

Reserve for Amortization	\$ 9,061,822
Serial Bonds Payable	3,900,000
	<u>\$ 12,961,822</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF FIXED CAPITAL AUTHORIZED & UNCOMPLETED
 YEAR ENDED DECEMBER 31, 2019

D-14

Improvement	Balance December 31, 2018	Authorized	Receipts Applied	Transferred to Fixed Capital	Cancellations/ Adjustments	Balance December 31, 2019
#97-19 Golf Course Improvements	\$ 1,674	\$ -	\$ -	\$ -	\$ -	1,674
#99-14 Golf Course Improvements	14,500	-	-	-	-	14,500
#99-31 Acquisition of Land	11,250	-	-	-	-	11,250
#01-07 Golf Course Improvements	18,250	-	-	-	-	18,250
#03-19 Golf Course Improvements	1,025	-	-	-	-	1,025
#04-12 Golf Course Improvements	15,000	-	-	-	-	15,000
#05-26 Golf Course Impts/Gannarelli Sports Complex	11,500	-	-	-	-	11,500
#07-06 Constr/Renovation to Parkway School Field	1,644,310	-	-	-	-	1,644,310
#07-21 Golf Course Improvements	594,853	-	-	-	-	594,853
#15-37 Golf Course Improvements	1,163,000	-	-	-	-	1,163,000
#16-18 Supplemental to #15-37 - Golf Course Impts.	430,000	-	-	-	-	430,000
#16-24 Golf Course Improvements	151,000	-	-	-	-	151,000
#17-28 Golf Course Improvements - Concession Stand	1,100,000	-	-	-	-	1,100,000
	-	50,000	-	-	-	50,000
	\$ 5,156,362	\$ 50,000	\$ -	\$ -	\$ -	\$ 5,206,362

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF SERIAL BONDS PAYABLE
 YEAR ENDED DECEMBER 31, 2019

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2018</u>	<u>Issued In 2018</u>	<u>Refinanced</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2019</u>
02/15/18 General Improvement Bonds	\$ 4,280,000	\$ 4,280,000	\$ -	\$ -	\$ 380,000	\$ 3,900,000

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF RESERVE FOR AMORTIZATION
 YEAR ENDED DECEMBER 31, 2019

Description	Balance December 31, 2018	Transferred From Golf Utility Operating Fund Capital Outlay	Serial Bond Principal Payments	Refinanced	Adjustments	Balance December 31, 2019
Unallocated	\$ 8,681,822	\$ -	\$ 380,000	\$ -	\$ -	\$ 9,061,822

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION
 YEAR ENDED DECEMBER 31, 2019

D-19

Description	Balance December 31, 2018	Authorized	Transferred From Golf Utility Operating Fund Capital Outlay	BAN Principal Payments	Cancellations	Balance December 31, 2019
#99-14 Golf Course Improvements	\$ 14,500	\$ -	\$ -	\$ -	\$ -	\$ 14,500
#99-31 Acquisition of Land	11,250	-	-	-	-	11,250
#01-07 Golf Course Improvements	14,225	-	-	-	-	14,225
#04-12 Golf Course Improvements	15,000	-	-	-	-	15,000
#05-26 Golf Course Impts/Gannarelli Sports Complex	11,500	-	-	-	-	11,500
#07-06 Constr/Renovation to Parkway School Field	494,310	-	-	-	-	494,310
#07-21 Golf Course Improvements	194,853	-	-	-	-	194,853
#15-37 Golf Course Improvements	54,320	-	-	-	-	54,320
#17-28 Golf Course Improvements - Concession Stand	52,381	-	-	-	-	52,381
Prior	3,470,545	-	-	-	-	3,470,545
	<u>\$ 4,332,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,332,884</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF CAPITAL IMPROVEMENT FUND
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018	\$	59,098
Increased by:		
	\$	-
		-
		-
		-
		59,098
Decreased by:		
		-
		-
		-
		-
		-
Balance, December 31, 2019	\$	59,098

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2019

D-21

Description	Balance - January 1, 2018		Bonds & Notes Authorized	Expended	Adjustments	Cancellations	Balance - December 31, 2019	
	Funded	Unfunded					Funded	Unfunded
#89-33 Golf Course Improvements	\$ 1,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,402	\$ -
#99-14 Golf Course Improvements	30,016	-	-	19,500	-	-	10,516	-
#99-31 Acquisition of Land	11,596	-	-	-	-	-	11,596	-
#01-07 Golf Course Improvements	10,615	4,025	-	11,455	-	-	-	3,185
#03-19 Golf Course Improvements	5,331	-	-	-	-	-	5,331	-
#04-12 Golf Course Improvements	1,298	-	-	-	-	-	1,298	-
#07-06 Constr/Renovation to Parkway School Field	176,820	-	-	-	-	-	176,820	-
#07-21 Golf Course Improvements	950	-	-	-	-	-	950	-
#16-18 Supplemental to #15-37 - Golf Course Impts.	129,587	-	-	8,855	-	-	120,732	-
#16-24 Golf Course Improvements	15,487	-	-	-	-	-	15,487	-
#17-28 Golf Course Improvements - Concession Stand	1,037,380	-	-	39,697	-	-	997,683	-
#19-13 Golf Course Improvements	-	-	50,000	8,128	-	-	-	41,872
	<u>\$ 1,420,482</u>	<u>\$ 4,025</u>	<u>\$ 50,000</u>	<u>\$ 87,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,341,815</u>	<u>\$ 45,057</u>

BOROUGH OF PARAMUS
GOLF COURSE UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2019

Improvement Description	Balance December 31, 2018	Authorized	BANs Issued	Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2019
#97-19 Golf Course Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#01-07 Golf Course Improvements	-	-	-	-	-	-
#03-19 Golf Course Improvements	-	-	-	-	-	-
#16-18 Supplemental to #15-37 - Golf Course Impts.	-	-	-	-	-	-
#16-24 Golf Course Improvements	-	-	-	-	-	-
#19-13 Golf Course Improvements	-	50,000	-	-	-	50,000
	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000

BOROUGH OF PARAMUS
 SWIM POOL UTILITY OPERATING FUND
 STATEMENT OF DUE FROM - SPU CAPITAL FUND
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	8,908
Increased by:			
Advanced	\$	1,445	
		-	
		-	
		<u> </u>	
			<u>1,445</u>
			10,353
Decreased by:			
		-	
		-	
		-	
		<u> </u>	
			<u> </u>
Balance, December 31, 2019		\$	<u><u>10,353</u></u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY OPERATING FUND
 STATEMENT OF RESERVE FOR ENCUMBRANCES
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	25
Increased by:			
Encumbered	\$	-	
		-	
		-	
		<u> </u>	<u>-</u>
			25
Decreased by:			
Lapsed		25	
		-	
		-	
		<u> </u>	<u>25</u>
Balance, December 31, 2019		<u>\$</u>	<u>-</u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY OPERATING FUND
 STATEMENT OF APPROPRIATION RESERVES
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	16,303
Increased by:			
2019 Appropriation Balances	\$	10,219	
		-	
		-	
		<u> </u>	<u>10,219</u>
			<u>26,522</u>
Decreased by:			
Cash Disbursed		-	
Lapsed		16,303	
		-	
		<u> </u>	<u>16,303</u>
Balance, December 31, 2019		\$	<u><u>10,219</u></u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY OPERATING FUND
 STATEMENT OF ACCRUED INTEREST
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	8,573
Increased by:			
Accrued	\$	-	
		-	
		-	
		<u> </u>	<u>-</u>
			8,573
Decreased by:			
Expended		-	
Adjustment		599	
		-	
		<u> </u>	<u>599</u>
Balance, December 31, 2019		\$	<u><u>7,974</u></u>

BOROUGH OF PARAMUS
 SWIMMING POOL UTILITY CAPITAL FUND
 STATEMENT OF FIXED CAPITAL
 YEAR ENDED DECEMBER 31, 2019

Description	Balance December 31, 2018	Transferred From Fixed Capital Authorized & Uncompleted	Transferred From Pool Utility Operating Fund Capital Outlay	Adjustments	Cancellations	Balance December 31, 2019
Unallocated	\$ 3,372,780	\$ -	\$ -	\$ -	\$ -	\$ 3,372,780
					Reserve for Amortization \$ 2,452,780	
					Serial Bonds Payable 920,000	
						<u>\$ 3,372,780</u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY CAPITAL FUND
 STATEMENT OF DEFERRED CHARGES
 YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	10,770
Increased by:			
Ordinance Funding Shortages	\$	-	
		-	
		-	
			-
			10,770
Decreased by:			
		-	
		-	
		-	
			-
Balance, December 31, 2019		\$	<u>10,770</u>

BOROUGH OF PARAMUS
SWIM POOL UTILITY CAPITAL FUND
STATEMENT OF DUE TO - SPU OPERATING FUND
YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	8,908
Increased by:			
Advanced	\$	1,445	
		-	
		-	
		<hr/>	1,445
			<hr/>
			10,353
Decreased by:			
		-	
		-	
		-	
		<hr/>	-
			<hr/>
Balance, December 31, 2019		\$	<u>10,353</u>

BOROUGH OF PARAMUS
 SWIM POOL UTILITY CAPITAL FUND
 STATEMENT OF SERIAL BONDS PAYABLE
 YEAR ENDED DECEMBER 31, 2019

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2018</u>	<u>Issued</u>	<u>Refinanced</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2019</u>
02/15/18 General Improvement Bonds	\$ 920,000	\$ 920,000	\$ -	\$ -	\$ 80,000	\$ 840,000

BOROUGH OF PARAMUS
SWIM POOL UTILITY CAPITAL FUND
STATEMENT OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018		\$	2,452,780
Increased by:			
Serial Bonds Retired	\$	80,000	
		-	
		-	
		<hr/>	80,000
			<hr/>
			2,532,780
Decreased by:			
		-	
		-	
		-	
		<hr/>	-
			<hr/>
Balance, December 31, 2019		\$	<u><u>2,532,780</u></u>

BOROUGH OF PARAMUS
 SWIMMING POOL UTILITY CAPITAL FUND
 STATEMENT OF IMPROVEMENT AUTHORIZATIONS
 YEAR ENDED DECEMBER 31, 2019

Description	Balance - January 1, 2019		Authorized	Expended	Adjustments	Cancellations	Balance - December 31, 2019	
	Funded	Unfunded					Funded	Unfunded
#80-19 Improvements to Filtration System	\$ 146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146	\$ -
#08-38 Pool Improvements	1,987	-	-	-	-	-	1,987	-
#13-29 Pool Improvements	2,229	-	-	-	-	-	2,229	-
#14-28 Pool Improvements	60,579	-	-	11,400	-	-	49,179	-
	<u>\$ 64,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,541</u>	<u>\$ -</u>

BOROUGH OF PARAMUS
 SWIMMING POOL UTILITY CAPITAL FUND
 STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 YEAR ENDED DECEMBER 31, 2019

Improvement Description	Balance December 31, 2018	Authorized	BANs Issued	Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2019
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF PARAMUS
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF RESERVE FOR GENERAL FIXED ASSETS
YEARS ENDED DECEMBER 31, 2019 AND 2018

2019	Balance December 31, 2018	Additions	Retirements	Adjustments	Balance December 31, 2019
Land.....	\$ 118,448,300	\$ -	\$ -	\$ -	\$ 118,448,300
Buildings & Improvements.....	12,091,900	-	-	-	12,091,900
Machinery and Equipment.....	29,976,082	1,635,475	853,839	-	30,757,718
	<u>\$ 160,516,282</u>	<u>\$ 1,635,475</u>	<u>\$ 853,839</u>	<u>\$ -</u>	<u>\$ 161,297,918</u>

2018	Balance December 31, 2017	Additions	Retirements	Adjustments	Balance December 31, 2018
Land.....	\$ 118,448,300	\$ -	\$ -	\$ -	\$ 118,448,300
Buildings & Improvements.....	12,091,900	-	-	-	12,091,900
Machinery and Equipment.....	28,291,041	1,965,324	280,283	-	29,976,082
	<u>\$ 158,831,241</u>	<u>\$ 1,965,324</u>	<u>\$ 280,283</u>	<u>\$ -</u>	<u>\$ 160,516,282</u>

BOROUGH OF PARAMUS

Part II

Government Auditing Standards

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements (regulatory basis) of the various funds and account group of the Borough of Paramus, in the County of Bergen (the "Borough") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 30, 2020, which was adverse due to the financial statements being prepared in conformity with the New Jersey regulatory basis of accounting as prescribed by the Division which is a basis of accounting other than accounting principles generally accepted in the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Independent Auditors' Report (Continued)

Compliance and Other Matters

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

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Paramus in the section of this report of audit entitled; "General Comments and Recommendations Section".

Purpose of this Report

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

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

September 30, 2020

BOROUGH OF PARAMUS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2019

Title of Federal Domestic Assistance Program	Federal C.F.D.A. Number	State Aid/Grant Program Titles	State Project Number	Award Amount	Grant Period		Balance December 31, 2018	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts	Deferred	Due to
					From	To							Receivable)	Revenue	Grantor at
													December 31,	December 31,	December 31,
													2019	2019	2019

NOT APPLICABLE

BOROUGH OF PARAMUS
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2019

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance December 31, 2018	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at
			From	To							December 31, 2019	December 31, 2019	December 31, 2019

NOT APPLICABLE

BOROUGH OF PARAMUS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2019

NOTE 1 - GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Borough of Paramus, County of Bergen, State of New Jersey. The Borough of Paramus is defined in Note 1 to the basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is further described in Note 2 to the basic financial statements. The information in these schedules are presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

BOROUGH OF PARAMUS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2019

NOTE 3 - RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Organization

The Borough of Paramus, New Jersey is the prime sponsor and recipient of various federal and state grant funds. The Borough has delegated the general administration of grant programs and the reporting function to the Borough Treasurer. Substantially all grant and program cash funds are commingled with the Borough's other funds, although each grant is accounted for separately within the Borough's financial records. The Borough Treasurer's office performs accounting functions for all grants.

Basis of Accounting

The Borough's grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the current fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions are raised in the current fund budget. The percentage of matching contributions varies with each program. Local and state shares of grants are reflected separately on the Schedule of State Financial Assistance.

Expenditures

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to current fund balance when the grant is closed out.

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2019 to December 31, 2019.

BOROUGH OF PARAMUS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2019

NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 - FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at of December 31, 2018 was \$0.

NOTE 6 - CONTINGENCIES

Each of the grantor agencies reserve the right to conduct additional audits of the Borough's grant programs for economy, efficiency and program results.

BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

Section I -- Summary of Auditors' Results

Financial Statements

A) Type of auditors' report issued:	<u>Adverse - GAAP; Qualified - Regulatory</u>	
B) Internal control over financial reporting:		
1. Material weakness(es) identified?	_____ yes	<u> X </u> no
2. Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ yes	<u> X </u> no
C) Noncompliance material to general-purpose financial statements noted?	_____ yes	<u> X </u> no

BOROUGH OF PARAMUS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2019

Section I -- Summary of Auditors' Results (Continued)

Federal Awards

NOT APPLICABLE - EXPENDITURES UNDER \$750,000

A) Internal control over major programs:

- 1. Material weakness(es) identified? yes no
- 2. Significant deficiency(ies) identified not considered to be material weakness(es)? yes no

B) Type of auditors' report issued on compliance for major programs: _____

C) Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) section .510(a)? yes no

D) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____

E) Dollar threshold used to distinguish between type A and type B programs:

F) Auditee qualified as low-risk auditee? yes no

BOROUGH OF PARAMUS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2019

Section I -- Summary of Auditors' Results (Continued)

State Awards

NOT APPLICABLE - EXPENDITURES UNDER \$750,000

A) Internal control over major programs:

- 1. Material weakness(es) identified? yes no
- 2. Significant deficiency(ies) identified not considered to be material weakness(es)? yes no

B) Type of auditors' report issued on compliance for major programs:

C) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?

yes no

D) Identification of major programs:

Program GMIS Number(s)

Name of State Program

E) Dollar threshold used to distinguish between type A and type B programs:

F) Auditee qualified as low-risk auditee? yes no

BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

Section II -- Financial Statement Findings

None

BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

Section III -- Federal and State Award Findings and Questioned Costs

Current Year

Federal Awards:

There were no findings or questioned costs identified.

State Awards:

There were no findings or questioned costs identified.

Prior Year

Federal Awards:

There were no prior year findings or questioned costs.

State Awards:

There were no prior year findings or questioned costs.

BOROUGH OF PARAMUS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2019

Not Applicable - None in 2018

BOROUGH OF PARAMUS

Part III

Part III - Supplementary Data and Letter of Comments and Recommendations

BOROUGH OF PARAMUS
 SUPPLEMENTARY DATA
 TAX ASSESSMENT AND RATE DATA
 (UNAUDITED)

Description	2019		2018		2017		2016		2015	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
NET VALUATIONS TAXABLE										
Vacant Land	102	\$ 144,594,500	114	\$ 142,303,300	98	\$ 137,252,400	101	\$ 137,301,800	103	\$ 137,950,900
Residential	8139	4,333,905,447	8123	4,274,723,247	8137	4,265,444,247	8136	4,225,646,147	8135	4,199,370,747
Farm (Regular)	4	1,421,900	4	1,479,800	4	1,479,800	4	1,479,800	4	1,479,800
Farm (Qualified)	4	22,400	4	22,400	4	22,400	4	22,400	4	22,400
Commercial	424	3,443,882,320	428	3,492,492,700	432	3,500,165,000	429	3,513,162,400	428	3,524,132,500
Industrial	25	99,158,800	25	99,013,200	26	101,312,100	26	108,289,700	26	110,533,600
Apartments	1	16,964,600	1	16,964,600	1	16,964,600	1	16,964,600	1	16,964,600
Sub-Total	<u>8699</u>	<u>8,039,949,967</u>	<u>8699</u>	<u>8,026,999,247</u>	<u>8702</u>	<u>8,022,640,547</u>	<u>8701</u>	<u>8,002,866,847</u>	<u>8701</u>	<u>7,990,454,547</u>
Personal Property		4,628,293		4,357,977		4,687,668		5,153,630		5,235,279
Net Valuations Taxable		<u>8,044,578,260</u>		<u>8,031,357,224</u>		<u>8,027,328,215</u>		<u>8,008,020,477</u>		<u>7,995,689,826</u>
Bergen County Equalization Adjustment		1,973,607,986		2,480,505,023		1,723,735,194		802,796,882		762,397,575
Bergen County Equalized Valuations		<u>\$ 10,018,186,246</u>		<u>\$ 10,511,862,247</u>		<u>\$ 9,751,063,409</u>		<u>\$ 8,810,817,359</u>		<u>\$ 8,758,087,401</u>
TAX REQUIREMENTS										
County		\$ 23,201,500		\$ 23,382,212		\$ 23,382,212		\$ 21,229,398		\$ 20,530,949
County Open Space		1,001,819		975,106		975,106		220,270		218,952
District School		80,151,823		77,440,871		77,440,871		76,393,153		75,454,952
Library		3,304,741		3,216,880		3,216,880		2,906,623		2,892,014
Municipal		41,600,653		39,546,167		39,546,167		39,546,167		39,546,167
Total Tax Requirements		<u>\$ 149,260,536</u>		<u>\$ 144,561,236</u>		<u>\$ 144,561,236</u>		<u>\$ 140,295,611</u>		<u>\$ 138,643,034</u>
TAX RATES										
County		0.289		0.306		0.292		0.266		0.257
County Open Space		0.012		0.013		0.011		0.003		0.003
District School		0.997		0.980		0.965		0.954		0.944
Library		0.041		0.043		0.040		0.036		0.036
Municipal		0.517		0.491		0.493		0.493		0.494
Total Tax Rates		<u>1.856</u>		<u>1.833</u>		<u>1.801</u>		<u>1.752</u>		<u>1.734</u>
TAX IMPACT										
Avg Improved Residential Assessment		<u>\$ 532,486</u>		<u>\$ 526,249</u>		<u>\$ 524,204</u>		<u>\$ 519,376</u>		<u>\$ 516,210</u>
Taxes Levied:										
County		\$ 1,521		\$ 1,610		\$ 1,531		\$ 1,382		\$ 1,327
County Open Space		63		68		58		16		15
District School		5,247		5,157		5,059		4,955		4,873
Library		216		226		210		187		186
Municipal		2,721		2,584		2,584		2,561		2,550
		<u>\$ 9,768</u>		<u>\$ 9,645</u>		<u>\$ 9,442</u>		<u>\$ 9,101</u>		<u>\$ 8,951</u>

BOROUGH OF PARAMUS
 SUPPLEMENTARY DATA
 TAX LEVY AND COLLECTION DATA
 (UNAUDITED)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
CURRENT YEAR % COLLECTION RATES										
Current Tax Levy	\$ 149,763,161	\$ 147,726,118	\$ 144,896,664	\$ 140,615,432	\$ 138,875,941	\$ 137,453,109	\$ 136,123,118	\$ 134,310,279	\$ 132,753,469	\$ 130,865,676
Current Collections	\$ 148,760,917	\$ 146,952,588	\$ 143,769,014	\$ 139,721,007	\$ 137,890,952	\$ 136,572,460	\$ 135,240,206	\$ 133,343,036	\$ 131,910,155	\$ 129,892,528
Percentage of Collections	99.33%	99.48%	99.22%	99.36%	99.29%	99.36%	99.35%	99.28%	99.36%	99.26%

DELINQUENT TAX %

Delinquent Taxes	\$ 923,025	\$ 770,331	\$ 1,047,777	\$ 860,294	\$ 957,822	\$ 872,083	\$ 882,579	\$ 966,919	\$ 874,741	\$ 972,898
Tax Title Liens	5,118	4,760	4,394	4,046	3,708	3,373	3,243	2,909	2,196	2,196
Total Delinquent	\$ 928,143	\$ 775,091	\$ 1,052,171	\$ 864,340	\$ 961,530	\$ 875,456	\$ 885,822	\$ 969,828	\$ 876,937	\$ 975,094
Tax Levy	\$ 149,763,161	\$ 147,726,118	\$ 144,896,664	\$ 140,615,432	\$ 138,875,941	\$ 137,453,109	\$ 136,123,118	\$ 134,310,279	\$ 132,753,469	\$ 130,865,676
Percentage of Tax Levy	0.62%	0.52%	0.73%	0.61%	0.69%	0.64%	0.65%	0.72%	0.66%	0.75%

PROPERTY ACQUIRED BY MUNICIPALITY FOR NON-PAYMENT OF TAXES

Recorded at - Assessed Valuation	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978
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BOROUGH OF PARAMUS
 SUPPLEMENTARY DATA
 FUND BALANCE SUMMARY
 (UNAUDITED)

	2019	2018	2017	2016	2015	2014	2013	2012	2011
CURRENT FUND									
Fund Balance, Beginning	\$ 644,537	\$ 4,764,530	\$ 6,081,811	\$ 10,622,042	\$ 12,032,048	\$ 10,319,050	\$ 8,393,187	\$ 4,499,055	\$ 2,783,654
Generated Current Year	-	644,007	3,606,555	109,442	774,486	3,712,998	1,925,863	4,494,132	2,315,401
Utilized Current Year	-	(4,764,000)	(4,923,836)	(4,649,673)	(2,184,492)	(2,000,000)	-	(600,000)	(600,000)
Fund Balance, Ending	<u>\$ 644,537</u>	<u>\$ 644,537</u>	<u>\$ 4,764,530</u>	<u>\$ 6,081,811</u>	<u>\$ 10,622,042</u>	<u>\$ 12,032,048</u>	<u>\$ 10,319,050</u>	<u>\$ 8,393,187</u>	<u>\$ 4,499,055</u>
GOLF COURSE UTILITY FUND									
Fund Balance, Beginning	\$ 518,478	\$ 748,685	\$ 755,807	\$ 1,030,807	\$ 748,720	\$ 647,935	\$ 785,131	\$ 301,311	\$ 185,152
Generated Current Year	25,747	19,793	251,878	-	282,087	100,785	42,804	483,820	116,159
Utilized Current Year	(419,500)	(250,000)	(259,000)	(275,000)	-	-	(180,000)	-	-
Fund Balance, Ending	<u>\$ 124,725</u>	<u>\$ 518,478</u>	<u>\$ 748,685</u>	<u>\$ 755,807</u>	<u>\$ 1,030,807</u>	<u>\$ 748,720</u>	<u>\$ 647,935</u>	<u>\$ 785,131</u>	<u>\$ 301,311</u>
SWIMMING POOL UTILITY FUND									
Fund Balance, Beginning	\$ 208,182	\$ 206,817	\$ 248,608	\$ 248,608	\$ 368,735	\$ 368,735	\$ 349,781	\$ 237,208	\$ 177,714
Generated Current Year	24,572	1,875	44,309	-	29,873	-	18,954	112,573	59,494
Utilized Current Year	(134,000)	(510)	(86,100)	-	(150,000)	-	-	-	-
Fund Balance, Ending	<u>\$ 98,754</u>	<u>\$ 208,182</u>	<u>\$ 206,817</u>	<u>\$ 248,608</u>	<u>\$ 248,608</u>	<u>\$ 368,735</u>	<u>\$ 368,735</u>	<u>\$ 349,781</u>	<u>\$ 237,208</u>

BOROUGH OF PARAMUS
 ROSTER OF OFFICIALS
 YEAR ENDED DECEMBER 31, 2019

Name	Title	Term Expires
Richard LaBarbiera	Mayor	12/31/22
MariaElena Bellinger	Councilwoman	12/31/20
Christopher Di Piazza	Councilman	12/31/20
Patsy L. Verile	Councilman	12/31/21
Holly Tedesco-Santos	Councilwoman	12/31/21
Joseph Vartolone	Councilman	12/31/22
Jeanne T. Weber	Councilwoman	12/31/22
Joseph D'Arco	Administrator	
Annemarie Krusznis, RMC	Municipal Clerk	Tenured
	Assessment Search Officer	
Nicolette Riggi, RMC	Deputy Municipal Clerk	
Marianne Grady	Senior Clerk	
Sheryl A. Luna, CTC, CMFO	Chief Financial Officer	03/01/20
	Tax Collector	Tenured
	Tax Search Officer	
Maria Reda, CMFO	Deputy CFO	
	Payroll Supervisor	
Celina Checo	Assistant Tax Collector	
Grisel Maza	Qualified Purchasing Agent (QPA)	
Manuel Barrera	Senior Office Clerk	
Patricia Smith	Secretary - Administration	
Olga Leccese	Payroll Clerk	
Judith Migliaccio	Health Officer	
	Registrar of Vital Statistics	
DiMaria & DiMaria, LLP	Borough Auditor	12/31/17
Paul Kaufman, Esq.	Borough Attorney	12/31/17
Rogut, McCarthy, LLC	Bond Counsel	12/31/17
Mark Raso, Esq.	Labor Attorney	12/31/17
DMR Architects	Planner	12/31/17
James Anzevino	Tax Assessor	Tenured
Rose Whitehead	Secretary - Tax Assessor	
Guy Picone	DPW Superintendent	
Boswell Engineering	Borough Engineer	
Kenneth Ehrenberg	Chief of Police	
Michael O'Connell	Construction Code Official	
	Building Inspector	
Kevin Sheehan	Fire Official	
	Fire Prevention	
Tracy Hopkins	Secretary - Fire Prevention	

BOROUGH OF PARAMUS
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2019

Name	Title	Term Expires
Martin Barry	Building Sub-Code Official	
Darian Martin	Plumbing Sub-Code Official	
Daniel Perez	Mechanical Inspector	
Frank Scardino	Electrical Sub-Code Official	
Lisa Meserole	Residential Zoning & Signage Officer	
Ken Hook	Commerical Zoning Officer	
Valerie Frazita	Secretary - Board of Adjustment	
Linda Garofalo	Building Dept. Secretary	
Kenneth Raschen	Shade Tree Department Director	
Irene Maury	Public Assistance Director	
Susan Regan	Recreation Director	
Cynthia Holmes, CMCA	Municipal Court Administrator	

BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019

Cash Cycle

Ref.

Not all monthly bank reconciliations were completed in a timely manner to ensure proper internal controls. #4.

Not all bank reconciling items were cleared in a timely manner to ensure accurate cash balances and proper internal controls. #5.

BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019

Revenues/Receipts Cycle

Ref.

None

BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2019

Expenditures/Disbursements Cycle

Ref.

Required dedication by rider approvals were not obtained for all trust accounts.

#1.

There is an unidentified miscellaneous trust balance within the "Other Trust" Fund.

#2.

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Fixed Assets

Ref.

None

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Payroll Cycle

Ref.

None

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Other Significant Matters

Ref.

Trust Accounts were established without Dedication by Rider approval.

#1.

Adequate subsidiary ledgers for trust funds need to be maintained.

#2.

Complete general ledgers were not maintained for all funds.

#3.

A significant operating deficit was incurred in the Current Fund.

#6.

There was an overexpenditure of an general capital ordinance appropriation.

#7.

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Golf Course Utility

Ref.

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Swimming Pool Utility

Ref.

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Recommendations

1. That required dedication by rider approvals be obtained for all trust accounts. *
2. That the miscellaneous trust balance be reviewed and cleared of record. *
3. That complete general ledgers be maintained for all funds. *
4. That bank reconciliations be completed for all accounts in a timely manner.
5. That bank reconciling items be cleared in a timely manner.
6. That greater care be exercised to avoid operating deficits.
7. That greater care be exercised to avoid overexpenditures of improvement authorizations.

* Denotes repetitive recommendation from prior year

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Status of Prior Years' Recommendations

A review was made of all prior year's recommendations, and corrective action was taken on all with the exception of those denoted with an asterisk.

The synopsis of this report, together with the recommendations must be published as required by statute. We wish to express our appreciation of the assistance and courtesies extended by the municipal officials during the course of the audit.

DI MARIA & DI MARIA LLP
Accountants and Advisors

Frank Di Maria

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

September 30, 2020