

**BOROUGH OF PARAMUS**

**Financial Statements With  
Supplementary Information  
December 31, 2020**

**(With Independent Auditors' Report Thereon)**

# BOROUGH OF PARAMUS

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## INDEPENDENT AUDITOR'S 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 in the County of Bergen, as of December 31, 2020, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents. The financial statements for the year ended December 31, 2019 were audited by other auditors whose report dated September 30, 2020 expressed a qualified opinion.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Paramus on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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 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, 2020, or changes in financial position for the year then ended.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



Honorable Mayor and  
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### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Paramus' basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic 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 July 22, 2021 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



Honorable Mayor and  
Members of the Borough Council  
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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.



Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CROO413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants

July 22, 2021

BOROUGH OF PARAMUS, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 28,671,328	13,615,945
Change Fund	A-6	450	450
		<u>28,671,778</u>	<u>13,616,395</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	1,262,600	923,025
Tax Title Liens	A-9	5,548	5,118
Property Acquired for Taxes - Assessed Valuation	A-10	23,978	23,978
Revenue Accounts Receivable	A-11	20,051	
Interfunds Receivable	A-17	1,299,412	259,600
		<u>2,611,589</u>	<u>1,211,721</u>
Deferred Charges:			
Emergency Appropriations	A-16	1,580,000	
Special Emergency Appropriation	A-15	1,059,295	
Deficit in Operations	A-16	1,560	1,118,721
		<u>2,640,855</u>	<u>1,118,721</u>
		<u>33,924,222</u>	<u>15,946,837</u>
Federal and State Grant Fund:			
Cash - Federal and State Grant Fund	A-5	402,233	950,857
Grants Receivable	A-27	685,947	
Interfund Accounts Receivable	A-26	423,453	780,065
		<u>1,511,633</u>	<u>1,730,922</u>
		<u>\$ 35,435,855</u>	<u>17,677,759</u>

BOROUGH OF PARAMUS, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-18	\$ 1,812,189	1,068,350
Encumbrances Payable	A-3/A-19	834,550	809,150
Interfunds Payable	A-15	1,511,281	2,590,259
Tax Anticipation Note Payable	A-12	20,000,000	8,400,000
Special Emergency Note Payable	A-13	2,000,000	
Emergency Note Payable	A-14	1,580,000	
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	6,464	
Marriage License Fees Payable	A-20	1,475	125
DCA Fees Payable	A-21	27,446	71,900
County Taxes Payable	A-22	39,786	74,202
Tax Overpayments	A-24	17,055	2,573
Prepaid Taxes	A-25	975,119	1,074,020
		<hr/>	<hr/>
		28,805,365	14,090,579
Reserve for Receivables	Contra	2,611,589	1,211,721
Fund Balance	A-1	2,507,268	644,537
		<hr/>	<hr/>
		33,924,222	15,946,837
Federal and State Grant Fund:			
Appropriated Reserves for Grants	A-28	1,195,346	1,052,455
Unappropriated Reserves for Grants	A-29	316,287	678,467
		<hr/>	<hr/>
		1,511,633	1,730,922
		<hr/>	<hr/>
		\$ 35,435,855	17,677,759
		<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

## BOROUGH OF PARAMUS, N.J.

Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis

## Current Fund

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues and Other Income:		
Fund Balance Utilized	\$	
Miscellaneous Revenue Anticipated	16,242,000	22,540,526
Receipts from Delinquent Taxes	922,525	771,711
Receipts from Current Taxes	158,881,343	148,760,917
Non-Budget Revenue	2,199,527	1,433,472
Other Credits to Income:		
Special Emergency - COVID-19 Revenue Losses	1,059,295	
Unexpended Balance of Appropriation Reserves	107,332	203,245
	<hr/>	<hr/>
Total Revenues and Other Income	179,412,022	173,709,871
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	30,789,512	29,273,154
Other Expenses	26,504,884	25,449,884
Capital Improvement Fund	100,000	250,000
Municipal Debt Service	4,216,171	5,423,138
Deferred Charges and Statutory Expenditures -		
Municipal	8,252,772	8,869,850
Local District School Tax	81,694,341	80,151,823
County Taxes including Added Taxes	25,668,032	24,277,521
Interfunds Advanced	785,128	
Prior Year Correction - Bond Sale Proceeds due to Golf Course Utility Capital	823,478	
Prior Year Grant Expenditures not Recorded	222,292	
Tax Refunds	74,241	
Revenue Refunds		1,133,222
	<hr/>	<hr/>
Total Expenditures	179,130,851	174,828,592
Excess (Deficit) Revenue Over Expenditures	<hr/>	<hr/>
	281,171	(1,118,721)

**BOROUGH OF PARAMUS, N.J.**

**Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis**

**Current Fund**

**Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year:		
Emergency Appropriations	1,580,000	
Deficit in Operations	<u>1,560</u>	<u>1,118,721</u>
Statutory Excess to Surplus	1,862,731	
Fund Balance, January 1,	<u>644,537</u>	<u>644,537</u>
Fund Balance, December 31,	<u>\$ 2,507,268</u>	<u>644,537</u>

See accompanying notes to the financial statements.

## BOROUGH OF PARAMUS, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	93,000	56,499	(36,501)
Other	882,000	662,517	(219,483)
Fees and Permits	554,000	598,600	44,600
Fines and Costs:			
Municipal Court	595,000	308,916	(286,084)
Interest and Costs on Taxes	215,000	257,998	42,998
Interest on Investments and Deposits	227,595	177,399	(50,196)
Consolidated Municipal Property Tax Relief			
Energy Receipts Tax	4,056,309	4,056,309	
Uniform Construction Code Fees	1,685,000	2,157,111	472,111
Interlocal Service Agreements:			
Woodcliff Lake - Tax Assessor	50,000	57,175	7,175
Maywood Borough - Municipal Court	75,000	71,644	(3,356)
Oradell Borough - Municipal Court	90,000		(90,000)
Palisades Park - COAH Officer	30,000	30,000	
911 Services	38,000		(38,000)
Vehicle Maintenance	400,000	581,601	181,601
Sale of Gasoline	95,000	63,740	(31,260)
Traffic Light Repairs	4,000	1,376	(2,624)
Street Sweeping & Snow Plowing	75,000	55,130	(19,870)
Dumping Fees - Board of Education	20,000	4,240	(15,760)
Leonia - Chief Financial Officer	50,000	50,000	
South Hackensack - DPW Superintendent	35,000	26,250	(8,750)
Maywood Borough - Sewer Collection Flow	250,000	222,192	(27,808)
Public and Private Revenues offset by Appropriations:			
Federal COPS Grant	409,697	409,697	
Clean Communities Grant	100,246	100,246	
Drunk Driving Enforcement Fund	18,861	18,861	
Federal Share - Forfeiture Funds	240,606	240,606	
Recycling Tonnage Aid	130,864	130,864	
Safe and Secure Communities	65,000	65,000	
Alcohol Education and Rehabilitation	161	161	
Distracted Driving	5,500	5,500	
Drive Sober or Get Pulled Over	5,500	5,500	
Emergency Management	10,000	10,000	
BCUA Grant	37,542	37,542	
Body Armor Replacement	8,690	8,690	
BCUA Grant	3,000	3,000	
Municipal Alliance	14,955	14,955	

## BOROUGH OF PARAMUS, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FEMA - COVID 19	685,947	685,947	
CARES Act - COVID 19	228,649	228,649	
Uniform Fire Safety Act	140,000	234,305	94,305
Sewer User Charges	935,000	1,744,854	809,854
Sanitary Sewer Tie-In (Washington Twp.)	52,000	26,877	(25,123)
Sanitary Sewer Tie-In (River Edge Borough)	315,000	158,068	(156,932)
Sanitary Sewer Tie-In (Oradell Borough)	6,500		(6,500)
Hotel Occupancy Tax	250,000	243,501	(6,499)
Ambulance Fees	1,177,000	1,022,251	(154,749)
Cable TV Franchise Fee - Cablevision	205,000	205,090	90
Cable TV Franchise Fee - Verizon FIOS	163,000	163,328	328
Library PERS Reimbursement	200,000	232,212	32,212
Golf Course Utility - Group Ins. Reimbursement	75,000	75,000	
Interfund Loans Returned - Golf Course			
Utility Surplus	250,000	250,000	
PSEG Easment Agreement	24,000	21,650	(2,350)
Recreations Trust Reserve Cancellation	250,000	250,000	
PILOT - State of New Jersey	60,000	50,035	(9,965)
Recycling Revenue	136,000	160,914	24,914
Pistol Range	150,000		(150,000)
Total Miscellaneous Revenues	<u>15,873,622</u>	<u>16,242,000</u>	<u>368,378</u>
Receipts from Delinquent Taxes	<u>921,000</u>	<u>922,525</u>	<u>1,525</u>
Subtotal General Revenues	<u>16,794,622</u>	<u>17,164,525</u>	<u>369,903</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>52,744,976</u>	<u>52,618,970</u>	<u>(126,006)</u>
Budget Totals	<u>69,539,598</u>	<u>69,783,495</u>	<u>243,897</u>
Non-Budget Revenue		<u>2,199,526</u>	<u>2,199,526</u>
	<u>\$ 69,539,598</u>	<u>71,983,021</u>	<u>2,443,423</u>
Adopted Budget	69,129,901		
Added by: N.J.S.A. 40A:4.87	409,697		
	<u>\$ 69,539,598</u>		

**BOROUGH OF PARAMUS, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2020**

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 158,881,343
Less: Reserve for Tax Appeals Pending	
Allocated to County and Local and Regional School Taxes	<u>107,362,373</u>
Balance for Support of Municipal Budget Appropriations	51,518,970
Add : Appropriation - Reserve for Uncollected Taxes	<u>1,100,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 52,618,970</u>
Receipts from Delinquent Taxes:	
Delinquent Taxes	<u>\$ 922,525</u>

Analysis of Non-budget Revenues

Miscellaneous	\$ 75,622
Copies	2,165
Bus Shelter	4,213
Bail Forfeiture	1,000
DMV Inspection Fines	380
Refunds	155,679
Offsets Not Applied	526,017
FEMA - COVID 19 Reimbursement	685,947
CARES - COVID 19 Reimbursement	308,947
Bounced Check Fee	1,200
Void Checks	224,345
Sewer Pit Fee	214,000
Fire	<u>12</u>
	<u>\$ 2,199,527</u>

FEMA Reimbursements utilized as Budget Offsets - Not Received	685,947
Cash Receipts	<u>1,513,580</u>
	<u>\$ 2,199,527</u>

See accompanying notes to the financial statements.

**BOROUGH OF PARAMUS**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 305,535	300,535	297,482	3,053	
Other Expenses	9,700	7,200	6,207	993	
Grants Consultant	48,000	46,000	42,000	4,000	
Mayor and Council:					
Salaries and Wages	75,000	75,000	75,000		
Other Expenses	600	600	442	158	
Municipal Clerk:					
Salaries and Wages	291,970	303,970	301,677	2,293	
Other Expenses	97,100	87,100	85,419	1,681	
Financial Administration					
Salaries and Wages	465,000	453,000	450,782	2,218	
Other Expenses	49,500	56,500	56,400	100	
Audit Services					
Other Expenses	100,000	100,000	100,000		
Central Equipment and Data Processing:					
Salaries and Wages	301,000	305,000	302,429	2,571	
Other Expenses	365,350	345,350	340,556	4,794	
Revenue Administration:					
Salaries and Wages	173,100	175,100	170,601	4,499	
Other Expenses	19,550	19,550	19,545	5	
Assessment of Taxes:					
Salaries and Wages	214,115	214,915	212,116	2,799	
Other Expenses	5,600	9,800	9,790	10	
Legal Services					
Other Expenses	910,000	910,000	846,477	63,523	
Division of Engineering:					
Other Expenses	70,000	105,000	104,512	488	

**BOROUGH OF PARAMUS**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Department of Planning:					
Salaries and Wages	66,445	66,645	66,569	76	
Other Expenses	47,700	33,700	30,185	3,515	
Zoning Board:					
Salaries and Wages	76,000	76,000	75,758	242	
Insurance:					
Liability Insurance (JIF)	550,000	550,000	467,029	82,971	
Other Insurance Premiums	40,000	40,000		40,000	
Vision (Self)	75,000	75,000	52,942	22,058	
Workers Compensation Insurance (JIF)	210,000	210,000	204,058	5,942	
Workers Compensation Insurance (Self)	700,000	700,000	485,874	214,126	
Liability Insurance (Self)	250,000	375,000	374,970	30	
Unemployment	100,000	20,000	8,000	12,000	
Employee Group Insurance	7,828,000	7,828,000	7,478,544	349,456	
Public Safety:					
Police Department:					
Salaries and Wages	14,590,450	15,200,450	15,192,868	7,582	
Other Expenses	216,950	219,450	198,380	21,070	
Police Dispatch / 911:					
Salaries and Wages	1,004,000	924,000	912,395	11,605	
Other Expenses	107,750	104,750	103,730	1,020	

**BOROUGH OF PARAMUS**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Emergency Management:					
Salaries and Wages	206,000	194,000	192,793	1,207	
Other Expenses	61,850	55,850	50,366	5,484	
Rescue Squad:					
Salaries and Wages	116,100	114,100	113,900	200	
Other Expenses	34,500	34,500	28,243	6,257	
Fire Department:					
Salaries and Wages	885,000	941,000	940,700	300	
Other Expenses	197,650	197,650	193,772	3,878	
Uniform Fire Safety:					
Salaries and Wages	530,000	500,000	497,405	2,595	
Other Expenses	10,900	7,900	6,617	1,283	
Ambulance Corps:					
Salaries and Wages	1,206,000	1,096,000	1,082,732	13,268	
Other Expenses	119,600	103,600	101,942	1,658	
Municipal Court					
Salaries and Wages	584,000	584,000	581,871	2,129	
Other Expenses	38,350	18,350	14,061	4,289	
Public Works:					
Streets and Roads Maintenance:					
Salaries and Wages	1,209,945	1,624,945	1,618,149	6,796	
Other Expenses	268,900	308,900	296,756	12,144	
Shade Trees Commission:					
Salaries and Wages	1,110,750	1,240,750	1,229,809	10,941	
Other Expenses	56,400	58,400	57,584	816	
Solid Waste Collection:					
Salaries and Wages	1,177,160	1,512,160	1,338,459	173,701	
Other Expenses	24,550	24,550		24,550	

**BOROUGH OF PARAMUS**  
**Statement of Expenditures - Regulatory Basis**

	Current Fund				Unexpended
	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Balance Canceled
Public Buildings and Grounds:					
Salaries and Wages	467,740	467,740	463,342	4,398	
Other Expenses	305,600	305,600	286,465	19,135	
Vehicle Maintenance:					
Salaries and Wages	1,804,525	1,804,525	1,640,255	164,270	
Other Expenses	1,235,000	1,235,000	1,232,890	2,110	
Health and Welfare:					
Public Health Services:					
Salaries and Wages	630,900	617,900	614,405	3,495	
Other Expenses	35,880	35,880	15,750	20,130	
Animal Control:					
Other Expenses	32,700	32,700	32,160	540	
Division of Public Assistance:					
Salaries and Wages	93,265	93,265	92,014	1,251	
Other Expenses	450	450	233	217	
Recreation and Education					
Department of Recreation:					
Salaries and Wages	252,000	252,000	249,423	2,577	
Other Expenses	38,300	29,300	28,907	393	

**BOROUGH OF PARAMUS**

**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Senior Citizens Center					
Salaries and Wages	190,000	198,800	196,972	1,828	
Other Expenses	15,100	6,100	4,952	1,148	
Landfill/Solid Waste Disposal Cost					
Other Expenses	700,000	925,000	890,219	34,781	
Other Expenses - Vegetative Waste	250,000	600,000	551,263	48,737	
Unclassified					
Electricity and Natural Gas	575,000	475,000	411,133	63,867	
Street Lighting	455,000	445,000	435,554	9,446	
Telephone	275,000	265,000	263,595	1,405	
Water	100,000	70,000	63,639	6,361	
Fire Hydrant Service	455,000	419,000	408,006	10,994	
Gasoline	275,000	195,000	185,349	9,651	
Diesel Fuel	260,000	180,000	161,997	18,003	
Outside Fuel Agreements	20,000	20,000		20,000	
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	671,765	685,765	684,640	1,125	
Other Expenses	14,550	4,550	3,809	741	
<b>Total Operations within "CAPS"</b>	<b>46,353,845</b>	<b>47,917,845</b>	<b>46,334,868</b>	<b>1,582,977</b>	
<b>Total Operations Including Contingent-within "CAPS"</b>	<b>46,353,845</b>	<b>47,917,845</b>	<b>46,334,868</b>	<b>1,582,977</b>	
Detail:					
Salaries & Wages	28,697,765	30,021,565	29,594,546	427,019	
Other Expenses (Including Contingent)	17,656,080	17,896,280	16,740,322	1,155,958	

**BOROUGH OF PARAMUS**  
**Statement of Expenditures - Regulatory Basis**

	Current Fund				Unexpended
	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Balance Canceled
	Year Ended December 31, 2020				
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(1) DEFERRED CHARGES					
Cash Deficit Preceding Year	1,117,161	1,117,161	1,117,161		
Overexpenditure of Improvement Authorization	7,157	7,157	7,157		
Deficit in Golf Course Utility	125,350	125,350			125,350
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	1,928,565	1,928,565	1,928,565		
Social Security System (O.A.S.I.)	1,400,000	1,430,000	1,425,662	4,338	
Police and Firemen's Retirement System of NJ	3,759,889	3,759,889	3,759,889		
Defined Contribution Retirement Program	10,000	10,000	10,000		
Public Employees' Retirement System - Retro	30,000				
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	8,378,122	8,378,122	8,248,434	4,338	125,350
Total General Appropriations for Municipal Purposes within "CAPS"	54,731,967	56,295,967	54,583,302	1,587,315	125,350
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	3,476,171	3,476,171	3,284,954	191,217	
Sewerage Processing and Disposal					
Other Expenses - Operations and Maintenance	2,610,989	2,610,989	2,610,989		
Other Expenses - Debt Service	1,012,173	1,012,173	1,012,173		
Total Other Operations - Excluded from "CAPS"	7,099,333	7,099,333	6,908,116	191,217	

**BOROUGH OF PARAMUS**  
**Statement of Expenditures - Regulatory Basis**

	Current Fund					Unexpended
	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Balance Canceled	
<b>Year Ended December 31, 2020</b>						
<b>Interlocal Service Agreements</b>						
Landfill/Solid Waste Disposal - Board of Education	25,000	25,000	3,400			
Municipal Court - Maywood	66,000	62,000	60,817	1,183		
Salaries and Wages						
Mechanical Maintenance	20,000	20,000	10,000	10,000		
Salaries and Wages	185,000	205,000	204,126	874		
Other Expenses						
<b>Total Interlocal Municipal Service Agreements</b>	<b>271,000</b>	<b>287,000</b>	<b>274,943</b>	<b>12,057</b>		
<b>Public and Private Programs Offset by Revenues</b>						
Federal COPS Grant	409,697	409,697	409,697			
Clean Communities	100,246	100,246	100,246			
Drunk Driving Enforcement Fund	18,861	18,861	18,861			
Federal Share Forfeiture Funds	240,606	240,606	240,606			
Recycling Tonnage Grant	130,864	130,864	130,864			
Safe and Secure	65,000	65,000	65,000			
Alcohol Education Rehabilitation	161	161	161			
Distracted Driving	5,500	5,500	5,500			
Drive Sober or get Pulled Over	5,500	5,500	5,500			
Emergency Management	10,000	10,000	10,000			
BCUA Grant	37,542	37,542	37,542			
Body Armor	8,690	8,690	8,690			
BCUA Grant	3,000	3,000	3,000			
Municipal Alliance	14,955	14,955	14,955			

**BOROUGH OF PARAMUS**  
**Statement of Expenditures - Regulatory Basis**

	Current Fund				
	Year Ended December 31, 2020				
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Covid-19-FEMA Reimbursements					
Police-Salaries and Wages	415,000	415,000	415,000		
Public Works-Salaries and Wages	270,947	270,947	270,947		
Covid-19-CARES ACT-Bergen County	228,649	228,649	228,649		
Total Public and Private Programs Offset by Revenues	<u>1,965,218</u>	<u>1,965,218</u>	<u>1,965,218</u>		
Total Operations-Excluded from "CAPS"	<u>9,360,551</u>	<u>9,376,551</u>	<u>9,151,677</u>	<u>224,874</u>	
Detail:					
Salaries and Wages	771,947	767,947	756,764	11,183	
Other Expenses	8,588,604	8,608,604	8,394,913	192,091	
Capital Improvements - Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>		
Capital Improvement Fund					
Total Capital Improvements Excluded from "CAPS"	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	3,195,000	3,195,000	3,195,000		
Interest on Bonds	737,080	737,080	737,080		
Interest on Notes	315,000	315,000	284,091		30,909
Total Municipal Debt Service-Excluded from "CAPS"	<u>4,247,080</u>	<u>4,247,080</u>	<u>4,216,171</u>		<u>30,909</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>13,707,631</u>	<u>13,723,631</u>	<u>13,467,848</u>	<u>224,874</u>	<u>30,909</u>
Subtotal General Appropriations	68,439,598	70,019,598	68,051,150	1,812,189	156,259

**BOROUGH OF PARAMUS**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2020**

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Reserve for Uncollected Taxes	1,100,000	1,100,000	1,100,000		
Total General Appropriations	<u>\$ 69,539,598</u>	<u>71,119,598</u>	<u>69,151,150</u>	<u>1,812,189</u>	<u>156,259</u>
Adopted Budget \$	69,129,901				
Added by 40A:4-87	409,697				
Emergency Appropriations	<u>1,580,000</u>				
	<u>\$ 71,119,598</u>				
Reserve for Uncollected Taxes \$			1,100,000		
Federal and State Grant Fund			1,965,218		
Deferred Charges			1,124,318		
Encumbrances			834,550		
Cash			<u>64,127,064</u>		
			<u>\$ 69,151,150</u>		

See accompanying notes to the financial statements.

## BOROUGH OF PARAMUS

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Trust Fund:			
Cash	B-1	\$ 93,443	90,651
Other Trust Funds:			
Cash	B-1	9,307,542	9,527,178
Interfund Accounts Receivable	B-3	24,350	
		<u>9,331,892</u>	<u>9,527,178</u>
		<u>\$ 9,425,335</u>	<u>9,617,829</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Trust Fund:			
Due to State of New Jersey	B-2	\$ 69	31
Interfunds Payable	B-3	85,313	
Reserve for Animal Trust Fund Expenditures	B-4	8,061	90,620
		<u>93,443</u>	<u>90,651</u>
Other Trust Fund:			
Due to State of New Jersey	B-5	30,330	
Interfunds Payable	B-3	428,818	5,979
Reserve for Expenditures	B-6	8,872,744	9,521,199
		<u>9,331,892</u>	<u>9,527,178</u>
		<u>\$ 9,425,335</u>	<u>9,617,829</u>

See accompanying notes to financial statements.

## BOROUGH OF PARAMUS

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	C-2/C-3	\$ 122,241	156,885
Deferred Charges to Future Taxation:			
Funded	C-4	26,730,000	29,925,000
Unfunded	C-5	13,705,266	12,051,766
Grants Receivable	C-7	874,121	50,500
Interfunds Receivable	C-8		1,807,954
Overexpenditure of Ordinance	C-6		7,157
		<u>\$ 41,431,628</u>	<u>43,999,262</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfunds Payable	C-8	\$ 784,160	
General Serial Bonds	C-9	26,730,000	29,925,000
Bond Anticipation Notes Payable	C-10	9,510,000	9,510,000
Improvement Authorizations:			
Funded	C-11	354,182	148,152
Unfunded	C-11	3,443,383	3,940,018
Capital Improvement Fund	C-12	177,479	163,858
Reserve for Payment of Debt	C-13	262,500	
Reserve for Encumbrances	C-14	169,924	312,234
		<u>\$ 41,431,628</u>	<u>43,999,262</u>

There were \$4,195,266 and \$2,541,766 of Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019 respectively (Exhibit C-15).

See accompanying notes to the financial statements.

**BOROUGH OF PARAMUS**

**Comparative Statement of Changes in Fund Balance - Regulatory Basis**

**General Capital Fund**

**For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Balance - December 31,	\$	1,038,312
Increased By:		
Premiums Received:		
Sale of Bond Anticipation Notes	_____	12,541
		12,541
		1,050,853
Decreased By:		
Utilized as Current Fund Revenue		635,024
Correction		415,829
	\$ _____	1,050,853
	=====	=====

See accompanying notes to the financial statements.

**BOROUGH OF PARAMUS**

**Comparative Balance Sheet - Regulatory Basis**

**Golf Course Utility - Operating Fund**

**December 31, 2020 and 2019**

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<b>Golf Course Utility Operating Fund:</b>			
Cash	D-5	\$ 442,989	529,142
Interfunds Receivable	D-6	<u>19,443</u>	<u>14,751</u>
Total Golf Course Utility Operating Fund		<u>462,432</u>	<u>543,893</u>
<b>Capital Fund:</b>			
Cash	D-4,D-5	291,220	587,243
Fixed Capital	D-7	14,987,124	12,961,822
Fixed Capital Authorized and Uncompleted	D-8	3,401,060	5,206,362
Interfund Receivable	D-10	<u>823,478</u>	<u></u>
Total Capital Fund		<u>19,502,882</u>	<u>18,755,427</u>
		<u>\$ 19,965,314</u>	<u>19,299,320</u>

## BOROUGH OF PARAMUS

## Comparative Balance Sheet - Regulatory Basis

## Golf Course Utility - Operating Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Golf Course Utility Operating Fund:			
Appropriation Reserves	D-3,D-10	\$ 149,044	108,106
Interfund Accounts Payable	D-6	1,121	251,121
Reserve for Encumbrances	D-11	31,947	23,013
Accrued Interest on Bonds	D-12	34,003	36,928
		<u>216,115</u>	<u>419,168</u>
Fund Balance	D-1	<u>246,317</u>	<u>124,725</u>
Total Golf Course Utility Operating Fund		<u>462,432</u>	<u>543,893</u>
Capital Fund:			
Interfund Accounts Payable	D-9	19,443	14,751
Serial Bonds Payable	D-13	3,510,000	3,900,000
Improvement Authorizations:			
Funded	D-14	1,264,285	1,341,815
Unfunded	D-14	41,872	45,057
Capital Improvement Fund	D-15	59,098	59,098
Reserve for Amortization	D-16	14,445,053	9,061,822
Deferred Reserve for Amortization	D-17	163,131	4,332,884
Total Capital Fund		<u>19,502,882</u>	<u>18,755,427</u>
		<u>\$ 19,965,314</u>	<u>19,299,320</u>

There were \$270,000 and \$50,000 of Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019 respectively (Exhibit D-18).

See accompanying notes to financial statements.

**BOROUGH OF PARAMUS**

**Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis**

**Golf Course Utility Operating Fund**

**For the Years ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 120,000	419,500
Membership Fees		154,500
Registration Fees	111,961	104,803
Golf Cart Rental	406,611	359,363
Green Fees	1,460,428	1,283,881
Snack Bar Rental	5,000	47,725
Miscellaenous	443,861	322,425
Miniature Golf	104,783	110,467
Other		
Unexpended Balance of Appropriation Reserves	107,986	220,233
Cancellations and Adjustments	2,925	2,850
Prior Year Correction	102,512	
	<hr/>	<hr/>
Total Revenue and Other Income	2,866,067	3,025,747
Expenditures:		
Operating		
Salaries and Wages	1,310,000	1,348,000
Other Expenses	829,900	829,725
Debt Service	484,575	482,275
Deferred Charges and Statutory Expenditures		90,000
Surplus		250,000
	<hr/>	<hr/>
Total Expenditures	2,624,475	3,000,000
Excess(Deficit) in Revenues	241,592	25,747
Statutory Excess to Surplus	241,592	25,747
Fund Balance, January 1	<hr/>	<hr/>
	366,317	544,225
Decreased by:		
Anticipated as Current Fund Revenue	120,000	419,500
	<hr/>	<hr/>
Balance, December 31	\$ 246,317	124,725

See accompanying notes to financial statements.

## BOROUGH OF PARAMUS

## Statement of Revenues - Regulatory Basis

## Golf Course Utility Operating Fund

Year ended December 31, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Operating Surplus Anticipated	\$ 120,000	120,000	
Membership Fees	154,500		(154,500)
Registration Fees	104,800	111,961	7,161
Golf Cart Rental	359,300	406,611	47,311
Green Fees	1,280,000	1,460,428	180,428
Snack Bar Rental	47,725	5,000	(42,725)
Miscellaneous	322,400	443,861	121,461
Miniature Golf	110,400	104,783	(5,617)
Deficit (General Budget)	125,350		(125,350)
	<u>\$ 2,624,475</u>	<u>2,652,644</u>	<u>28,169</u>

Analysis of Realized Revenue

Interest on Investments - Golf Course Utility Capital	4,692
Anticipated Surplus	120,000
Cash Receipts	<u>2,527,952</u>
	<u>\$ 2,652,644</u>

Analysis of Miscellaneous Revenue

Interest on Investments - Capital	4,692
Interest on Investments - Operating	2,923
Gift Certificates	11,414
Golf Lessons	117,020
Pro Shop Sales	13,002
Push Cart Rental	4,312
Lottery Fee	155,400
League Fees	96,749
Range Balls	15,861
Miscellaneous	<u>22,488</u>
	<u>\$ 443,861</u>

See accompanying notes to financial statements.

**BOROUGH OF PARAMUS**  
**Statement of Expenditures - Regulatory Basis**  
**Golf Course Utility Operating Fund**  
**Year ended December 31, 2020**

	Appropriations			
	Budget	Budget After Modifi- cation	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 1,310,000	1,310,000	1,213,181	96,819
Other Expenses	744,900	744,900	692,675	52,225
Total Operating	2,054,900	2,054,900	1,905,856	149,044
Debt Service:				
Payment of Bond Principal	390,000	390,000	390,000	
Interest on Bonds	94,575	94,575	94,575	
Total Debt Service	484,575	484,575	484,575	
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to: Social Security System (O.A.S.I.)	85,000	85,000	85,000	
Total Deferred Charges and Statutory Expenditures	85,000	85,000	85,000	
	\$ 2,624,475	2,624,475	2,475,431	149,044

Cash Disbursed	\$ 2,348,909
Reserve for Encumbrances	31,947
Accrued Interest on Bonds	94,575
	\$ 2,475,431

See accompanying notes to financial statements.

**BOROUGH OF PARAMUS**

**Schedule of Cash**

**Golf Course Utility Fund**

**Year ended December 31, 2020**

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2019	\$ <u>529,142</u>	<u>587,243</u>
Increased by Receipts:		
Anticipated Revenue	2,527,952	
Prior Year Correction	102,512	
Interfunds		4,692
	<u>2,630,464</u>	<u>4,692</u>
	3,159,606	591,935
Decreased by Disbursements:		
2020 Appropriations	2,348,909	
2019 Appropriation Reserves	23,133	
Interfunds	250,000	
Accrued Interest on Bonds	94,575	
Improvement Authorizations		300,715
	<u>2,716,617</u>	<u>300,715</u>
Balance - December 31, 2020	\$ <u><u>442,989</u></u>	<u><u>291,220</u></u>

**BOROUGH OF PARAMUS**  
**Balance Sheet - Regulatory Basis**  
**Swimming Pool Utility Fund**  
**December 31, 2020 and 2019**

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<b>Operating Fund:</b>			
Cash	E-5	\$ 21,052	106,594
Interfunds Receivable	E-8	<u>240,000</u>	<u>10,353</u>
Total Swimming Pool Utility Operating Fund		<u>261,052</u>	<u>116,947</u>
<b>Deferred Charges:</b>			
Special Emergency	E-7	<u>335,186</u>	<u>          </u>
Total Swimming Pool Utility Operating Fund		<u>596,238</u>	<u>116,947</u>
<b>Capital Fund:</b>			
Cash	E-5,E-6	18,498	53,138
Fixed Capital	E-9	3,372,780	3,372,780
Interfunds Receivable	E-10	19	
Deferred Charges	E-18	<u>          </u>	<u>10,770</u>
Total Swimming Pool Capital Fund		<u>3,391,297</u>	<u>3,436,688</u>
		<u>\$ 3,987,535</u>	<u>3,553,635</u>

## BOROUGH OF PARAMUS

## Balance Sheet - Regulatory Basis

## Swimming Pool Utility Fund

December 31, 2020 and 2019

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<b>Operating Fund:</b>			
Appropriation Reserves	E-4/E-11	\$ 89,209	10,219
Reserve for Encumbrances	E-4/E-12	717	
Interfund Accounts Payable	E-8	19	
Special Emergency Note Payable	E-13	340,000	
Accrued Interest on Bonds	E-14	7,374	7,974
		<u>437,319</u>	<u>18,193</u>
Fund Balance	E-1	<u>158,919</u>	<u>98,754</u>
Total Swimming Pool Utility Operating Fund		<u>596,238</u>	<u>116,947</u>
<b>Capital Fund:</b>			
Serial Bonds Payable	E-15	760,000	840,000
Improvement Authorizations:			
Funded	E-16	18,503	53,541
Interfund Payable	E-10		10,353
Reserve for Amortization	E-17	2,612,780	2,532,780
Fund Balance	E-2	14	14
Total Swimming Pool Utility Capital Fund		<u>3,391,297</u>	<u>3,436,688</u>
		<u>\$ 3,987,535</u>	<u>3,553,635</u>

There were \$-0- and \$-0- of Bonds and Notes Authorized But Not Issued on December 31, 2020 and December 31, 2019 respectively.

See accompanying notes to financial statements.

## BOROUGH OF PARAMUS

Statement of Operations and Changes in  
Fund Balance - Regulatory Basis

## Swimming Pool Utility Operating Fund

For the Year ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 96,718	134,000
Membership Fees	118,194	347,637
Registration Fees		5,450
Guest Fees		51,580
Miscellaneous	26,484	47,190
Concession Stand	39,647	73,105
Non-Budget Revenue		1,445
Other		
Special Emergency - COVID-19 Revenue Losses	335,186	
Prior Year Voided Checks	147,260	
Unexpended Balance of Appropriation Reserves	10,219	16,328
Cancellations and Adjustments	600	599
	<hr/>	<hr/>
Total Revenue and Other Income	774,308	677,334
	<hr/>	<hr/>
Expenditures:		
Operating		
Salaries and Wages	275,000	284,000
Other Expenses	205,500	233,000
Capital Improvements		1,364
Debt Service	100,463	102,062
Deferred Charges and Statutory Expenditures	35,770	25,000
Refunds	692	
Refund of Prior Year Revenue		7,336
	<hr/>	<hr/>
Total Expenditures	617,425	652,762
	<hr/>	<hr/>
Excess(Deficit) in Revenues	156,883	24,572
	<hr/>	<hr/>
Fund Balance, January 1	98,754	208,182
	<hr/>	<hr/>
Decreased by:		
Anticipated as Current Fund Revenue	96,718	134,000
	<hr/>	<hr/>
Balance, December 31,	\$ 158,919	98,754
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

**BOROUGH OF PARAMUS**

**Statement of Changes in Fund Balance - Regulatory Basis**

**Swimming Pool Utility Capital Fund**

**For the Years ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Balance, December 31	\$ <u>14</u>	<u>14</u>
Balance, December 31	\$ <u><u>14</u></u>	<u><u>14</u></u>

See accompanying notes to the financial statements.

**BOROUGH OF PARAMUS**

**Statement of Revenues - Regulatory Basis**

**Swimming Pool Utility Operating Fund**

**Year ended December 31, 2020**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Operating Surplus Anticipated	\$ 96,718	96,718	
Membership Fees	347,600	118,194	(229,406)
Registration Fees	545		(545)
Guest Fees	51,580		(51,580)
Miscellaneous	47,190	26,484	(20,706)
Concession Stand	73,100	39,647	(33,453)
	<u>\$ 616,733</u>	<u>281,043</u>	<u>(335,690)</u>

Analysis of Realized Revenue

Cash Receipts - Anticipated Revenue	157,841
Cash Receipts - Miscellaneous Revenue	26,086
Interfunds	398
	<u>\$ 184,325</u>

Analysis of Miscellaneous Revenue

Interest on Investments	1,787
Other - Miscellaneous	4,697
Pool Rental - YMCA	20,000
	<u>\$ 26,484</u>

## BOROUGH OF PARAMUS

## Statement of Expenditures - Regulatory Basis

## Swimming Pool Utility Operating Fund

Year ended December 31, 2020

	Appropriations		Paid or Charged	Reserved
	Budget	Budget After Modifi- cation		
Operating:				
Salaries and Wages	\$ 275,000	275,000	224,227	50,773
Other Expenses	205,500	205,500	174,270	31,230
Total Operating	480,500	480,500	398,497	82,003
Debt Service:				
Payment of Bond Principal	80,000	80,000	80,000	
Interest on Bonds	20,463	20,463	20,463	
Total Debt Service	100,463	100,463	100,463	
Deferred Charges and Statutory Expenditures:				
Deferred Charge - Ordinance Funding Shortages	10,770	10,770	10,770	
Statutory Expenditures - Contribution to: Social Security System (O.A.S.I.)	25,000	25,000	17,794	7,206
Total Deferred Charges and Statutory Expenditures	35,770	35,770	28,564	7,206
	\$ 616,733	616,733	527,524	89,209
			Cash Disbursed \$ 495,574	
			Reserve for Encumbrances 717	
			Interfunds 10,770	
			Accrued Interest on Bonds 20,463	
			\$ 527,524	

See accompanying notes to financial statements.

## BOROUGH OF PARAMUS

## Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>General Fixed Assets:</u>		
Land	\$ 118,685,338	118,448,300
Buildings & Improvements	12,091,900	12,091,900
Machinery and Equipment	<u>30,866,814</u>	<u>30,757,718</u>
	<u>\$ 161,644,052</u>	<u>161,297,918</u>
Investment in Fixed Assets	<u>\$ 161,644,052</u>	<u>161,297,918</u>

See accompanying notes to financial statements.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

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

A. Reporting Entity

The Borough of Paramus (the "Paramus") is organized as a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

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

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

Other Trust Funds - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

Self Insurance Trust Fund - This fund is used to account for worker's compensation, property and general liability, and vision insurance claims and premiums.

Unemployment Compensation Trust Fund - This fund is used to account for all unemployment compensation receipts and disbursements.

Affordable Housing Trust Fund - This fund is used to account for the construction and maintenance of housing units built in the Borough for moderate and low income families.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

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

Swimming Pool Utility Operating Fund – This fund is used to account for all revenues and expenditures applicable to the operations of the municipal swimming pool.

Swimming Pool Utility Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of swimming pool facilities. The major resources are derived from the issuance of debt.

Golf Course Utility Operating Fund - This fund is used to account for all revenues and expenditures applicable to the operations of the municipal golf course.

Golf Course Utility Capital Fund - This fund is used to account for financial resources to be used for the acquisition or improvement of golf course facilities. The major resources are derived from the issuance of debt.

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Basis of Accounting

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

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

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

- General Capital Fund
- Trust Funds
- Public Assistance Fund
- Swimming Pool Utility Capital Fund
- Golf Course Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2020 and 2019, the Mayor and Council approved additional revenues and appropriations of \$409,697 and \$215,303, respectively, in accordance with N.J.S.A. 40A:4-87. The Mayor and Council also approved emergency appropriations of \$1,580,000 in 2020. In addition, there were several budget transfers were approved by the Governing Body.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Inventories - Stationary, postage and photocopy supplies for all funds are purchased through Central Supply and charged to departments as requisitioned. 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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Paramus has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

For the year ended December 31, 2019, the Borough adopted the following GASB Statement:

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

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

C. Basic Financial Statements

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

**NOTE 2. PENSION PLANS**

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

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 vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 a 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 at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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% (Tiers 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.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2020	\$2,128,032	\$4,172,199	\$7,294
2019	1,854,365	3,574,299	8,426
2018	1,746,327	3,324,674	7,083

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 2. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

**Public Employees Retirement System (PERS)**

At December 31, 2020, the Borough had a liability of \$31,722,337 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was .1945274327 percent, which was an increase of .0038874988 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$2,128,032. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$577,612	\$112,184
Changes of assumptions	1,029,109	13,282,444
Net difference between projected and actual earnings on pension plan investments	1,084,295	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>4,167,536</u>	
Total	<u>\$6,858,552</u>	<u>\$13,394,628</u>

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(3,980,573)
2022	(3,629,073)
2023	(2,073,922)
2024	(838,659)
2025	(181,384)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Borough's Proportion	.1945274327%	.1906399339%

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2019. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2020.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$39,997,695	\$31,722,337	\$24,700,470

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

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

At December 31, 2020, the Borough had a liability of \$48,256,105 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was .3734611394 percent, which was an increase of .019608897 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$4,172,199. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$486,503	\$173,185
Changes of assumptions	121,436	12,937,173
Net difference between projected and actual earnings on pension plan investments	2,829,481	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>4,651,184</u>	<u>213,795</u>
Total	<u>\$8,088,604</u>	<u>\$13,324,153</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(4,514,027)
2022	(3,046,421)
2023	(1,240,219)
2024	(468,511)
2025	(403,760)

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Borough's Proportion	.3734611394%	.3538522429%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2019.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$66,640,557	\$48,256,105	\$32,986,412

**Special Funding Situation - PFRS**

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

At December 31, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$7,489,128 and \$6,837,752, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$848,743 and \$794,491, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$576,284 and \$460,723, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System (PFRS), (continued)**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension benefits described in Note 2, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employees Plan.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (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/treasury/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) retired 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

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provides 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 of coverage.

**Total OPEB Liability**

The following Other Post Employment Benefit information is as of June 30, 2019 which is the latest information available as of the date of this report. This information is eighteen months prior to December 31, 2020. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of County Affairs, State of New Jersey is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current Other Post Employment Benefit information is available.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

At December 31, 2019, the Borough had a liability of \$52,570,270 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2019, the Borough's proportion was 38.8085000 percent.

For the year ended December 31, 2019, the Borough recognized OPEB expense of \$(2,526,424). At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$15,373,596
Changes of assumptions		18,629,734
Net difference between projected and actual earnings on OPEB plan investments	43,303	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>1,405,446</u>	<u>12,962,173</u>
Total	<u>\$1,448,749</u>	<u>\$46,965,503</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$(5,530,993)
2021	(5,530,993)
2022	(5,534,388)
2023	(5,539,875)
2024	(5,544,888)
Thereafter	<u>(6,278,890)</u>
	<u>(\$33,960,027)</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

**Actual Assumptions and Other Inputs**

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**Discount Rate**

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This 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 AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Sensitivity of Net OPEB Liability to Changes in the Discount Rate**

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, 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 or 1 percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease <u>2.50%</u>	At Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Borough's proportionate share of Net OPEB liability	\$60,784,605	\$52,570,270	\$45,895,037

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates:**

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of Net OPEB liability	\$44,362,829	\$52,570,270	\$63,040,242

**NOTE 4. MUNICIPAL DEBT**

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

	Balance Dec. 31, 2019	Additions	Reductions	Balance Dec. 31, 2020	Amounts Due Within One Year
<b>Bonds Payable:</b>					
General Capital Fund	\$29,925,000	\$	\$3,195,000	\$26,730,000	\$3,230,000
Golf Course Utility Capital Fund	3,900,000		390,000	3,510,000	390,000
Swim Pool Utility Capital Fund	840,000		80,000	760,000	80,000
<b>Other Liabilities:</b>					
Compensated Absences Payable	2,834,245	40,846	257,375	2,617,716	
PERS/PFRS Pension Deferral	<u>                    </u>	<u>1,610,580</u>	<u>975,768</u>	<u>634,812</u>	<u>165,001</u>
	<u>\$37,499,245</u>	<u>\$1,651,426</u>	<u>\$4,898,143</u>	<u>\$34,252,528</u>	<u>\$3,865,001</u>
	Balance Dec. 31, 2018	Additions	Reductions	Balance Dec. 31, 2019	Amounts Due Within One Year
<b>Bonds Payable:</b>					
General Capital Fund	\$34,340,000	\$	\$4,415,000	\$29,925,000	\$3,195,000
Golf Course Utility Capital Fund	4,280,000		380,000	3,900,000	390,000
Swim Pool Utility Capital Fund	920,000		80,000	840,000	80,000
<b>Other Liabilities:</b>					
Compensated Absences Payable	<u>2,834,245</u>	<u>                    </u>	<u>                    </u>	<u>2,834,245</u>	<u>                    </u>
	<u>\$42,374,245</u>	<u>\$0</u>	<u>\$4,875,000</u>	<u>\$37,499,245</u>	<u>\$3,665,000</u>

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

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

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$36,240,000	\$39,435,000	\$39,810,853
Golf Course Utility - Bonds, Notes and Loans	3,510,000	3,900,000	4,280,000
Swim Pool Utility - Bonds, Notes and Loans	<u>760,000</u>	<u>840,000</u>	<u>920,000</u>
Total Issued	<u>40,510,000</u>	<u>44,175,000</u>	<u>45,010,853</u>
 <u>Authorized Not Issued:</u>			
General - Bonds and Notes	4,195,266	2,541,766	
Golf Course Utility - Bonds and Notes	270,000	50,000	
Swimming Pool Utility - Bonds and Notes			
Total Authorized Not Issued	<u>4,465,266</u>	<u>2,591,766</u>	
 Total Bonds, Notes and Loans Issued and Authorized Not Issued	44,975,266	46,766,766	45,010,853
Less: Deductions	<u>262,500</u>		
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$44,712,766</u>	<u>\$46,766,766</u>	<u>\$45,010,853</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .407% for 2020.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$10,015,000	\$10,015,000	\$0
General Debt	40,435,266	262,500	40,172,766
Swimming Pool Utility	760,000		760,000
Golf Course Utility	<u>3,780,000</u>	<u>3,780,000</u>	<u>0</u>
	<u>\$54,990,266</u>	<u>\$14,057,500</u>	<u>\$40,932,766</u>

Net debt of \$40,932,766 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$10,043,439,794 equals .407%.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .409% for 2019.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$11,095,000	\$11,095,000	\$0
General Debt	41,976,766		41,976,766
Swimming Pool Utility	840,000	840,000	0
Golf Course Utility	<u>3,950,000</u>	<u>3,950,000</u>	<u>0</u>
	<u>\$57,861,766</u>	<u>\$15,885,000</u>	<u>\$41,976,766</u>

Net debt of \$41,976,766 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$10,250,927,997 equals .409%.

Borrowing Power Available Under N.J.S.A. 40A:2-6 as Amended

	<u>2020</u>	<u>2019</u>
3 ½% of equalized valuation basis (municipal)	\$351,520,393	\$358,782,480
Net Debt	<u>38,392,453</u>	<u>39,436,453</u>
Remaining borrowing power	<u>\$313,127,940</u>	<u>\$319,346,027</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

Calculation of "Self-Liquidating Purpose", Swimming Pool Utility Per N.J.S.A. 40A:2-45

	<u>2020</u>	<u>2019</u>
Cash receipts from fees, rents or other charges for year	\$281,043	\$2,087,813
Deductions:		
Operating and Maintenance Cost	505,000	1,631,213
Debt Service	<u>100,463</u>	<u>253,589</u>
Total Deductions	<u>605,463</u>	<u>1,884,802</u>
Excess/(Deficit) in Revenue - Not Self-Liquidating	<u>(\$324,420)</u>	<u>\$203,011</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

Calculation of "Self-Liquidating Purpose", Golf Course Utility Per N.J.S.A. 40A:2-45

	<u>2020</u>	<u>2019</u>
Cash receipts from fees, rents or other charges for year	\$2,652,644	\$2,802,664
Deductions:		
Operating and Maintenance Cost	2,139,900	2,267,725
Debt Service	<u>484,575</u>	<u>482,275</u>
Total Deductions	<u>2,624,475</u>	<u>2,750,000</u>
Excess/(Deficit) in Revenue - Not Self-Liquidating	<u>\$28,169</u>	<u>\$52,664</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

The Borough's long-term debt consisted of the following at December 31, 2020:

Paid by Current Fund.

General Obligation Bonds

\$2,395,000, 2003 Pension Refund Bonds, due in annual installments through March 2021, interest at 5.20%.	\$330,000
\$30,800,000, 2018 General Improvement Bonds, due in annual installments through February 2029, interest at 2.00-3.00%.	<u>26,400,000</u>
	<u>\$26,730,000</u>

Paid by Swimming Pool Operating Fund:

Swimming Pool Utility Bonds

\$920,000, 2018 General Improvement Bonds, due in annual installments through February 2029, interest at 2.00-3.00%.	<u>\$760,000</u>
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Paid by Golf Course Utility Operating Fund:

Golf Course Utility

\$4,280,000, 2018 General Improvement Bonds, due in annual installments through February 2029, interest at 2.00-3.00%.	<u>\$3,510,000</u>
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**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

Aggregate debt service requirements during the next five years are as follows:

General Bonds

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$3,892,830	\$3,230,000	\$662,830
2022	3,496,250	2,900,000	596,250
2023	3,434,625	2,900,000	534,625
2024	3,365,750	2,900,000	465,750
2025	3,293,250	2,900,000	393,250
2026-2029	<u>12,618,500</u>	<u>11,900,000</u>	<u>718,500</u>
Total	<u>\$30,101,205</u>	<u>\$26,730,000</u>	<u>\$3,371,205</u>

Swimming Pool Utility Bonds

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$98,863	\$80,000	\$18,863
2022	102,213	85,000	17,213
2023	100,406	85,000	15,406
2024	98,388	85,000	13,388
2025	96,263	85,000	11,263
2026-2029	<u>360,400</u>	<u>340,000</u>	<u>20,400</u>
Total	<u>\$856,533</u>	<u>\$760,000</u>	<u>\$96,533</u>

Golf Course Utility Bonds

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$476,775	\$390,000	\$86,775
2022	468,975	390,000	78,975
2023	460,688	390,000	70,688
2024	451,425	390,000	61,425
2025	441,675	390,000	51,675
2026-2029	<u>1,653,600</u>	<u>1,560,000</u>	<u>93,600</u>
Total	<u>\$3,953,138</u>	<u>\$3,510,000</u>	<u>\$443,138</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

General capital and assessment serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or assessment revenues.

At December 31, 2020, the Borough had authorized but not issued debt as follows:

General Capital Fund	\$4,195,266
Swimming Pool Utility Capital Fund	
Golf Course Utility Capital Fund	<u>270,000</u>
	<u>\$4,465,266</u>

**NOTE 5. BOND ANTICIPATION NOTES**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

As of December 31, 2020, the Borough had \$9,510,000 in outstanding general obligation bond anticipation notes; \$7,510,000 due October 15, 2021 at a rate of 2.00% and \$2,000,000 due April 15, 2021 at a rate of 1.73%. The \$2,000,000 note was paid down on April 15, 2021.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2020 and 2019.

<u>2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Notes Payable:				
General Capital Fund				
BNY Mellon Capital Markets, LLC	\$	\$7,510,000	\$	7,510,000
TD Securities	7,510,000		7,510,000	0
JP Morgan Chase		2,000,000		2,000,000
Passaic Valley Water Commission	<u>2,000,000</u>		<u>2,000,000</u>	<u>0</u>
	<u>\$9,510,000</u>	<u>\$9,510,000</u>	<u>\$9,510,000</u>	<u>\$9,510,000</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 5. BOND ANTICIPATION NOTES, (continued)**

<u>2019</u>	<u>Balance Dec. 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2019</u>
Notes Payable:				
General Capital Fund				
TD Securities	\$5,470,853	\$7,510,000	\$5,470,853	\$7,510,000
Passaic Valley Water Commission		<u>2,000,000</u>		<u>2,000,000</u>
	<u>\$5,470,853</u>	<u>\$9,510,000</u>	<u>\$5,470,853</u>	<u>\$9,510,000</u>

**NOTE 6. DEFERRED CHARGES**

The Borough has entered into a loan agreement with the New Jersey Wastewater Treatment Trust for financing related to the Borough's sanitary sewer improvement project.

	<u>Balance Dec.31, 2020</u>	<u>2021 Budget Appropriation</u>	<u>Balance Succeeding Year Budget</u>
Current Fund:			
Emergency Appropriations	\$1,580,000	\$1,580,000	\$
Deficit in Operations	1,560	1,560	
Special Emergency	<u>1,059,295</u>	<u>                    </u>	<u>1,059,295</u>
Total Current Fund	<u>2,640,855</u>	<u>1,581,560</u>	<u>1,059,295</u>
Swimming Pool Utility - Operating Fund			
Special Emergency - COVID-19 Revenue Losses	<u>335,186</u>	<u>                    </u>	<u>335,186</u>
Trust Funds:			
Unemployment Insurance Compensation	<u>11,649</u>	<u>11,649</u>	<u>                    </u>
Total Deferred Charges	<u>\$2,987,690</u>	<u>\$1,593,209</u>	<u>\$1,394,481</u>
	<u>Balance Dec.31, 2019</u>	<u>2020 Budget Appropriation</u>	<u>Balance Succeeding Year Budget</u>
Current Fund:			
Emergency Appropriations	<u>\$1,118,721</u>	<u>\$1,117,161</u>	<u>\$1,560</u>
General Capital Fund:			
Overexpenditure of Improvement Authorization	<u>7,157</u>	<u>7,157</u>	<u>                    </u>
Swimming Pool Utility - Operating Fund			
Ordinance Funding Shortage	<u>10,770</u>	<u>10,770</u>	<u>                    </u>
Total Deferred Charges	<u>\$1,136,648</u>	<u>\$1,135,088</u>	<u>\$1,560</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 7. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2020, which has been appropriated as revenue in the 2021 budget is as follows:

Current Fund	\$2,055,420
Swimming Pool Operating Fund	150,000
Golf Course Utility Operating Fund	120,000

**NOTE 8. ACCRUED SICK AND VACATION BENEFITS**

The Borough permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$2,617,716 as of December 31, 2020. This amount is not reported either as an expenditure or liability.

**NOTE 9. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**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's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2020, \$-0- of the Borough's bank balance of \$40,958,054 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 9. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Borough places no limit on the amount the Borough may invest in any one issuer.

**NOTE 10. LITIGATION**

We are advised that the Borough is involved in several legal suits. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Borough. The following matters were identified to have significant risk exposure:

**P. v. Borough of Paramus**

The Plaintiff, a billboard company, filed a complaint on May 5, 2021 against Paramus and the ZBA because of the ZBA's denial of Plaintiff's application to put up a billboard.

The Complaint challenges the Board's denial as an arbitrary, capricious and unreasonable abuse of discretion (Counts 1-2). The Amended Complaint further alleges that the Borough's signage ordinances, as they existed prior to their July 9, 2020 amendment, violated: First Amendment (Count 3), 14<sup>th</sup> Amendment Equal Protection (Count 4), Federal Civil Rights Act, 42 U.S.C. 1983 (Count 5), New Jersey Constitution (Count 6) and New Jersey Civil Rights Act ("NJCRA") N.J.S.A. 10:6-1 (Count 7). Compliant 11, 21-22, 32(g), 32(i)(Exhibit). The Complaint alleges that the Board "failed to apply the law in effect at the time of the application" and seeks a use variance under the Borough's Billboard Sign Ordinances in effect at the time the Application was filed. The Plaintiff seeks approval to erect and operate its billboard. Plaintiff claims \$6,650,000 damages. We are not aware of insurance coverage. The court has scheduled briefing deadlines and trial date of October 15, 2021. Paramus and the ZBA intend to contest Plaintiff's claims. It is not possible to estimate the likelihood of an unfavorable outcome with precision but there are strong defenses to Plaintiff's claims. It is not possible to estimate the range of potential loss as fee shifting statutes are involved.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 10. LITIGATION, (continued)**

**R. v. Borough of Paramus**

On October 8, 2014, "Plaintiff" and three (3) others went to Jennifer Convertibles on Route 4 West, in Paramus, New Jersey, with the intent to commit a burglary. An alarm was activated, and Borough of Paramus Police Officers were dispatched to the store. After observing that the Jennifer Convertibles' door was pried open and a hole in the wall, Officer drove to the alleyway behind the strip mall. He observed three (3) males wearing black jump into a car, so he positioned his vehicle in front of the car to prevent the suspects from fleeing. He exited his police car and, at gunpoint, gave verbal commands for the suspects to show their hands. The suspects' car, driven by Plaintiff, initially reversed, then accelerated towards Officer. Officer repeatedly shouted to the suspects, "Police"; "Show me your hands"; and "You're under arrest", but the vehicle continued accelerating towards him. Fearful for his life, Officer opened fire at the car. Nonetheless, the car struck Officer, throwing him onto the hood of the car.

Officer continued to fire his weapon towards Plaintiff. Plaintiff continued to drive and then stopped suddenly, causing Officer to fall from the vehicle. Plaintiff then accelerated again, running over Officer's leg. The car then crashed into the wall of a Sleepy's. Officer approached the vehicle and observed Plaintiff make a gesture with his hand which appeared consistent with drawing a weapon. Fearing for his life, Officer fired a single bullet towards Plaintiff, which grazed his chest. Plaintiff then drove onto Route 4 and crashed into the concrete divider. Plaintiff fled from the vehicle, but he was ultimately arrested, administered first aid, and transported to Hackensack University Medical Center, where he was pronounced dead.

Plaintiff's Compliant alleges three (3) counts against Officer: (1) Excessive Force in violation of 42 U.S.C. 1983; (2) Excessive Force in violation of the New Jersey Civil Rights Act, N.J.S.A. 10:5-1 et seq., and for depriving Plaintiff's infant son of parental support, in violation of 42 U.S.C. 1983 and the New Jersey Wrongful Death Act, N.J.S.A. 2A:31-1 et seq.

On May 24, 2019, Officer filed a motion for summary judgement, arguing that Officer's use of force was reasonable and he is entitled to qualify for immunity. The motion was first heard on May 27, 2021. The Court Ordered the Parties to submit a joint statement of undisputed material facts and supplemental briefs. We anticipate the Court holding a second oral argument in September 2021.

While Officer has strong arguments in support of summary judgement, we estimate a 60% likelihood of success since Courts are reluctant to grant summary judgement. If the case goes to trial and Plaintiff is successful, a likely jury award is \$750,000-\$1,000,000 considering the current anti-police sentiment.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 10. LITIGATION, (continued)**

**B. v. B., Borough of Paramus**

Plaintiff alleges that he was driving his vehicle on Fair Lawn Avenue when he was hit by co-defendant B.'s vehicle, which was attempting to flee from the Borough of Paramus Police Department. The Paramus Police Department began the chase after it spotted a stolen vehicle on Route 4. Eventually, the chase led to Fair Lawn where the driver pulled over and stopped on Broadway Avenue. Det. Sgt. attempted to position his vehicle in front to prevent a second pursuit from starting, but B. accelerated and steered to the right, striking Det. Sgt.'s vehicle. As B. continued to drive in an unsafe manner, B. ran a red light and crashed into Plaintiff at the intersection of Plaza Road and Fair Lawn Avenue. Plaintiff alleges that the Police Department's high speed chase was negligent and a direct cause of his damages. He also alleges that the Police Department did not have appropriate policies and failed to properly train its officers.

The Borough recently filed its Answer, and we are drafting discovery demands and responses to Plaintiff's and co-defendants' discovery demands. It is too early in the case to evaluate the likelihood of success and potential damages in this matter.

**NOTE 11. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2020 and 2019.

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Land	\$118,448,300	\$237,038	\$	\$118,685,338
Building & Improvements	12,091,900			12,091,900
Machinery & Equipment	<u>30,757,718</u>	<u>470,304</u>	<u>341,208</u>	<u>30,886,814</u>
	<u>\$161,297,918</u>	<u>\$707,342</u>	<u>\$341,208</u>	<u>\$161,664,052</u>

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

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 12. INTERFUND BALANCES AND ACTIVITY**

Balances due from/to other funds at December 31, 2020 consist of the following:

\$1,121	Due to the Current Fund from the Golf Course Utility Operating Fund for the balance of the prior year interfund not liquidated.
823,478	Due to the Golf Course Utility Capital Fund from the Current Fund to correct the cash balance from prior years.
784,160	Due to the Current Fund from the General Capital Fund for interfunds advanced and interest earned on investments less grant cash receipts and deferred charges raised in the 2020 budget.
240,000	Due to the Swim Pool Utility Operating Fund from the Current Fund for interfunds advanced
85,313	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
413,572	Due to the Current Fund from the Special Trust Fund for the balance of interest earned on investments and to reimburse Current for lien premiums paid in the current and prior years.
12,557	Due to the Current Fund from the Escrow Trust Fund for interest earned on investments.
24,350	Due to the Affordable Housing Trust Fund from the Current Fund to reimburse expenditures paid.
3	Due to the Current Fund from the Unemployment Trust Fund for the balance of interest earned.
9	Due to the Current Fund from the Property Self-Insurance Trust Fund for the balance of interest earned.
81	Due to the Current Fund from the Recreation Trust Fund for the balance of interest earned.
2,596	Due to the Current Fund from the DEA Federal Forfeiture Trust Fund for overtime salaries and wages not transferred.
19,443	Due to the Golf Course Utility Operating Fund from the Golf Course Utility Operating Fund for the balance of the prior year interfund not liquidated plus the current year interest earnings.
19	Due to the Swim Pool Utility Operating Fund from the Swim Pool Utility Capital Fund for current year interest earnings not transferred.
<u>423,453</u>	Due to the Federal and State Grant Fund from the current fund for grants received less reimbursement of expenses paid.
<u>\$2,830,155</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 13. 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. During the 2020 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Paramus is a member of the New Jersey Municipal Self Insurance Joint Insurance Fund (NJMSIJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The NJMSIJIF 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 funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

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

Financial statements for the funds are available at the office of the funds executive director, Risk and Loss Managers, Inc.

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".

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(continued)**

**NOTE 13. RISK MANAGEMENT, (continued)**

Unemployment expenditures for the past 3 years are as follows:

2020 – \$70,145  
2019 – \$40,000  
2018 – \$40,000

**NOTE 14. SELF-INSURANCE WORKER’S COMPENSATION PLAN**

The Borough has established a worker’s compensation plan for its employees. The Borough funds the cost of the plan up to a certain threshold at which point coverage is maintained through an excess workers’ compensation policy with the New Jersey Municipal Self-Insurers’ Joint Insurance Fund containing the following limits:

Worker’s Compensation	The first \$200,000 is the Township’s responsibility and in excess of \$200,000 is covered by the New Jersey Municipal Self-Insurers’ Joint Insurance Fund with no limit.
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The reserve balances in the Worker’s Compensation Trust Fund for 2020 and 2019 are \$3,127 and \$15,612, respectively, as reflected on Exhibit B-6.

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2020.

**NOTE 15. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance <u>Dec 31, 2020</u>	Balance <u>Dec 31, 2019</u>
Prepaid Taxes	<u>\$975,119</u>	<u>\$1,074,020</u>
Cash Liability for Taxes Collected in Advance	<u>\$975,119</u>	<u>\$1,074,020</u>

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 16. CONTINGENT LIABILITIES**

The Borough attorney has advised us of the following:

“Except as follows, I am unaware of any pending or threatened litigation, claims, unasserted claims, assessments or unasserted assessments. This information excludes any matter that emanated as a result of a tort claims notice and which was sent to the insurance carrier for the Borough for defense and indemnification.

Tax Appeals

There remain a substantial number of tax appeals which have been filed in 2020 and prior years with the State Tax Court which remain open as well as a number of new appeals. Adverse decisions by the Tax Court or settlement of these appeals based on changing property values could result in a substantial impact to the assessments and tax base in the Borough. It is not possible to estimate what this impact might be and it is unclear how the Tax Court may decide on the appeals. The Borough is vigorously defending all tax appeals.”

**NOTE 17. OTHER MATTERS**

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Paramus. The Borough has identified several risks as a result of this pandemic, including possible delays in the collection of real estate taxes, swim pool and golf course membership fees, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs. During 2020, the Borough received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

As allowed by New Jersey Statutes, the Borough adopted a Special Emergency appropriation in 2020 in the amount of \$1,059,295 for the Current Fund and \$335,186 for the Swimming Pool Utility for projected loss of revenues to help mitigate the financial effect on the Borough. In addition, the Borough will continue to monitor the situation closely.

**BOROUGH OF PARAMUS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(continued)**

**NOTE 18. SUBSEQUENT EVENTS**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Paramus is \$2,579,971 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

On June 18, 2021, the Borough issued \$1,653,500 General Bond Anticipation Notes and \$270,000 Golf Course Utility Bond Anticipation Notes at a rate of .34% with a due date of June 17, 2022.

The Borough has evaluated subsequent events through July 22, 2021, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

**BOROUGH OF PARAMUS**

**Supplementary Data**

Officials in Office and Surety Bonds

The following officials were in office during the period under audit.

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of bond</u>
Richard LaBarbiera	Mayor		
Christopher DiPiazza	Councilman		
MariaElena Bellinger	Councilwoman		
Holly Tedesco-Santos	Councilwoman		
Joseph Vartolone	Councilman		
Pat Verile	Councilman		
Jeanne Weber	Councilwoman		
Joseph D'Arco	Borough Administrator		
Kenneth R. Ehrenberg	Chief of Police		
Anne Marie Krusznis	Borough Clerk		
Sheryl Luna	Chief Financial Officer / Tax Collector	1,000,000	
Joseph L. Mecca	Magistrate	1,000,000	
Richard J. Conte	Magistrate	1,000,000	
Cynthia Holmes	Court Administrator	1,000,000	
James A Anzevino	Tax Assessor		
Paul Kaufman	Borough Attorney		
Stephen Boswell	Borough Engineer		
Michael O'Connell	Construction Official		
Guy Picone	Emergency Management Coordinator		

(A) Statutory positions are covered under the Municipal Excess Liability Joint Insurance Fund

**BOROUGH OF PARAMUS**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

		<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax rate - general	\$	1.595	\$ 1.856	1.833
Apportionment of tax rate:				
Municipal		0.491	0.517	0.491
Library		0.035	0.041	0.043
County		0.245	0.289	0.306
County Open Space		0.010	0.012	0.013
Local School		0.814	0.997	0.980
Assessed valuation:				
2020	\$	10,038,375,524		
2019		10,018,186,246		
2018		10,511,862,247		

Comparison of Tax Levies and Collections Currently

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

		<u>Currently</u>	
	<u>Tax levy</u>	<u>Cash collections</u>	<u>Percentage of collection</u>
2020	\$ 160,355,523	158,881,343	99.08%
2019	149,763,161	148,760,917	99.33%
2018	147,726,118	146,952,588	99.48%

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>		<u>Amount of delinquent taxes</u>	<u>Amount of tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2020	\$	1,262,600	5,548	1,268,148	0.79%
2019		923,025	5,118	928,143	0.62%
2018		770,331	4,760	775,091	0.52%

**BOROUGH OF PARAMUS**

**Supplementary Data, Continued**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2020 by foreclosure or deed as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2020	\$	23,978
2019		23,978
2018		23,978

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2020	\$	2,507,268	2,055,420
	2019		644,537	
	2018		644,537	
	2017		4,764,530	4,764,000
	2016		6,081,811	4,923,836
Swimming Pool Utility Operation Fund:	2020	\$	158,919	150,000
	2019		98,754	96,718
	2018		208,182	134,000
	2017		206,817	510
	2016		248,608	86,100
Golf Utility Operating Fund:	2020	\$	246,317	120,000
	2019		124,725	120,000
	2018		518,478	419,500
	2017		748,685	250,000
	2016		755,807	259,000

## BOROUGH OF PARAMUS, N.J.

## Schedule of Cash

## Current Fund

Year Ended December 31, 2020

		Current Fund
Balance - December 31, 2019	\$	13,615,945
Increased by Receipts:		
Nonbudget Revenue	1,513,580	
Taxes Receivable - Homestead Rebate	158,562,919	
Special Emergency Note	2,000,000	
Emergency Note	1,580,000	
Revenue Accounts Receivable	14,276,782	
Tax Anticipation Notes	40,000,000	
Due from State - Senior Citizen and Veteran Deductions	172,380	
Marriage License/Domestic Partnerships Fees	2,975	
DCA Fees	153,426	
Tax Overpayments	217,151	
Prepaid Taxes	975,119	
Grants Receivable	638,346	
Interfunds	927,354	
Unappropriated Reserves	229,229	
		<u>221,020,032</u>
		234,635,977
Decreased by Disbursements:		
Current Year Budget Appropriations	64,127,064	
Tax Anticipation Notes	28,400,000	
Interfunds	3,033,750	
Tax Overpayments	202,669	
Tax Appeal Refunds	74,241	
Appropriation Reserves	1,770,169	
Marriage License/Domestic Partnerships Fees	1,625	
DCA Fees	197,880	
Local District School Taxes	81,694,341	
County Taxes Payable	25,702,448	
Appropriated Grant Reserves	760,462	
		<u>205,964,649</u>
Balance - December 31, 2020	\$	<u>28,671,328</u>

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Cash**

**Federal and State Grant Fund**

**Year Ended December 31, 2020**

		<u>Current Fund</u>
Balance - December 31, 2019	\$	950,857
Increased by Receipts:		
Unappropriated Grants Received	\$	49,516
Interfund - Due to Current		3,746
Prior Year Voided Checks		500
		<u>53,762</u>
		1,004,619
Decreased by Disbursements:		
DEA Federal Forfeiture funds reallocated to Trust Funds		463,398
Grant Disbursements		135,312
Interfund - Due to Current		3,676
		<u>602,386</u>
Balance - December 31, 2020	\$	<u><u>402,233</u></u>

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	<u>450</u>
Balance - December 31, 2020	\$	<u><u>450</u></u>
<u>Analysis of Balance:</u>		
Tax Collector	\$	100
Borough Clerk		50
Swimming Pool		170
Municipal Court		<u>130</u>
	\$	<u><u>450</u></u>

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Amount Due (to)/from State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019		\$	(1,013)
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	19,500	
Veterans' Deductions Per Tax Billing		147,250	
Senior Citizen's and Veteran's Allowed - 2020		<u>1,750</u>	
			<u>168,500</u>
			167,487
Decreased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash	\$	172,380	
Senior Citizen's and Veteran's Disallowed - 2020		<u>1,571</u>	
			<u>173,951</u>
Balance - December 31, 2020		\$	<u><u>(6,464)</u></u>

**BOROUGH OF PARAMUS, N.J.**  
**Schedule of Taxes Receivable and Analysis of Property Tax Levy**

Current Fund

Year Ended December 31, 2020

Year	Balance, Dec. 31, 2019	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2020
				2019	2020				
2018	250							250	
2019	922,775			922,525				250	
	923,025			922,525				500	
2020		160,106,675	248,848	1,074,020	157,640,394	166,929	442	211,138	1,262,600
	\$ 923,025	160,106,675	248,848	1,074,020	158,562,919	166,929	442	211,638	1,262,600

Cash Receipts \$ 158,562,919

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 160,106,675
Added Tax (R.S. 54:4-63.1 et seq.)	248,848
	<u>\$ 160,355,523</u>

Tax Levy:

Local District School Tax	\$ 81,694,341
County Tax	\$ 24,593,817
County Open Space Preservation	1,034,429
County Added and Omitted Taxes	<u>39,786</u>
	25,668,032

Local Tax for Municipal Purposes  
 Add: Additional Taxes Levied

\$ 52,744,976  
248,174

Local Tax for Municipal Purposes

52,993,150  
\$ 160,355,523

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	5,118
Increased by:		
Transfer from Taxes Receivable		<u>442</u>
		5,560
Decreased by:		
Prior Year Correction		<u>12</u>
Balance - December 31, 2020	\$	<u><u>5,548</u></u>

**Schedule of Property Acquired for Taxes -  
Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	<u>23,978</u>
Balance - December 31, 2020	\$	<u><u>23,978</u></u>

## BOROUGH OF PARAMUS, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2020

	Balance Dec. 31, 2019	Accrued	Collected	Balance Dec. 31, 2020
Clerk:				
Licenses:				
Alcoholic beverages	\$	56,499	56,499	
Other		662,517	662,517	
Fees and Permits		598,600	598,600	
Municipal Court :				
Fines and Costs		328,967	308,916	20,051
Interest and Costs on Taxes		257,998	257,998	
Interest on Investments and Deposits		177,399	177,399	
Energy Receipts Tax		4,056,309	4,056,309	
Uniform Construction Code Fees		2,157,111	2,157,111	
Interlocal Service Agreements				
Woodcliff Lake - Tax Assessor		57,175	57,175	
Maywood Borough - Municipal Court		71,644	71,644	
Palisades Park - COAH Officer		30,000	30,000	
Vehicle Maintenance		581,601	581,601	
Sale of Gasoline		63,740	63,740	
Traffic Light Repairs		1,376	1,376	
Street Sweeping & Snow Plowing		55,130	55,130	
Dumping Fees - Board of Education		4,240	4,240	
Leonia - Chief Financial Officer		50,000	50,000	
South Hackensack - DPW Superintendent		26,250	26,250	
Maywood Borough - Sewer Collection Flow		222,192	222,192	
Uniform Fire Safety Act		234,305	234,305	
Sewer User Charges		1,744,854	1,744,854	
Sanitary Sewer Tie-In (Washington Twp.)		26,877	26,877	
Sanitary Sewer Tie-In (River Edge Borough)		158,068	158,068	
Sanitary Sewer Tie-In (Oradell Borough)				
Hotel Occupancy Tax		243,501	243,501	
Ambulance Fees		1,022,251	1,022,251	
Cable TV Franchise Fee - Cablevision		205,090	205,090	
Cable TV Franchise Fee - Verizon FIOS		163,328	163,328	
Library PERS Reimbursement		232,212	232,212	
Golf Course Utility - Group Ins. Reimbursement		75,000	75,000	
Interfund Loans Returned - Golf Course				
Utility Surplus		250,000	250,000	
PSEG Easment Agreement		21,650	21,650	
Recreations Trust Reserve Cancellation		250,000	250,000	
PILOT - State of New Jersey		50,035	50,035	
Recycling Revenue		160,914	160,914	
	\$	<u>14,296,833</u>	<u>14,276,782</u>	<u>20,051</u>
			Cash \$ <u>14,276,782</u>	

**BOROUGH OF PARAMUS, N.J.**

**Tax Anticipation Note Payable**

**Current Fund**

**Year Ended December 31, 2020**

Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2019	Increased in 2020	Decreased in 2020	Balance, Dec. 31, 2020
8,400,000					\$ 8,400,000			
20,000,000	Apr. 9, 2020	Apr. 9, 2020	Jul. 9, 2020	1.50%		20,000,000	8,400,000	
20,000,000	Jul. 9, 2020	Jul. 9, 2020	Apr. 30, 2021	2.00%		20,000,000	20,000,000	20,000,000
					\$ 8,400,000	40,000,000	28,400,000	20,000,000

**BOROUGH OF PARAMUS, N.J.**

**Special Emergency Note Payable**

**Current Fund**

**Year Ended December 31, 2020**

<u>Original Note</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased in 2020</u>	<u>Balance, Dec. 31, 2020</u>
20-1 SEN	Dec. 31, 2020	Dec. 31, 2020	Dec. 15, 2021	0.85%	\$ 2,000,000	2,000,000
					\$ 2,000,000	2,000,000

**Emergency Note Payable**

**Current Fund**

**Year Ended December 31, 2020**

<u>Original Note</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased in 2020</u>	<u>Balance, Dec. 31, 2020</u>
20-01 EN	Dec. 31, 2020	Dec. 31, 2020	Dec. 15, 2021	0.85%	\$ 1,580,000	1,580,000
					\$ 1,580,000	1,580,000

BOROUGH OF PARAMUS, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-53 - Special Emergency

Current Fund

Year Ended December 31, 2020

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Increased</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>in 2020</u>	<u>Dec. 31,</u>
			<u>Authorized</u>		<u>2020</u>
Dec. 1, 2020	COVID - 19 Revenue Losses	1,059,295	211,859	1,059,295	1,059,295
				\$ 1,059,295	1,059,295

BOROUGH OF PARAMUS, N.J.

Schedule of Deferred Charges

Current Fund

December 31, 2020 and 2019

	Balance, Dec. 31, <u>2019</u>	Increased	Decreased by: Budget Appropriation	Balance, Dec. 31, <u>2020</u>
Emergency Appropriations:				
Streets & Roads - Salaries & Wages	\$	415,000		415,000
Vegetative Waste Removal - Other Expenses		350,000		350,000
Solid Waste Collection - Salaries & Wages		335,000		335,000
Solid Waste Collection - Other Expenses		225,000		225,000
Liability Insurance		125,000		125,000
Shade Tree - Salaries & Wages		130,000		130,000
Deficit in Operations	<u>1,118,721</u>		<u>1,117,161</u>	<u>1,560</u>
	\$ <u>1,118,721</u>	<u>1,580,000</u>	<u>1,117,161</u>	<u>1,581,560</u>

## BOROUGH OF PARAMUS, N.J.

## Schedule of Interfunds

## Current Fund

## Year Ended December 31, 2020

Fund	Due from/(to) Balance			Due from/(to) Balance Dec. 31, 2020
	Dec. 31, 2019	Increased	Decreased	
Federal and State Grant Fund	\$ (780,065)	1,450,155	1,093,543	(423,453)
Golf Course Utility:				
Operating	251,121		250,000	1,121
Capital			823,478	(823,478)
General Capital Fund	(1,807,954)	2,915,856	323,742	784,160
Swimming Pool Utility:		100,000	340,000	(240,000)
Operating				
Municipal Court - Bail	2,500		2,500	
Trust Funds				
Animal License Trust Fund		85,313		85,313
Special Trust Fund		437,065	23,493	413,572
Escrow Trust Fund	5,979	6,578		12,557
Affordable Housing Trust	(2,240)	2,240	24,350	(24,350)
Unemployment Trust Fund		91	88	3
Property Self-Insurance Trust Fund		434	425	9
Recreation Trust Fund		4,680	4,599	81
DEA Federal Forfeiture		2,596		2,596
	<u>\$ (2,330,659)</u>	<u>5,005,008</u>	<u>2,886,218</u>	<u>(211,869)</u>
Due to Current Fund	259,600	1,644,659	604,847	1,299,412
Due from Current Fund	<u>(2,590,259)</u>	<u>3,360,349</u>	<u>2,281,371</u>	<u>(1,511,281)</u>
	<u>\$ (2,330,659)</u>	<u>5,005,008</u>	<u>2,886,218</u>	<u>(211,869)</u>
Cash Disbursements	\$ 3,033,750			
Cash Receipts			587,354	
Interest on Investments	42,896		35,862	
Cash Receipts - Special Emergency Note			340,000	
Prior Year Correction - Bond Sale Proceeds not Transferred			823,478	
Grants Receivable			638,346	
Deferred Charge			7,157	
Statutory Excess	85,313			
Unappropriated Grant Reserves	1,446,409		229,229	
Prior Year Grant Expenditures not Recorded			222,292	
Reimbursement for Expenditures	13,200			
Correction to Prior Year Premium Balance	381,200			
Cancelled	2,240		2,500	
		<u>\$ 5,005,008</u>	<u>2,886,218</u>	

## BOROUGH OF PARAMUS, NJ

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, 2019	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b>Salaries and Wages Within "CAPS":</b>				
General Administration	\$ 9	9		9
Financial Administration	8	8		8
Central Equipment and Data Processing	507	507		507
Department of Assessment	23	23		23
Division of Revenue	520	520		520
Legal Services	1,000	1,000		1,000
Insurance Waivers	20,000			
Planning Board	59	59		59
Zoning Board	329	329		329
Administration of Court	7,583	7,583		7,583
Public Buildings and Grounds	1,141	1,141		1,141
Vehicle Maintenance	5,424	421		421
Road Repair and Maintenance	49	49		49
Shade Tree	9,248	248		248
Solid Waste	6,499	499		499
Police Department	6	6		6
Police Dispatch/911	36,422	422		422
Emergency Management Services	162	162		162
Ambulance Corp	23,813	813		813
Uniform Fire Safety Act	1,713	1,713		1,713
Health Services	678	678		678
Public Assistance	40	40		40
Recreation	4,830	830		830
Uniform Construction Code	1,257	1,257		1,257
<b>Total Salaries and Wages Within "CAPS"</b>	<b>121,320</b>	<b>18,317</b>		<b>18,317</b>
<b>Other Expenses Within "CAPS":</b>				
General Administration	7,281	1,521	1,332	189
Grant Consultant	4,000	7,500	3,500	4,000
Mayor and Council	1,866	2,066	200	1,866
Financial Administration	61,431	4,550	1,269	3,281
Municipal Clerk	11,912	5,628	3,350	2,278
Central Equipment and Data Processing	1,091	21,004	20,980	24
Assessment of Taxes	1,462	1,462		1,462
Division of Revenue	2,071	2,071	195	1,876
Legal Services	39,510	167,422	167,422	
Engineering Services and Costs	10,968	7,279	5,729	1,550
Planning Board	7,899	8,737	8,223	514

## BOROUGH OF PARAMUS, NJ

## Schedule of Appropriation Reserves

## Current Fund

## Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Administration of Court	5,027	8,367	6,841	1,526
Insurance:				
General Liability	86,214	9,192	7,978	1,214
Other Insurance	25,000			
Self Insurance	5,000			
Self Workers Compensation	8,994	186,323	186,323	
Vision	21,238	17,514	12,583	4,931
Unemployment	20,000			
Employee Group Health	46,427	140,222	126,749	13,473
Public Buildings and Grounds	3,126	60,800	54,987	5,813
Vehicle Maintenance	5,911	163,606	163,606	
Road Repair and Maintenance	11,473	30,890	28,909	1,981
Shade Tree	350	7,940	7,115	825
Solid Waste Collection	6,008	8,082	5,652	2,430
Police	1,180	73,098	71,802	1,296
Police Disptach/911	2,494	18,811	17,670	1,141
Emergency Management Services	252	7,277	7,226	51
Rescue Squad	380	11,632	10,246	1,386
Fire Department	10,485	15,408	15,366	42
Ambulance Corps	208	17,900	17,900	
Uniform Fire Safety Act	268	1,358	1,097	261
Health Services	2,847	7,353	7,278	75
Animal Control	3,880	3,020	2,940	80
Public Assistance	39	206	166	40
Recreation	25,964	12,791	5,341	7,450
Senior Citizens	4,441	2,060	1,577	483
Construction Code Official	4,136	1,092	955	137
Electricity & Natural Gas	72,328	80,111	78,204	1,907
Street Lighting	23,441	144,926	144,926	
Telephone	32,354	49,511	44,900	4,611
Water	13,510	6,510	6,019	491
Fire Hydrant	650	650		650
Gasoline	28,516	52,156	52,156	
Diesel Fuel	52,779	48,839	39,477	9,362
Landfill/ Solid Waste Disposal	72,216	103,862	103,862	
Landfill/ Solid Waste Disposal = Vegetative Was	979	173,092	173,092	
Total Other expenses Within "CAPS"				
Deferred Charges and Statutory Expenditures	747,606	1,693,839	1,615,143	78,696

**BOROUGH OF PARAMUS, NJ**  
**Schedule of Appropriation Reserves**

**Current Fund**

**Year Ended December 31, 2020**

	Balance, Dec. 31, <u>2019</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Within "CAPS":				
Public Employees' Retirement System	140,873			
Social Security System (O.A.S.I.)	20,589	589		589
DCRP	25,000			
Total Deferred Charges and Statutory				
Expenditures Within "CAPS"	<u>186,462</u>	<u>589</u>		<u>589</u>
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library		102,707	102,707	
Shared Service Agreements:				
Solid Waste Disposal - Paramus BOE	9,730	9,730		9,730
Mechanical Maintenance	3,232	52,318	52,318	
Total Other Expenses Excluded from "CAPS"				
	<u>12,962</u>	<u>164,755</u>	<u>155,025</u>	<u>9,730</u>
Total Reserves	\$ <u>1,068,350</u>	<u>1,877,500</u>	<u>1,770,168</u>	<u>107,332</u>
	PY			
Appropriation Reserves		1,068,350		
Encumbrances		<u>809,150</u>		
		\$ <u>1,877,500</u>		
			Cash Disbursed \$ <u>1,770,168</u>	

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ 809,150
Increased by:	
Transferred from Current Year Budget	<u>834,550</u>
	1,643,700
Decreased by:	
Transferred to Appropriation Reserves	<u>809,150</u>
Balance - December 31, 2020	<u><u>\$ 834,550</u></u>

**Schedule of Marriage License/Domestic Partnership Fees Payable**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ 125
Increased by:	
Cash Receipts	<u>2,975</u>
	3,100
Decreased by:	
Cash Disbursements	<u>1,625</u>
Balance - December 31, 2020	<u><u>\$ 1,475</u></u>

**BOROUGH OF PARAMUS, N.J.**

**Schedule of DCA Fees Payable**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	71,900
Increased by:		
Cash Receipts		<u>153,426</u>
		225,326
Decreased by:		
Cash Disbursements		<u>197,880</u>
Balance - December 31, 2020	\$	<u><u>27,446</u></u>

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	74,202
Increased by:		
2020 Levy	\$	24,593,817
2020 Open Space		1,034,429
2020 Added Assessments		<u>39,786</u>
		<u>25,668,032</u>
		25,742,234
Decreased by:		
Payments		<u>25,702,448</u>
Balance - December 31, 2020	\$	<u><u>39,786</u></u>

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Local School District Tax Payable**

**Current Fund**

**Year Ended December 31, 2020**

Increased by:	
2020 Levy	\$ <u>81,694,341</u>
Decreased by:	
Payments	\$ <u><u>81,694,341</u></u>

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	2,573
Increased by:		
Tax Overpayments Received		<u>217,151</u>
		219,724
Decreased by:		
Cash Disbursements		<u>202,669</u>
Balance - December 31, 2020	\$	<u><u>17,055</u></u>

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ 1,074,020
Increased by:	
Collections	<u>975,119</u>
	2,049,139
Decreased by:	
Applied to 2020 Taxes Receivable	<u>1,074,020</u>
Balance - December 31, 2020	<u><u>\$ 975,119</u></u>

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Interfunds**

**Federal and State Grant Fund**

**Year Ended December 31, 2020**

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$ 780,065	1,093,543	1,450,155	423,453
	<u>\$ 780,065</u>	<u>1,093,543</u>	<u>1,450,155</u>	<u>423,453</u>
		Grants Receivable 638,346		
		Unappropriated Grants 229,229		
		Interest - Disbursed 3,676		
		Prior Year Grant Expenditures not Recorded 222,292		
		Interest - Earned 3,746		
			1,446,409	
		<u>\$ 1,093,543</u>	<u>1,450,155</u>	

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Grants Receivable**

**Federal and State Grant Fund**

**Year Ended December 31, 2020**

<u>Grant</u>	Balance, Dec. 31, 2019	2020 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, 2020
Federal COPS Grant	\$	409,697	409,697	
Clean Communities Grant		100,246	100,246	
Drunk Driving Enforcement Fund		18,861	18,861	
Federal Share - Forfeiture Funds		240,606	240,606	
Recycling Tonnage Aid		130,864	130,864	
Safe and Secure Communities		65,000	65,000	
Alcohol Education and Rehabilitation		161	161	
Distracted Driving		5,500	5,500	
Drive Sober or Get Pulled Over		5,500	5,500	
Emergency Management		10,000	10,000	
BCUA Grant		37,542	37,542	
Body Armor Replacement		8,690	8,690	
BCUA Grant		3,000	3,000	
Municipal Alliance		14,955	14,955	
FEMA - COVID 19		685,947		685,947
CARES Act - COVID 19		228,649	228,649	
	\$	<u>1,965,218</u>	<u>1,279,271</u>	<u>685,947</u>
Adopted Budget		1,555,521		
Added by N.J.S.A. 40A:4-87		<u>409,697</u>		
		\$ <u>1,965,218</u>		
Cash Receipts - Current Fund			638,346	
Unappropriated Grants			<u>640,925</u>	
			\$ <u>1,279,271</u>	

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Appropriated Reserves for Grants**

**Federal and State Grant Fund**

**Year Ended December 31, 2020**

<u>Grant</u>	Balance, Dec. 31, 2019	Transfer From 2020 Budget	<u>Expended</u>	Transferred to Trust Fund	Balance, Dec. 31, 2020
Alcohol Education and Rehabilitation	\$ 13,637				13,637
Assistance to Firefighters	1,990				1,990
Body Armor Replacement	14,216				14,216
Clean Communities Program	63,907				63,907
Drunk Driving Enforcement Fund	16,079				16,079
Recycling Tonnage Aid	671,739		51,832		619,907
Solid Waste Admin - Public Space Recycling	3,962				3,962
State Forestry Services - No Net Loss Grant	244,800		135,235		109,565
State Forestry Services - Green Communities	22,125				22,125
Federal COPS Hiring Grant		409,697	409,697		
Clean Communities Program		100,246	30,693		69,553
Drunk Driving Enforcement Fund		18,861			18,861
Federal Share Forfeiture Funds		240,606		240,606	
Recycling Tonnage Aid		130,864			130,864
Safe and Secure Communities		65,000			65,000
Alcohol Education and Rehabilitation		161			161
Distracted Driving		5,500			5,500
Drive Sober or Get Pulled Over		5,500			5,500
Emergency Management Grant		10,000			10,000
BCUA Grant		37,542	36,973		569
Body Armor Replacement		8,690			8,690
BCUA Grant		3,000			3,000
Municipal Alliance		14,955	2,695		12,260
FEMA - COVID 19		685,947	685,947		
CARES Act - COVID 19		228,649	228,649		
	<u>\$ 1,052,455</u>	<u>1,965,218</u>	<u>1,581,721</u>	<u>240,606</u>	<u>1,195,346</u>
		Budget \$ 1,555,521			
		Appropriated by 40a:4-87 409,697			
		<u>\$ 1,965,218</u>			
		Cash Disbursements - Current Fund 760,462			
		Due to Current Fund - Reimbursement for Expenditures Incurred 685,947			
		Cash Disbursements - Federal and State Grant Fund 135,312			
		<u>\$ 1,581,721</u>			

**BOROUGH OF PARAMUS, N.J.**

**Schedule of Unappropriated Reserves for Grants**

**Federal and State Grant Fund**

**Year Ended December 31, 2020**

<u>Grant</u>	Balance, Dec. 31, 2019	Transfer To 2020 Budget	Received	Balance, Dec. 31, 2020
NJ Clean Communities	\$ 100,246	100,246	47,516	47,516
Recycling Tonnage Aid	130,864	130,864	144,982	144,982
Municipal Alliance	14,955	14,955	4,273	4,273
Drunk Driving Enforcement Fund	18,861	18,861		
Alcohol Education and Rehabilitation	161	161	1,500	1,500
Distracted Driving	5,500	5,500		
Drive Sober or Get Pulled Over	5,500	5,500		
Emergency Management	10,000	10,000	10,000	10,000
BCUA Grant	37,542	37,542		
BCUA Grant	37,542			37,542
BCUA Grant	3,000	3,000		
Body Armor	8,690	8,690	8,474	8,474
Safe and Secure	65,000	65,000	60,000	60,000
Sustainable NJ			2,000	2,000
FD Forfeiture	240,606	240,606		
	<u>\$ 678,467</u>	<u>640,925</u>	<u>278,745</u>	<u>316,287</u>
		Cash Receipts	49,516	
		Cash Receipts - Due from Current Fund	229,229	
		<u>\$ 278,745</u>		

**BOROUGH OF PARAMUS**

**Schedule of Cash - Treasurer**

**Trust Funds**

**Year Ended December 31, 2020**

	Animal Trust Fund	Other Trust Fund
Balance - December 31, 2019	\$ 90,651	9,527,178
Increase by Receipts:		
Interfunds		35,548
Due to the State of New Jersey	308	
Reserve for Expenditures	2,754	7,362,558
Total Receipts	3,062	7,398,106
	93,713	16,925,284
Decreased by Disbursements:		
Interfunds		52,951
Due to the State of New Jersey	270	
Reserve for Expenditures		7,564,791
Total Disbursements	270	7,617,742
Balance - December 31, 2020	\$ 93,443	9,307,542

**BOROUGH OF PARAMUS**

**Schedule of Amount Due to/(from) State of New Jersey**

**Animal License Trust Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	31
Increased by:		
State Fees Collected		<u>308</u>
		339
Decreased by:		
Paid to State		<u>270</u>
Balance - December 31, 2020	\$	<u><u>69</u></u>

**BOROUGH OF PARAMUS**

**Schedule of Interfunds Receivable/(Payable)**

**Trust Funds**

**Year Ended December 31, 2020**

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Animal Control Trust				
Current Fund	\$ _____	_____	85,313	(85,313)
Total Animal Control Trust	_____	_____	85,313	(85,313)
Special Trust Fund:				
Current Fund:		23,493	437,065	(413,572)
Affordable Housing Trust		24,350		24,350
Escrow Trust Fund	(5,979)		6,578	(12,557)
Property Self-Insurance Trust Fund		425	434	(9)
Unemployment Insurance Compensatio Trust		88	91	(3)
Recreation Trust Fund		4,599	4,680	(81)
DEA Federal Forfeiture			2,596	(2,596)
	_____	_____	_____	_____
	(5,979)	52,955	451,444	(404,468)
	\$ (5,979)	52,955	536,757	(489,781)
	_____	_____	_____	_____
Due to Current Fund \$	(5,979)	28,605	536,757	(514,131)
Due from Current Fund		24,350		24,350
	_____	_____	_____	_____
	\$ (5,979)	52,955	536,757	(489,781)
	_____	_____	_____	_____
Cash Receipts - Interest on Investments \$			35,548	
Deposit Errors - Due from Current		4		
Reimburse Current for Expenditures made			34,696	
Correction to Prior Year Premium Balance			381,200	
Cash Disbursements		52,951		
Statutory Excess			85,313	
		_____	_____	
		\$ 52,955	536,757	
		_____	_____	

**BOROUGH OF PARAMUS**

**Schedule of Due to State of New Jersey -  
Unemployment Compensation Insurance Fund**

**Trust Funds**

**Year Ended December 31, 2020**

Increased by:	
Unemployment Claims Payable	\$ <u>30,330</u>
Balance - December 31, 2020	\$ <u><u>30,330</u></u>

**BOROUGH OF PARAMUS**

**Schedule of Reserve for Animal Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2020**

Balance - December 31, 2019		\$	90,620
Increased by:			
Dog License Fees	\$	1,937	
Cat License Fees		72	
Miscellaneous Revenue:			
Interest Earnings		<u>745</u>	
			<u>2,754</u>
			93,374
Decreased by:			
Statutory Excess Due to Current Fund			<u>85,313</u>
Balance - December 31, 2020		\$	<u><u>8,061</u></u>

Animal License Fees Collected

	<u>Year</u>	
	2018	2,603
	2019	<u>5,458</u>
Maximum Reserve		<u><u>8,061</u></u>

## BOROUGH OF PARAMUS

## Schedule of Various Reserves and Deposits

## Trust Funds

Year Ended December 31, 2020

	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
Affordable Housing Expenditures	\$ 1,072,425	338,712	698,621	712,516
Affordable Housing Rehabilitation	129,504	273,225	41,307	361,422
COAH	251,359	1,437		252,796
Department of Justice - Federal Forfeiture		601,367	431,991	169,376
Developers Escrow	1,132,540	2,000	52,830	1,081,710
Donations N.J.S.A. 40A:5-29	49,605	1,765	12,137	39,233
Donations N.J.S.A. 40A:5-29 - Cultural Arts	27,096	26,000	2,300	50,796
Donations N.J.S.A. 40A:5-29 - Celebration - Winter Wonderland	18,192		3,122	15,070
Donations N.J.S.A. 40A:5-29 - Celebration - Farmer's Market	38,824	2,430	1,503	39,751
Donations N.J.S.A. 40A:5-29 - Adopt a Bench	7,554	1,200	2,934	5,820
Donations N.J.S.A. 40A:5-29 - National Night	379	10,225	8,276	2,328
Donations N.J.S.A. 40A:5-29 - Police Vests	28,938	15,100	18,957	25,081
Donations N.J.S.A. 40A:5-29 - Shade Tree	125,019	163,887	41,271	247,635
Donations N.J.S.A. 40A:5-29 - Veterans Memorial	15,990			15,990
Donations N.J.S.A. 40A:5-29 - Volunteers	64,737	7,325		72,062
Escrow Reserves - Accutrack	3,398,954	1,149,772	1,714,515	2,834,211
FSA Expenditures	25,592	16,187	14,959	26,820
General Escrow	415,833	136,951	119,215	433,569
Lead Program	95,757	6,716	16,901	85,572
Outside Employment - Off Duty Municipal	43,534	2,944,064	2,536,390	451,208
POAA	12,571	238	90	12,719
Recreation	624,913	150,834	520,150	255,597
Recycling Program	1,558	46,196	38,743	9,011
Recycling Program	31			31
Self Insurance - General Liability	2,749	394,148	387,718	9,179
Self Insurance - Property	53,558			53,558
Senior Citizens Recreation Activities	48,849	9,861	11,742	46,968
Shade Tree	1,090,832	147,150	104,398	1,133,584
Substance Abuse	2,109			2,109
TTL Premiums	652,600	360,800	654,800	358,600
Uniform Fire Safety	80,848	52,338	68,727	64,459
Unemployment Insurance Compensation	5,622	52,874	70,145	(11,649)
Workers Compensation	3,127	449,760	437,275	15,612
	<u>\$ 9,521,199</u>	<u>7,362,562</u>	<u>8,011,017</u>	<u>8,872,744</u>
		Cash Receipts \$ 7,362,558		
		Cash Disbursements	7,564,791	
		Unemployment Claims Payable	30,330	
		Interfunds	4	415,896
		<u>\$ 7,362,562</u>	<u>8,011,017</u>	

**BOROUGH OF PARAMUS**

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019		\$	156,885
Increased by Receipts:			
Bond Anticipation Notes	\$	9,510,000	
Interfunds		2,911,556	
Capital Improvement Fund		<u>100,000</u>	
			<u>12,521,556</u>
			12,678,441
Decreased by Disbursements:			
Improvement Authorizations		2,730,381	
Encumbrances Payable		312,234	
Bond Anticipation Notes		9,510,000	
Interfunds		<u>3,585</u>	
			<u>12,556,200</u>
Balance - December 31, 2020		\$	<u><u>122,241</u></u>

**BOROUGH OF PARAMUS**

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2020**

	Balance <u>Dec. 31, 2020</u>
Grants Receivable	\$ (874,121)
Reserve for Payment of Debt	262,500
Capital Improvement Fund	177,479
Encumbrances Payable	169,924
Interfunds Payable	784,160

Improvement Authorizations:

Ordinance  
Number

Improvement Description

Prior Year	Prior Year	(2,540,313)
2014-07	Various Public Improvements	1,540
2014-27	Various Public Improvements	40,857
2015-22	Various Public Improvements	1,576
2016-23	Various Public Improvements	32,400
2017-06	Supplemental to 2015-19	41,631
2017-10	Various Public Improvements	1,362
2017-24	Supplemental to 2016-13	12,587
2018-07	Various Public Improvements	1,544,222
2019-12	Various Public Improvements	244,208
2020-25	Various Public Improvements	<u>222,229</u>
		<u>\$ 122,241</u>

**BOROUGH OF PARAMUS**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ 29,925,000
Decreased by:	
Current year Budget Appropriations:	
Serial Bonds	<u>3,195,000</u>
Balance Serial Bond Principal	<u><u>\$ 26,730,000</u></u>



**BOROUGH OF PARAMUS**  
**Statement of Overexpenditure of**  
**Improvement Authorizations**  
**General Capital Fund**  
**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ <u>7,157</u>
Decreased by:	
Raised in the 2020 Budget	\$ <u><u>7,157</u></u>

**BOROUGH OF PARAMUS**  
**Schedule of Grants/Contributions Receivable**

**General Capital Fund**

Year Ended December 31, 2020

Ordinance number	<u>Improvement description</u>	<u>Original Grant Award</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Awards</u>	<u>Decreased by</u>	<u>Balance Dec. 31, 2020</u>
<u>County of Bergen</u>						
2020-25	Imps. To Midland & Forest Ave. Intersection	397,121		397,121		397,121
<u>NJ Department of Transportation</u>						
2018-07	Various Public Improvements	202,000	50,500		50,500	350,000
2020-25	Imps. To Midland & Forest Ave. Intersection	750,000		350,000		350,000
<u>Bergen County Open Space Trust Fund</u>						
2020-25	Upgrades at Petruska Park	127,000		127,000		127,000
			\$ 50,500	874,121	50,500	874,121
				<u>Interfund - Current</u>	<u>50,500</u>	

**BOROUGH OF PARAMUS**

**Schedule of Interfunds**

**General Capital Fund**

**Year ended December 31, 2020**

	Due from/(to) Balance Dec. 31, 2019	Increased	Decreased	Due from/(to) Balance Dec. 31, 2020
Current Fund	\$ 1,807,954	323,742	2,915,856	(784,160)
	<u>\$ 1,807,954</u>	<u>323,742</u>	<u>2,915,856</u>	<u>(784,160)</u>
<u>Analysis</u>				
Due from General Capital Fund	\$	323,742	1,107,902	(784,160)
Due to General Capital Fund	<u>1,807,954</u>		<u>1,807,954</u>	
	<u>\$ 1,807,954</u>	<u>323,742</u>	<u>2,915,856</u>	<u>(784,160)</u>
			Cash Receipts \$ 2,911,556	
		Cash Disbursements 3,585		
		Reimburse expenses paid	4,300	
		Reserve for Payment of Debt 262,500		
		Grants Receivable 50,500		
		Deferred Charge - Over-expenditure 7,157		
		<u>\$ 323,742</u>	<u>2,915,856</u>	

**BOROUGH OF PARAMUS**

**Schedule of General Serial Bonds Payable**

**General Capital Fund**

**Year Ended December 31, 2020**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020	
			Date	Amount					
Refunding Pension Bonds	March 1, 2003	2,395,000	Mar. 1, 2021	330,000	5.200% \$	625,000	295,000	330,000	
General Improvement Bonds	February 15, 2018	30,800,000	Feb. 15, 2021	2,900,000	2.000%	29,300,000	2,900,000	26,400,000	
			Feb. 15, 2022	2,900,000	2.000%				
			Feb. 15, 2023	2,900,000	2.250%				
			Feb. 15, 2024	2,900,000	2.500%				
			Feb. 15, 2025	2,900,000	2.500%				
			Feb. 15, 2026	2,900,000	3.000%				
			Feb. 15, 2027	3,000,000	3.000%				
Feb. 15, 2028	3,000,000	3.000%							
Feb. 15, 2029	3,000,000	3.000%							
						\$ 29,925,000	3,195,000	26,730,000	
						Budget Appropriations			3,195,000

**BOROUGH OF PARAMUS**

**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

Year ended December 31, 2020

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31 2019	Increased	Decreased	Balance, Dec. 31, 2020
18-07	Various Public Improvements	Oct. 18, 2018	Oct. 16, 2020	Oct. 15, 2001	2.00%	5,470,853	5,470,853	5,470,853	5,470,853
19-12	Various Public Improvements	Oct. 18, 2019	Oct. 16, 2020	Oct. 15, 2001	2.00%	2,039,147	2,039,147	2,039,147	2,039,147
19-01	Housing Loan	Oct. 18, 2019	Apr. 30, 2020	Apr. 30, 2021	1.73%	2,000,000	2,000,000	2,000,000	2,000,000
						<u>\$ 9,510,000</u>	<u>9,510,000</u>	<u>9,510,000</u>	<u>9,510,000</u>
							Renewals \$ <u>9,510,000</u>	<u>9,510,000</u>	
							\$ <u>9,510,000</u>	<u>9,510,000</u>	

BOROUGH OF PARAMUS

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
14-07	Various Public Improvements			1,540				1,540	
14-27	Various Public Improvements			40,857				40,857	
15-22	Various Public Improvements			1,576				1,576	
16-23	Various Public Improvements			35,024			2,624	32,400	
17-06	Supplement to #15-19			55,071			13,440	41,631	
17-10	Various Public Improvements			1,497			135	1,362	
17-24	Supplement to #16-13			12,587				12,587	
18-07	Various Public Improvements				2,122,886		578,564		1,544,222
19-12	Various Public Improvements				1,817,132		1,571,471		245,661
2020-25	Various Public Improvements	Oct. 7, 2020	2,614,000			2,614,000	738,271	222,229	1,653,500
				\$ 148,152	\$ 3,940,018	\$ 2,614,000	\$ 2,904,605	\$ 354,182	\$ 3,443,383

Capital Improvement Fund \$ 86,379  
 Grants Receivable 874,121  
 Deferred Charges - Unfunded 1,653,500

\$ 2,614,000

Interfunds \$ 4,300  
 Encumbrances Payable 169,924  
 Cash Disbursements 2,730,381

\$ 2,904,605

**BOROUGH OF PARAMUS**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	163,858
Increased by:		
Budget Appropriation		100,000
		263,858
Decreased by:		
Appropriated to Finance Improvement Authorizations		86,379
Balance - December 31, 2020	\$	177,479

**Schedule of Reserve for Payment of Debt**  
**General Capital Fund**  
**Year Ended December 31, 2020**

Increased by:		
Grants Received - Due from Current Fund	\$	262,500
Balance - December 31, 2020	\$	262,500
<u>Analysis of Balance</u>		
	Payment of Debt \$	262,500

**BOROUGH OF PARAMUS**  
**Schedule of Reserve for Encumbrances**  
**General Capital Fund**  
**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	312,234
Increased by:		
Charges to Improvement Authorizations		<u>169,924</u>
		482,158
Decreased by:		
Cash Disbursed		<u>312,234</u>
Balance - December 31, 2020	\$	<u><u>169,924</u></u>

**BOROUGH OF PARAMUS**

**Schedule of Bonds and Notes Authorized But Not Issued**

**General Capital Fund**

**Year Ended December 31, 2020**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance Dec. 31, 2020</u>
Prior Year	Unknown	\$ 2,540,313		2,540,313
19-12	Various Capital Improvements	1,453		1,453
2020-25	Various Capital Improvements		1,653,500	1,653,500
		<u>\$ 2,541,766</u>	<u>1,653,500</u>	<u>4,195,266</u>

**BOROUGH OF PARAMUS**

**Analysis of Cash**

**Golf Course Utility Capital Fund**

**Year ended December 31, 2020**

		Balance, Dec. 31, <u>2020</u>
Due to Golf Course Operating		\$ 19,443
Capital Improvement Fund		59,098
Due from Current Fund		(823,478)
Improvement Authorizations:		
<u>Ordinance</u>	<u>General Improvements</u>	
<u>Number</u>		
99-14	Golf Course Improvements	1,900
99-31	Acquisition of Land	11,596
07-06	Constr/Renovation to Parkway School Field	176,820
16-18	Supplemental to #15-37 - Golf Course Improvements	69,613
16-24	Golf Course Improvements	6,673
17-28	Golf Course Improvements - Concession Stand	997,683
19-13	Golf Course Improvements	(8,128)
2020-26	Acquisition of Property	<u>(220,000)</u>
		<u>\$ 291,220</u>

**BOROUGH OF PARAMUS**

**Schedule of Interfunds**

**Golf Course Utility Operating Fund**

**Year ended December 31, 2020**

	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$ (251,121)	250,000	(1,121)
Golf Course Utility Capital Fund	<u>14,751</u>	<u>4,692</u>	<u>19,443</u>
	<u>\$ (236,370)</u>	<u>254,692</u>	<u>18,322</u>
 <u>Analysis</u>			
Due from Golf Course Utility Capital Fund	\$ 14,751	4,692	19,443
Due to Current Fund	<u>(251,121)</u>	<u>250,000</u>	<u>(1,121)</u>
	<u>(236,370)</u>	<u>254,692</u>	<u>18,322</u>
		Cash Disbursements \$ 250,000	
		Interest on Investments <u>4,692</u>	
		<u>\$ 254,692</u>	

**BOROUGH OF PARAMUS**

**Schedule of Fixed Capital**

**Golf Course Utility Capital Fund**

**Year ended December 31, 2020**

<u>Improvements</u>	Balance, Dec. 31, <u>2019</u>	Transferred from Fixed Capital Authorized and <u>Uncompleted</u>	Balance, Dec. 31, <u>2020</u>
Unallocated	\$ 12,961,822		12,961,822
Golf Course Improvements		1,805,302	1,805,302
Acquisition of Property		220,000	220,000
	<u>\$ 12,961,822</u>	<u>2,025,302</u>	<u>14,987,124</u>

BOROUGH OF PARAMUS

Schedule of Fixed Capital Authorized and Uncompleted

Golf Course Utility Capital Fund

Year ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2019	2020 Authorizations	Transferred to Fixed Capital	Balance, Dec. 31, 2020
97-19	Golf Course Improvements		\$ 1,674	1,674		1,674	14,500
99-14	Golf Course Improvements			14,500			11,250
99-31	Acquisition of Land			11,250			18,250
01-07	Golf Course Improvements			18,250		18,250	1,025
03-19	Golf Course Improvements			1,025		1,025	15,000
04-12	Golf Course Improvements			15,000		15,000	11,500
05-26	Golf Course Improvements/Gannarelli Sports Complex			11,500		11,500	1,644,310
07-06	Constr/Renovation to Parkway School Field			1,644,310			594,853
07-21	Golf Course Improvements			594,853		594,853	1,163,000
15-37	Golf Course Improvements			1,163,000		1,163,000	430,000
16-18	Supplemental to #15-37 - Golf Course Improvements			430,000			151,000
16-24	Golf Course Improvements			151,000			1,100,000
17-28	Golf Course Improvements - Concession Stand			1,100,000			50,000
2019-13	Golf Course Improvements			50,000			
2020-26	Acquisition of Property	Oct. 7, 2020	220,000		220,000	220,000	
							\$ 5,206,362
							220,000
							2,025,302
							3,401,060

**BOROUGH OF PARAMUS**

**Schedule of Interfunds**

**Golf Course Utility Capital Fund**

**Year ended December 31, 2020**

	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Golf Course Utility Operating Fund	\$ (14,751)		4,692	(19,443)
Current Fund		<u>823,478</u>		<u>823,478</u>
	<u>\$ (14,751)</u>	<u>823,478</u>	<u>4,692</u>	<u>804,035</u>
<u>Analysis</u>				
Due from Current Fund		823,478		823,478
Due to Golf Course Utility Operating Fund	<u>(14,751)</u>		<u>4,692</u>	<u>(19,443)</u>
	<u>\$ (14,751)</u>	<u>823,478</u>	<u>4,692</u>	<u>804,035</u>
Prior Year Correction	\$	823,478		
Interest on Investments - Cash Receipts			<u>4,692</u>	
	\$	<u>823,478</u>	<u>4,692</u>	

**BOROUGH OF PARAMUS**

**Schedule of 2019 Appropriation Reserves**

**Golf Course Utility - Operating Fund**

**Year ended December 31, 2020**

	Balance, Dec. 31, <u>2019</u>	Balance After Tranfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 107,078	107,078		107,078
Other Expenses	<u>1,028</u>	<u>24,041</u>	<u>23,133</u>	<u>908</u>
Total Operating	<u>\$ 108,106</u>	<u>131,119</u>	<u>23,133</u>	<u>107,986</u>
Appropriation Reserves		108,106		
Encumbrances		<u>23,013</u>		
		<u>\$ 131,119</u>		
		Cash Disbursements	<u>23,133</u>	
			<u>\$ 23,133</u>	

**BOROUGH OF PARAMUS**

**Schedule of Reserve for Encumbrances**

**Golf Course Utility - Operating Fund**

**Year ended December 31, 2020**

Balance - December 31, 2019	\$ 23,013
Increased by:	
Transferred from Budget	<u>31,947</u>
	54,960
Decreased by:	
Transferred to Appropriation Reserves	<u>23,013</u>
Balance - December 31, 2020	<u><u>\$ 31,947</u></u>

**BOROUGH OF PARAMUS**  
**Schedule of Accrued Interest on Bonds**  
**Golf Course Utility - Operating Fund**  
**Year ended December 31, 2020**

Balance - December 31, 2019	\$	36,928
Increased by:		
Budget Appropriation		94,575
		131,503
Decreased by:		
Cancelled	\$	2,925
Cash Disbursements		94,575
		97,500
Balance - December 31, 2020	\$	34,003

Analysis of Balance

Principal Outstanding <u>Dec. 31, 2020</u>	<u>Period (Days)</u>	Interest Rate	Required <u>Amount</u>
\$ 3,510,000	135	2.00%	34,003
			\$ 34,003

**BOROUGH OF PARAMUS**

**Schedule of Golf Course Utility Serial Bonds**

**Golf Course Utility - Capital Fund**

**Year ended December 31, 2020**

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2020		Interest rate	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
			Date	Amount				
General Improvement Bonds	Feb. 15, 2018	4,280,000	Feb. 15, 2021	390,000.00	2.00	3,900,000	390,000	3,510,000
			Feb. 15, 2022	390,000.00	2.00			
			Feb. 15, 2023	390,000.00	2.25			
			Feb. 15, 2024	390,000.00	2.50			
			Feb. 15, 2025	390,000.00	3.00			
			Feb. 15, 2026	390,000.00	3.00			
			Feb. 15, 2027	390,000.00	3.00			
			Feb. 15, 2028	390,000.00	3.00			
			Feb. 15, 2029	390,000.00	3.00			
						\$ 3,900,000	390,000	3,510,000

Paid via Budget Appropriation 390,000

**BOROUGH OF PARAMUS**  
**Schedule of Improvement Authorizations**  
**Golf Course Utility - Capital Fund**  
**Year ended December 31, 2020**

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2019		2020 Authorizations	Expended	Balance, Dec. 31, 2020	
				Funded	Unfunded			Funded	Unfunded
89-33	Golf Course Improvements		\$	1,402			1,402		
99-14	Golf Course Improvements			10,516			8,616	1,900	
99-31	Acquisition of Land			11,596				11,596	
01-07	Golf Course Improvements				3,185		3,185		
03-19	Golf Course Improvements			5,331			5,331		
04-12	Golf Course Improvements			1,298			1,298		
07-06	Const./Renovation to Parkway School Field			176,820				176,820	
07-21	Golf Course Improvements			950			950		
16-18	Supplemental to #15-37 - Golf Course Improvements			120,732			51,119	69,613	
16-24	Golf Course Improvements			15,487			8,814	6,673	
17-28	Golf Course Improvements - Concession Stand			997,683				997,683	
19-13	Golf Course Improvements		50,000						41,872
2020-26	Acquisition of Property	Oct. 7, 2020	220,000			220,000	220,000		
			\$	1,341,815	45,057	220,000	300,715	1,264,285	41,872
				Authorized but not Issued		220,000			
					\$	220,000			

**BOROUGH OF PARAMUS**

**Schedule of Capital Improvement Fund**

**Golf Course Utility - Capital Fund**

**Year ended December 31, 2020**

Balance - December 31, 2019	\$ <u>59,098</u>
Balance - December 31, 2020	\$ <u><u>59,098</u></u>

**Schedule of Reserve for Amortization**

**Golf Course Utility - Capital Fund**

**Year ended December 31, 2020**

Balance - December 31, 2019	\$ 9,061,822
Increased by:	
Budget Appropriation -	\$
Bonds	390,000
Transfer from Deferred Reserve	
for Amortization	699,208
Prior Year Correction	<u>4,294,023</u>
	<u>5,383,231</u>
Balance - December 31, 2020	\$ <u><u>14,445,053</u></u>

## BOROUGH OF PARAMUS

## Schedule of Deferred Reserve for Amortization

## Golf Course Utility - Capital Fund

Year ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2019</u>	<u>Prior Year Correction</u>	<u>To Reserve for Amortization Fixed Capital</u>	<u>Balance, Dec. 31, 2020</u>
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 Improvements/Gannarelli Sports Complex		11,500		11,500	
07-06	Constr/Renovation to Parkway School Field		494,310		409,310	85,000
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>3,470,545</u>	<u>699,208</u>	<u>163,131</u>

**BOROUGH OF PARAMUS**

**Schedule of Bonds and Notes Authorized But Not Issued**

**Golf Course Utility - Capital Fund**

**Year ended December 31, 2020**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Balance Dec. 31, 2020</u>
2019-13	Golf Course Improvements	\$ 50,000		50,000
2020-26	Acquisition of Property		220,000	220,000
		<u>\$ 50,000</u>	<u>220,000</u>	<u>270,000</u>
			<u>220,000</u>	
			<u>\$ 220,000</u>	

Improvement Authorizations 220,000  
\$ 220,000

**BOROUGH OF PARAMUS**

**Schedule of Cash**

**Swimming Pool Utility Fund**

**Year ended December 31, 2020**

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2019	\$ <u>106,594</u>	<u>53,138</u>
Increased by Receipts:		
Anticipated Revenue	157,841	
Miscellaneous Revenue	26,086	
Prior Year Voided Checks	147,260	
Interfunds	<u>100,000</u>	<u>398</u>
	<u>431,187</u>	<u>398</u>
	537,781	53,536
Decreased by Disbursements:		
2020 Appropriations	495,574	
Accrued Interest on Bonds	20,463	
Miscellaneous Refunds	692	
Improvement Authorizations	<u>          </u>	<u>35,038</u>
	<u>516,729</u>	<u>35,038</u>
Balance - December 31, 2020	\$ <u><u>21,052</u></u>	<u><u>18,498</u></u>

**BOROUGH OF PARAMUS**

**Analysis of Cash**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2020**

		Balance, Dec. 31, <u>2020</u>
Fund Balance	\$	14
Interfund Receivable		(19)

Improvement Authorizations:

<u>Ordinance Number</u>	<u>General Improvements</u>	
80-19	Improvements to Filtration System	146
14-28	Pool Improvements	<u>18,357</u>
		<u>\$ 18,498</u>

**BOROUGH OF PARAMUS**

**Schedule of Deferred Charges N.J.S.A. 40A:4-53 - Special Emergency**

**Current Fund**

**Year Ended December 31, 2020**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Added</u> <u>in 2020</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2020</u>
Dec. 1, 2020	COVID-19 Revenue Losses	335,186	67,037	\$ 335,186	335,186
				\$ 335,186	335,186

**BOROUGH OF PARAMUS**

**Schedule of Interfunds**

**Swimming Pool Utility Operating Fund**

**Year ended December 31, 2020**

	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$	340,000	100,000	240,000
Swimming Pool Utility Capital Fund	<u>10,353</u>	<u>398</u>	<u>10,770</u>	<u>(19)</u>
	<u>\$ 10,353</u>	<u>340,398</u>	<u>110,770</u>	<u>239,981</u>
 <u>Analysis</u>				
Due to Swimming Pool Utility Capital Fund	\$ 10,353	398	10,770	(19)
Due from Current Fund		<u>340,000</u>	<u>100,000</u>	<u>240,000</u>
	<u>10,353</u>	<u>340,398</u>	<u>110,770</u>	<u>239,981</u>
 Deferred Charge Raised in Budget \$ 10,770				
Cash Receipts 100,000				
Proceeds of Special Emergency Note 340,000				
Interest on Investments <u>398</u>				
		<u>\$ 340,398</u>	<u>110,770</u>	

**BOROUGH OF PARAMUS**

**Schedule of Fixed Capital**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2020**

<u>Improvement Description</u>	Balance, Dec. 31, 2019	Balance, Dec. 31, 2020
Swim Pool Improvements	\$ <u>3,372,780</u>	<u>3,372,780</u>
	\$ <u>3,372,780</u>	<u>3,372,780</u>
	Reserve for Amortization	2,612,780
	Serial Bonds Payable	<u>760,000</u>
		\$ <u>3,372,780</u>

**BOROUGH OF PARAMUS**

**Schedule of Interfunds**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2020**

	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Swimming Pool Operating Fund	\$ (10,353)	10,770	398	19
	<u>\$ (10,353)</u>	<u>10,770</u>	<u>398</u>	<u>19</u>
<u>Analysis</u>				
Due from Swimming Pool Operating Fund	(10,353)	10,770	398	19
	<u>\$ (10,353)</u>	<u>10,770</u>	<u>398</u>	<u>19</u>
Cash Receipts - Interest on Investments			\$ 398	
Deferred Charge Raised in 2020 Budget		10,770		
		<u>\$ 10,770</u>	<u>398</u>	

**BOROUGH OF PARAMUS**  
**Schedule of 2019 Appropriation Reserves**  
**Swimming Pool Utility Operating Fund**  
**Year ended December 31, 2020**

	Balance Dec. 31, <u>2019</u>	Balance After Tranfers and <u>Encumbrances</u>	Balance <u>Lapsed</u>
Operating:			
Other Expenses	\$ <u>6,453</u>	<u>6,453</u>	<u>6,453</u>
Total Operating	<u>6,453</u>	<u>6,453</u>	<u>6,453</u>
Capital Improvements:			
Capital Outlay	<u>1,364</u>	<u>1,364</u>	<u>1,364</u>
Total Capital Improvements	<u>1,364</u>	<u>1,364</u>	<u>1,364</u>
Statutory Expenditures:			
Social Security System (O.A.S.I.)	<u>2,402</u>	<u>2,402</u>	<u>2,402</u>
Total Statutory Expenditures	<u>2,402</u>	<u>2,402</u>	<u>2,402</u>
	\$ <u><u>10,219</u></u>	<u><u>10,219</u></u>	<u><u>10,219</u></u>
		<u>10,219</u>	
		\$ <u><u>10,219</u></u>	

**BOROUGH OF PARAMUS**  
**Schedule of Encumbrances Payable**  
**Swimming Pool Utility Operating Fund**  
**Year ended December 31, 2020**

Increased by:	
Transferred from Current Year Budget	\$ <u>717</u>
Balance - December 31, 2020	\$ <u><u>717</u></u>

**BOROUGH OF PARAMUS**

**Schedule of Special Emergency Note Payable**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2020**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance, Dec. 31, 2020</u>
2020-33	COVID-19 Revenue Losses	Dec. 31, 2020	Dec. 31, 2020	Dec. 15, 2021	0.85%	\$ 340,000	340,000
						\$ 340,000	340,000

**BOROUGH OF PARAMUS**

**Schedule of Accrued Interest on Bonds**

**Swimming Pool Utility Operating Fund**

**Year ended December 31, 2020**

Balance - December 31, 2019		\$	7,974
Increased by:			
Budget Appropriation			<u>20,463</u>
			28,437
Decreased by:			
Cash Disbursements	\$	20,463	
Cancelled to Operations		<u>600</u>	
			<u>21,063</u>
Balance - December 31, 2020		\$	<u><u>7,374</u></u>

Analysis of Balance

<u>Principal Outstanding Dec. 31, 2020</u>	<u>Period (Days)</u>	<u>Interest Rate</u>	<u>Required Amount</u>
\$ 760,000	135	2.00%	\$ <u><u>7,374</u></u>

**BOROUGH OF PARAMUS**  
**Schedule of Swimming Pool Utility Serial Bonds**  
**Swimming Pool Utility Capital Fund**  
**Year ended December 31, 2020**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2020		Interest Rate	Balance, Dec. 31, 2019	Decreased	Balance, Dec. 31, 2020
			Date	Amount				
General Improvement Bonds	February 15, 2018	920,000	Feb. 15, 2021	80,000	2.00	840,000	80,000	760,000
			Feb. 15, 2022	85,000	2.25			
			Feb. 15, 2023	85,000	2.50			
			Feb. 15, 2024	85,000	2.50			
			Feb. 15, 2025	85,000	2.50			
			Feb. 15, 2026	85,000	3.00			
			Feb. 15, 2027	85,000	3.00			
			Feb. 15, 2028	85,000	3.00			
			Feb. 15, 2029	85,000	3.00			
						\$ 840,000	80,000	760,000
						Paid via Budget Appropriation \$ 80,000		

**BOROUGH OF PARAMUS**

**Schedule of Improvement Authorizations**

**Swimming Pool Utility Capital Fund**

**Year ended December 31, 2020**

Ordinance Number	Improvement Description	Balance, Dec. 31, 2019		Balance, Dec. 31, 2020	
		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	49,179		30,822	18,357
		<u>\$ 53,541</u>		<u>35,038</u>	<u>18,503</u>
	Cash Disbursements			<u>35,038</u>	

**BOROUGH OF PARAMUS**  
**Schedule of Reserve for Amortization**  
**Swimming Pool Utility Capital Fund**  
**Year ended December 31, 2020**

Balance, December 31 - 2019	\$	2,532,780
Increased by:		
Budget Appropriation		
Bond Principal Payments		<u>80,000</u>
Balance, December 31 - 2020	\$	<u><u>2,612,780</u></u>

**BOROUGH OF PARAMUS**  
**Schedule of Deferred Charges**  
**Swimming Pool Utility Capital Fund**  
**Year ended December 31, 2020**

Balance - December 31, 2019	\$ <u>10,770</u>
Decreased by:	
2020 Budget Appropriation	\$ <u><u>10,770</u></u>

**BOROUGH OF PARAMUS**

**PART II**

**LETTERS ON INTERNAL CONTROL AND ON COMPLIANCE  
AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2020**



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; 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 Borough of Paramus in the County of Bergen as of and for the year ended December 31, 2020 and the related notes to the financial statements, and have issued our report thereon dated July 22, 2021, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **Internal Control Over Financial Reporting**

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



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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. However, material weaknesses may exist that have not been identified.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Paramus in the accompanying comments and recommendations section of this report.

### **Compliance and Other Matters**

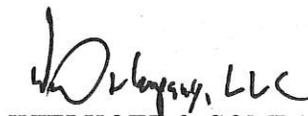
As part of obtaining reasonable assurance about whether the Borough of Paramus's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have 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*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Paramus in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

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

  
Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CRO0413

  
WIELKOTZ & COMPANY, LLC  
Certified Public Accountants

July 22, 2021





**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited the Borough of Paramus in the County of Bergen compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020. The Borough of Paramus' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Borough of Paramus' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit*



*Requirements for Federal Awards* (Uniform Guidance). Those standards, the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Paramus' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Borough of Paramus' compliance.

### ***Opinion on Each of the Major Federal Programs***

In our opinion, the Borough of Paramus complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2020.

### **Report on Internal Control Over Compliance**

Management of the Borough of Paramus is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Paramus' internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Paramus' internal control over compliance.

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



Honorable Mayor and  
Members of the Borough Council  
Page 3.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedules of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Borough of Paramus, New Jersey as of and for the year ended December 31, 2020, and have issued our report thereon dated July 22, 2021, which contained an unmodified opinion on those financial statements on a regulatory basis. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and NJ OMB Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and State financial assistance are fairly stated in all material respects in relation to the financial statements taken as a whole.



Steven D. Wielkocz  
Registered Municipal Accountant  
No. 413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

July 22, 2021



BOROUGH OF PARAMUS

Schedule of Expenditures of Federal Financial Assistance

Year ended December 31, 2020

Program	CFDA Number	FAIN Number	Grant period	Award Amount	Cash Received/ Revenue Realized	Expenditures	Adjustments	MEMO Cumulative Total Expenditures
<b>Federal and State Grant Funds:</b>								
National Highway Traffic Safety Administration								
Impaired Driving Countermeasures				5,500 \$	5,500			*
Drive Sober or Get Pulled Over	20.600			5,500	5,500			*
Distracted Driving								*
<b>Department of the Treasury</b>								
(Passed through the County of Bergen)								
U.S. Department of the Treasury								
Coronavirus Aid, Relief and Economic Security Act	21.019		3/27/20-12/31/20	1,389,901	228,649	228,649		228,649
<b>Department of Homeland Security</b>								
Emergency Management Performance Grant (EMAA)								
	97.042		2019 2020	10,000 10,000				*
(Presidentially Declared Disasters)								*
NJ COVID 19 Pandemic - DR-4488-NJ	97.036		2020 - present	1,283,046		685,947		685,947
<b>U.S. Department of Justice</b>								
COPS Hiring Program								
	16.710		2017-UM-WX-0154	625,000	409,697	409,697		625,000
<b>Total Federal and State Grant Fund</b>								
					669,346	1,324,293		1,539,596
<b>Current Fund:</b>								
Department of the Treasury								
(Passed through the County of Bergen)								
U.S. Department of the Treasury								
Coronavirus Aid, Relief and Economic Security Act	21.019		3/27/20-12/31/20	1,389,901	1,161,252	1,161,252		1,161,252
<b>Department of Homeland Security</b>								
Disaster Grants - Public Assistance								
(Presidentially Declared Disasters)								
NJ COVID 19 Pandemic - DR-4488-NJ	97.036		2020 - present	1,283,046		597,099		597,099
<b>Total Current Fund</b>								
					1,161,252	1,758,351		1,758,351

**BOROUGH OF PARAMUS**

**Schedule of Expenditures of Federal Financial Assistance**

Year ended December 31, 2020

Program	CFDA Number	FAIN Number	Grant period	Award Amount	Cash Received/ Revenue Realized	Expenditures	Adjustments	MEMO Cumulative Total Expenditures
<u>Trust Funds:</u>								
U.S. Department of Justice Equitable Sharing Program	16.922				116,626	242,012	267,524 *	242,012
<i>Total Trust Funds</i>					116,626	242,012	267,524 *	242,012
Total Federal Awards					\$ 1,947,224	3,324,656	267,524 *	3,539,959

Note: This schedule was subject to an audit in accordance with the Uniform Guidance

BOROUGH OF PARAMUS

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2020

	Grant number	Grant period	Award Amount	Cash Received/ Revenue Realized	Budgetary Expenditures	MEMO
						Cumulative Total Expenditures
<u>Federal and State Grant Fund:</u>						
Department of Law and Public Safety			65,000 \$	65,000		*
Safe and Secure Communities Grant		2020	60,000	60,000		*
						*
Body Armor Replacement Fund	1020-718-066-1020			8,690		*
		2020	8,474	8,474		*
						*
Alcohol Education and Rehabilitation			161	161		*
		2020	1,500	1,500		*
				18,861		*
Drunk Driving Enforcement Fund	1110-100-066-1110			162,686		*
						*
Department of Health						*
Passed through County of Bergen:						*
Municipal Alliance				14,955	2,695	*
Municipal Alliance				4,273		*
				19,228	2,695	*
						*
Department of Environmental Protection						*
Clean Communities Act	765-042-4900-004-6020	2019	100,246	100,246	30,693	*
		2020	47,515	47,515		*
						*

BOROUGH OF PARAMUS

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2020

	Grant number	Grant period	Award Amount	Cash Received/ Revenue Realized	Budgetary Expenditures	MEMO Cumulative Total Expenditures
Recycling Tonnage Grant	765-042-4900-001-6020				51,832 *	51,832
		2019	130,864	130,864	*	*
			144,982	144,982	*	*
New Jersey Forest Service No Net Loss Grant		2018			135,235 *	135,235
				423,607	217,760 *	217,760
					220,455 *	
<i>Total Federal and State Grant Fund</i>						
Department of Transportation Imps. To Midland & Forest Avenue Intersection - Memorial School Safety Imps. - Ord. 2020-25	15-480-078-6320-ALX-6010	2020	350,000		278,985 *	278,985
<i>Total General Capital Fund</i>						
Other Financial Assistance BCUA Recycling Grant				37,542	36,973 *	36,973
PSE&G - Sustainable New Jersey Grant			2,000	2,000	*	*
Bergen County Open Space Grant Upgrades to Petruska Park - Ord. 2020-25	03-200-56-130-910	2020	127,000		*	*
				80,084	36,973 *	36,973
<i>Total State and Other Financial Assistance</i>						
			\$ 80,084	536,413 *		315,958

Note: This schedule was not subject to an audit in accordance with N.J. OMB 15-08

**BOROUGH OF PARAMUS  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules do not agree with amounts reported in the Borough's financial statements because encumbrances are not reported in the accompanying schedules. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Federal and State Grant Fund	\$1,324,293	\$220,455	\$36,973	\$1,581,721
Current Fund	1,758,351			1,758,351
Trust Fund	242,012			242,012
General Capital Fund	<u>                    </u>	<u>278,985</u>	<u>                    </u>	<u>278,985</u>
Total Current Fund	<u>\$3,324,656</u>	<u>\$499,440</u>	<u>\$36,973</u>	<u>\$3,861,069</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

**BOROUGH OF PARAMUS**  
**NOTES TO THE SCHEDULES OF EXPENDITURES**  
**OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(continued)**

**NOTE 5. ADJUSTMENTS**

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

<u>Trust Funds:</u>	Equitable Sharing - <u>Justice</u>	Equitable Sharing - <u>Treasury</u>
Expenditures	\$242,012	\$
Add: Prior Year Encumbrances	223,362	
Less: Current Year Encumbrances	<u>(33,383)</u>	<u>          </u>
Adjusted Expenditures	<u>\$431,991</u>	<u>\$0</u>

**NOTE 6. INDIRECT COST RATE**

The Borough of Paramus has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**BOROUGH OF PARAMUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued:

adverse - USGAAP  
unmodified - regulatory

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  none reported

2. Material weakness(es) identified? \_\_\_\_\_ yes       X  no

Noncompliance material to financial statements noted? \_\_\_\_\_ yes       X  no

**Federal Awards Section**

Dollar threshold used to determine type A programs: \$  750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes       X  no

Type of auditors' report on compliance for major programs:  unmodified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  none

2. Material weakness(es) identified? \_\_\_\_\_ yes       X  no

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? \_\_\_\_\_ yes       X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
<u>21.019</u> (A)	<u>Coronavirus Aid, Relief and Economic Security Act</u>
<u>97.036</u> (A)	<u>FEMA - Disaster Grants - Public Assistance NJ COVID-19 Pandemic</u>

(A) Tested as a major Type A Program

**BOROUGH OF PARAMUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(continued)**

*Section II – Financial Statement Findings*

**NONE**

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

**NONE**

## **BOROUGH OF PARAMUS**

### **GENERAL COMMENTS**

#### **Contracts and Agreements**

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500 and \$25,000 with a qualified purchasing agent. On July 1, 2020, the threshold was increased to \$44,000 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." The Borough adopted a resolution increasing their bid threshold to \$40,000 based on having a "qualified purchasing agent".

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

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

## **BOROUGH OF PARAMUS**

### **GENERAL COMMENTS, (continued)**

Effective July 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$44,000.

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

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

- 2020 Golf Course Horticultural Services
- 2020 Janitorial Maintenance
- Golf Course Concession
- Memorial School Safety Improvements
- 2021 Golf Course Horticultural Services

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

#### **Collection of Interest on Delinquent Taxes and Assessments**

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

**BOROUGH OF PARAMUS**

**GENERAL COMMENTS, (continued)**

The following resolution authorizing interest to be charged on delinquent taxes was adopted at the reorganization meeting held on January 1, 2020.

"WHEREAS, the penalty for nonpayment of taxes becoming delinquent on and after February 1, shall be at the rate of eight per centum (8%) per year for the first \$1,500 of delinquency and eighteen per centum (18%) per year on amounts over \$1,500; and

WHEREAS, Section 54:4-67 of the Revised Statutes has been amended to allow the Tax Collector to collect no interest if payment of any installment is made within ten (10) days after the date upon which the same became payable, provided it meets with the approval of the Mayor and Council;

BE IT RESOLVED, that the Tax Collector is granted permission to withhold interest charged for a period of ten (10) days after the date upon which the installment became payable, provided it is received within the period.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 14, 2020 and was complete.

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

The following comparison is made of the number of tax title liens receivable on the last three periods of audit:

<u>Year Ended</u>	<u>Number of Liens</u>
December 31, 2020	4
December 31, 2019	4
December 31, 2018	4

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

**BOROUGH OF PARAMUS  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2020**

**COMMENTS**

**Finance/Accounts Payable:**

1. \*Complete General Ledgers are not maintained for all funds; opening balances are not recorded and not all financial activity is posted resulting in numerous audit adjustments to bring the records into agreement with the client's bank reconciliations.
2. \*There were over-expenditures in the following:
  - a. General Capital – Improvement Authorizations – 2015-19
  - b. Reserve for Unemployment Compensation Insurance
3. \*Not all established trust accounts have an approved dedication by rider.
4. There is a significant balance in general capital deferred charges unfunded greater than five years old that have unfunded portions outstanding.
5. \*There are numerous instances in which the budgetary subsidiary records for the various funds are not in agreement with audited account balances.
6. The collection of Public Defender Fees is not being recorded in accordance with P.L. 1997, c. 256.
7. Contracts awarded via resolution are not being encumbered against the designated budget appropriation and/or approved improvement authorization; bills are processed ratably as received in violation of Technical Accounting Directive No. 1.
8. Goods and services are being ordered prior to the issuance of a purchase order in violation of Technical Accounting Directive No. 1.
9. Quotes were not obtained for all purchases in excess of 15% of the bid threshold.
10. There are old reconciling items on bank reconciliations.
11. The Borough did not maintain adequate supporting documentation for each CARES Act payroll related submission subsequently approved by Bergen County.

**BOROUGH OF PARAMUS  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2020**

**COMMENTS, (cont.)**

**Administration/Clerk:**

1. A review of various professional service contracts and award procedures revealed that the Borough did not properly utilize the "fair and open" process as set forth in the state's "Pay to Play" statute (P.L. 2005, c. 51)
  - a. The awarding resolution did not indicate the line-item appropriation of the budget to which the contract will be charged.
  - b. There were instances in which there was no documentation to support evaluations of submitted requests for qualifications.
  - c. Awarding resolutions did not contain a certification of availability of funds.
  - d. Not all resolutions disclosed the anticipated value of the contract and/or "not to exceed" cost language.
  - e. Advertisements for the requests for qualifications do not include a statement that the proposal is being solicited through a fair and open process.
  - f. Not all professional service proposals and/or advertisements were provided upon request.

**Payroll**

1. Not all police overtime sheets were provided for review.

**Municipal Court**

1. \*A review of the December monthly management report indicated a significant number of tickets in the following categories:
  - a. Tickets assigned over 180 days.
  - b. Other Case Statutes

**Departments**

1. The fees charged by the Building Department are not always in agreement with those listed in the Borough's adopted fee ordinance.

**BOROUGH OF PARAMUS  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2020**

**RECOMMENDATIONS**

**Finance/Treasurer/Accounts Payable:**

1. \*All general ledgers be updated to reflect opening balances and all financial activity be posted in a timely manner to ensure accurate financial information is available.
2. \*Budgetary subsidiary ledgers need to be updated to reflect audited balances to prevent future over-expenditures in all funds.
3. \*Dedication by Riders be approved by resolution and filed with the Division of Local Government services for all required Trust Funds.
4. That deferred charges unfunded over 5 years old, where projects have been completed, be funded through a budget appropriation.
5. \*All budgetary subsidiary ledgers be updated to reflect audited balances.
6. The collection of Public Defender Fees Public Defender be accounted for in a Trust Fund as required.
7. All contracts awarded via resolution be encumbered for the contract amount against the designated budget appropriation and/or approved improvement authorization in accordance with Technical Accounting Directive No. 1.
8. A purchase order be initiated prior to the ordering of goods and services in accordance with Technical Accounting Directive No. 1.
9. Quotes be obtained or provided for purchases that exceed 15% of the bid threshold.
10. Old reconciling items and outstanding checks in the Borough's bank reconciliations be investigated for propriety and cancelled by resolution if necessary.
11. Detailed grant expenditure submissions be maintained for auditor review.

**Administration/Clerk:**

1. Borough officials develop and implement policies and procedures concerning the award of professional service contracts to ensure compliance with N.J.S.A. 19:44A-20.4

**Payroll:**

1. All police overtime sheets be provided for auditor review.

**Municipal Court**

1. \*Policies be implemented to clear tickets and/or complaints that are in "Other Case Status" and those tickets assigned not issued over 180 days be recalled and either re-assigned or destroyed.

**Departments**

1. The fee ordinance utilized by the Building Department be updated to reflect the fees the department is charging.

**BOROUGH OF PARAMUS**

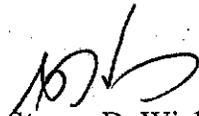
**Status of Prior Year Audit Findings/Recommendation**

A review was performed on all prior year recommendations and corrective action was taken on all, except for the findings/recommendations marked with an "\*".

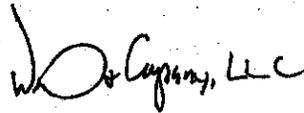
**Acknowledgment**

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkotz  
Registered Municipal Accountant  
No. CR00413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants

July 22, 2021