

BOROUGH OF PARAMUS

**Financial Statements With
Supplementary Information
December 31, 2021**

(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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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, 2021 and 2020, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues -regulatory basis and the statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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 accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Paramus as of December 31, 2021 and 2020, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



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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.

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, 2021 and 2020, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2021 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

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 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 supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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



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with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is 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 any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2022 on our consideration of the Borough of Paramus' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Paramus' internal control over financial reporting and compliance.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



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

September 21, 2022



BOROUGH OF PARAMUS, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 28,044,817	28,671,328
Change Fund	A-6	450	450
		28,045,267	28,671,778
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	1,104,873	1,262,600
Tax Title Liens	A-9	6,006	5,548
Property Acquired for Taxes - Assessed Valuation	A-10	23,978	23,978
Revenue Accounts Receivable	A-11	26,680	20,051
Interfund Receivable	A-17	211,925	1,299,412
		1,373,460	2,611,589
Deferred Charges:			
Emergency Appropriations	A-16	780,000	1,580,000
Special Emergency Appropriation	A-15	1,059,295	1,059,295
Deficit in Operations	A-16		1,560
		1,839,295	2,640,855
		31,258,022	33,924,222
Federal and State Grant Fund:			
Cash - Federal and State Grant Fund	A-5	760,361	402,233
Grants Receivable	A-27	66,295	685,947
Interfund Accounts Receivable	A-26	2,420,165	423,453
		3,246,821	1,511,633
		\$ 34,504,843	35,435,855

BOROUGH OF PARAMUS, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-18	\$ 1,261,925	1,812,189
Encumbrances Payable	A-3/A-19	1,345,313	834,550
Tax Anticipation Note Payable	A-12	20,000,000	20,000,000
Special Emergency Note Payable	A-13	2,000,000	2,000,000
Emergency Note Payable	A-14	780,000	1,580,000
Interfunds Payable	A-17	2,595,615	1,511,281
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	9,723	6,464
Marriage License Fees Payable	A-20	1,200	1,475
DCA Fees Payable	A-21	22,723	27,446
County Taxes Payable	A-22	34,520	39,786
School Taxes Payable	A-23	2	
Tax Overpayments	A-24	21,401	17,055
Prepaid Taxes	A-25	868,602	975,119
		<u>28,941,024</u>	<u>28,805,365</u>
Reserve for Receivables	Contra	1,373,460	2,611,589
Fund Balance	A-1	<u>943,538</u>	<u>2,507,268</u>
		<u>31,258,022</u>	<u>33,924,222</u>
Federal and State Grant Fund:			
Appropriated Reserves for Grants	A-28	1,303,530	1,195,346
Encumbrances Payable	A-29	79,455	
Unappropriated Reserves for Grants	A-30	1,863,836	316,287
		<u>3,246,821</u>	<u>1,511,633</u>
		<u>\$ 34,504,843</u>	<u>35,435,855</u>

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 2,055,420	
Miscellaneous Revenue Anticipated	13,780,610	16,242,000
Receipts from Delinquent Taxes	1,260,992	922,525
Receipts from Current Taxes	163,734,662	158,881,343
Non-Budget Revenue	441,688	2,199,527
Other Credits to Income:		
Special Emergency - COVID-19 Revenue Losses		1,059,295
Unexpended Balance of Appropriation Reserves	1,257,448	107,332
Interfunds Returned	524,411	
	<hr/>	<hr/>
Total Revenues and Other Income	<u>183,055,231</u>	<u>179,412,022</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	33,053,170	30,789,512
Other Expenses	26,731,972	26,504,884
Capital Improvement Fund	350,000	100,000
Municipal Debt Service	4,560,385	4,216,171
Deferred Charges and Statutory Expenditures -		
Municipal	9,744,260	8,252,772
Local District School Tax	83,261,834	81,694,341
County Taxes including Added Taxes	25,114,790	25,668,032
Interfunds Advanced	205,687	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 Overpayments	115,494	74,241
Tax Title Lien Premiums due Special Trust	193,400	
Revenue Refunds	12,549	
	<hr/>	<hr/>
Total Expenditures	<u>183,343,541</u>	<u>179,130,851</u>
Excess (Deficit) Revenue Over Expenditures	<u>(288,310)</u>	<u>281,171</u>

BOROUGH OF PARAMUS, N.J.

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

Current Fund

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year:		
Emergency Appropriations	780,000	1,580,000
Deficit in Operations		<u>1,560</u>
Statutory Excess to Surplus	491,690	1,862,731
Fund Balance, January 1,	<u>2,507,268</u>	<u>644,537</u>
	2,998,958	2,507,268
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>2,055,420</u>	
Fund Balance, December 31,	<u>\$ 943,538</u>	<u>2,507,268</u>

See accompanying notes to the financial statements.

BOROUGH OF PARAMUS, N.J.
Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 2,055,420	2,055,420	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	89,600	99,105	9,505
Other	815,000	819,317	4,317
Fees and Permits	598,000	587,513	(10,487)
Fines and Costs:			
Municipal Court	521,400	294,218	(227,182)
Interest and Costs on Taxes	225,000	295,829	70,829
Interest on Investments and Deposits	177,000	56,241	(120,759)
Energy Receipts Tax	4,056,309	4,056,309	
Uniform Construction Code Fees	2,180,000	1,968,786	(211,214)
Interlocal Service Agreements:			
Woodcliff Lake - Tax Assessor	50,000	17,500	(32,500)
Maywood Borough - Municipal Court	71,600	100,390	28,790
Palisades Park - COAH Officer	30,000		(30,000)
Vehicle Maintenance	580,000	591,963	11,963
Sale of Gasoline	63,700	55,987	(7,713)
Traffic Light Repairs	1,375	3,790	2,415
Street Sweeping & Snow Plowing	55,000	114,498	59,498
Dumping Fees - Board of Education	4,200	10,192	5,992
Leonia - Chief Financial Officer	50,000	46,900	(3,100)
South Hackensack - DPW Superintendent	26,250	23,437	(2,813)
Maywood Borough - Sewer Collection Flow	222,100	38,521	(183,579)
Public and Private Revenues offset by Appropriations:			
Clean Communities Grant	47,516	47,516	
Recycling Tonnage Grant	144,982	144,982	
Safe and Secure Communities	60,000	60,000	
Alcohol Education and Rehabilitation	1,500	1,500	
Emergency Management	10,000	10,000	
BCUA Grant	37,542	37,542	
Sustainable New Jersey	2,000	2,000	
Uniform Fire Safety Act	234,000	172,115	(61,885)
Sewer User Charges	1,740,000	940,560	(799,440)
Sanitary Sewer Tie-In (Washington Twp.)	26,800		(26,800)
Sanitary Sewer Tie-In (River Edge Borough)	158,000	188,217	30,217
Hotel Occupancy Tax	243,000	335,344	92,344
Ambulance Fees	1,145,000	1,037,307	(107,693)
Cable TV Franchise Fee - Cablevision	200,000	182,372	(17,628)
Cable TV Franchise Fee - Verizon FIOS	160,000	159,930	(70)

BOROUGH OF PARAMUS, N.J.
Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Library PERS Reimbursement	200,000	255,429	55,429
Golf Course Utility - Group Ins. Reimbursement	75,000		(75,000)
Interfund Loans Returned - General Capital Fund	775,000	775,000	
PSEG Easment Agreement	21,650	28,058	6,408
PILOT - State of New Jersey	50,000	62,887	12,887
Recycling Revenue	160,000	159,355	(645)
	<hr/>	<hr/>	<hr/>
Total Miscellaneous Revenues	15,308,524	13,780,610	(1,527,914)
Receipts from Delinquent Taxes	1,250,000	1,260,992	10,992
	<hr/>	<hr/>	<hr/>
Subtotal General Revenues	18,613,944	17,097,022	(1,516,922)
	<hr/>	<hr/>	<hr/>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	56,768,026	56,893,038	125,012
	<hr/>	<hr/>	<hr/>
Budget Totals	75,381,970	73,990,060	(1,391,910)
Non-Budget Revenue		441,688	441,688
	<hr/>	<hr/>	<hr/>
	\$ 75,381,970	74,431,748	(950,222)
	<hr/>	<hr/>	<hr/>
Adopted Budget \$	75,381,970		

BOROUGH OF PARAMUS, N.J.
Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2021

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 163,734,662
Less: Reserve for Tax Appeals Pending	
Allocated to County and Local and Regional School Taxes	<u>108,376,624</u>
 Balance for Support of Municipal Budget Appropriations	 55,358,038
 Add : Appropriation - Reserve for Uncollected Taxes	 <u>1,535,000</u>
 Amount for Support of Municipal Budget Appropriations	 \$ <u>56,893,038</u>
 Receipts from Delinquent Taxes: Delinquent Taxes	 \$ <u>1,260,992</u>

Analysis of Non-budget Revenues

Miscellaenous	\$ 50,901
Copies	2,023
DMV Inspection Fines	400
Cell Town Lease	32,500
Sale of Assets	37,201
FEMA Reimbursement - Tropical Storm Isaias	3,935
FEMA - PY Hazard Mitigation Grant Proceeds	57,263
Budget Offsets	104,465
Bounced Check Fee	1,100
Premium on Tax Anticipation Note	<u>151,900</u>
	 \$ <u>441,688</u>

See accompanying notes to the financial statements.

BOROUGH OF PARAMUS

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<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	\$ 327,000	328,000	326,592	1,408	
Other Expenses	28,500	19,500	15,270	4,230	
Grants Consultant	50,000	45,000	38,500	6,500	
Mayor and Council:					
Salaries and Wages	75,000	75,000	75,000		
Other Expenses	400	400	275	125	
Municipal Clerk:					
Salaries and Wages	335,500	332,500	329,221	3,279	
Other Expenses	114,100	104,100	102,910	1,190	
Financial Administration					
Salaries and Wages	468,000	468,000	467,952	48	
Other Expenses	65,100	55,100	53,318	1,782	
Audit Services					
Other Expenses	100,000	110,000	110,000		
Central Equipment and Data Processing:					
Salaries and Wages	296,000	307,000	303,665	3,335	
Other Expenses	467,000	447,000	440,799	6,201	
Revenue Administration:					
Salaries and Wages	161,500	159,500	157,732	1,768	
Other Expenses	19,800	20,600	20,593	7	
Assessment of Taxes:					
Salaries and Wages	223,000	219,000	218,916	84	
Other Expenses	6,950	4,950	4,716	234	
Legal Services					
Other Expenses	895,000	1,295,000	1,099,388	195,612	
Division of Engineering:					
Other Expenses	70,000	95,000	93,813	1,187	

BOROUGH OF PARAMUS
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<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	67,800	68,000	67,897	103	
Other Expenses	43,500	45,600	45,433	167	
Zoning Board:					
Salaries and Wages	77,300	77,300	77,274	26	
Insurance:					
Liability Insurance (JIF)	505,000	800,000	800,000		
Other Insurance Premiums	40,000	20,000	15,000	5,000	
Vision (Self)	75,000	75,000	52,167	22,833	
Workers Compensation Insurance (JIF)	250,000	195,000	193,456	1,544	
Workers Compensation Insurance (Self)	345,000	750,000	681,516	68,484	
Liability Insurance (Self)	200,000	160,000	160,000		
Unemployment	70,000	30,000	500	29,500	
Employee Group Insurance	8,615,000	7,865,000	7,594,190	270,810	
Public Safety:					
Police Department:					
Salaries and Wages	16,604,500	16,404,500	16,344,482	60,018	
Other Expenses	223,200	233,200	218,127	15,073	
Police Dispatch / 911:					
Salaries and Wages	950,000	991,000	984,258	6,742	
Other Expenses	112,700	112,700	110,687	2,013	

BOROUGH OF PARAMUS
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<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	211,300	220,300	219,818	482	
Other Expenses	189,000	109,000	89,016	19,984	
Rescue Squad:					
Salaries and Wages	116,000	122,000	121,500	500	
Other Expenses	39,700	39,700	39,020	680	
Fire Department:					
Salaries and Wages	900,000	985,500	985,200	300	
Other Expenses	231,250	233,650	233,555	95	
Uniform Fire Safety:					
Salaries and Wages	1,133,000	1,078,000	1,065,128	12,872	
Other Expenses	115,350	115,350	113,383	1,967	
Ambulance Corps:					
Salaries and Wages	520,000	532,000	531,718	282	
Other Expenses	12,800	10,300	8,837	1,463	
Municipal Court					
Salaries and Wages	618,420	618,420	590,205	28,215	
Other Expenses	28,150	28,150	26,690	1,460	
Public Works:					
Streets and Roads Maintenance:					
Salaries and Wages	1,691,500	1,711,500	1,711,495	5	
Other Expenses	303,000	653,000	650,254	2,746	
Shade Trees Commission:					
Salaries and Wages	1,539,000	1,549,000	1,543,219	5,781	
Other Expenses	82,200	82,200	82,172	28	
Solid Waste Collection:					
Salaries and Wages	1,603,720	1,728,720	1,728,352	368	
Other Expenses	38,550	29,550	25,240	4,310	

BOROUGH OF PARAMUS
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Buildings and Grounds:					
Salaries and Wages	636,500	684,500	683,811	689	
Other Expenses	420,900	339,400	334,093	5,307	
Vehicle Maintenance:					
Salaries and Wages	1,796,000	1,951,000	1,939,787	11,213	
Other Expenses	1,304,000	1,244,000	1,185,799	58,201	
Health and Welfare:					
Public Health Services:					
Salaries and Wages	668,000	684,000	681,331	2,669	
Other Expenses	27,980	57,980	56,497	1,483	
Animal Control:					
Other Expenses	32,900	32,900	30,460	2,440	
Division of Public Assistance:					
Salaries and Wages	93,860	93,860	93,855	5	
Other Expenses	1,000	1,000	414	586	
Recreation and Education					
Department of Recreation:					
Salaries and Wages	590,000	590,000	588,538	1,462	
Other Expenses	102,300	77,300	74,409	2,891	

BOROUGH OF PARAMUS

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<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	206,670	211,670	208,931	2,739	
Other Expenses	23,600	15,600	13,283	2,317	
Landfill/Solid Waste Disposal Cost					
Other Expenses	750,000	750,000	742,802	7,198	
Other Expenses - Vegetative Waste	450,000	430,000	411,344	18,656	
Unclassified					
Electricity and Natural Gas	575,000	500,000	415,440	84,560	
Street Lighting	440,000	540,000	525,564	14,436	
Telephone	285,000	305,000	297,506	7,494	
Water	70,000	70,000	59,652	10,348	
Fire Hydrant Service	450,000	412,000	411,995	5	
Gasoline	250,000	300,000	297,005	2,995	
Diesel Fuel	250,000	250,000	238,737	11,263	
Outside Fuel Agreements	20,000	20,000		20,000	
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	764,900	764,900	687,402	77,498	
Other Expenses	9,650	9,650	3,617	6,033	
Total Operations within "CAPS"	51,473,050	52,094,050	50,950,721	1,143,329	
Total Operations Including Contingent-within "CAPS"	51,473,050	52,094,050	50,950,721	1,143,329	
Detail:					
Salaries & Wages	32,674,470	32,955,170	32,733,279	221,891	
Other Expenses (Including Contingent)	18,798,580	19,138,880	18,217,442	921,438	

BOROUGH OF PARAMUS

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(1) DEFERRED CHARGES					
Cash Deficit Preceding Year	1,560	1,560	1,560		
Overexpenditure of Improvement Authorization	24,131	24,131			24,131
Deficit in Unemployment Reserve	11,649	11,649	11,649		
Deficit in Swim Pool Utility	159,600	159,600			159,600
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	2,194,079	2,194,079	2,194,079		
Social Security System (O.A.S.I.)	1,400,000	1,595,000	1,581,252	13,748	
Police and Firemen's Retirement System of NJ	4,357,972	4,357,972	4,357,972		
Defined Contribution Retirement Program	10,000	4,000	3,865	135	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>8,158,991</u>	<u>8,347,991</u>	<u>8,150,377</u>	<u>13,883</u>	<u>183,731</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>59,632,041</u>	<u>60,442,041</u>	<u>59,101,098</u>	<u>1,157,212</u>	<u>183,731</u>
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	3,267,423	3,267,423	3,202,537	64,886	
Sewerage Processing and Disposal					
Other Expenses - Operations and Maintenance	2,730,422	2,730,422	2,730,421	1	
Other Expenses - Debt Service	<u>1,036,707</u>	<u>1,036,707</u>	<u>1,036,707</u>		
Total Other Operations - Excluded from "CAPS"	<u>7,034,552</u>	<u>7,034,552</u>	<u>6,969,665</u>	<u>64,887</u>	

BOROUGH OF PARAMUS

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Interlocal Service Agreements					
Landfill/Solid Waste Disposal - Board of Education	25,000	15,000		15,000	
Municipal Court - Maywood					
Salaries and Wages	88,000	88,000	64,971	23,029	
Mechanical Maintenance					
Salaries and Wages	20,000	10,000	10,000		
Other Expenses	250,000	240,000	238,203	1,797	
Total Interlocal Municipal Service Agreements	383,000	353,000	313,174	39,826	
Public and Private Programs Offset by Revenues					
Clean Communities	47,516	47,516	47,516		
Recycling Tonnage Grant	144,982	144,982	144,982		
Safe and Secure	60,000	60,000	60,000		
Alcohol Education Rehabilitation	1,500	1,500	1,500		
Emergency Management	10,000	10,000	10,000		
BCUA Grant	37,542	37,542	37,542		
Sustainable New Jersey	2,000	2,000	2,000		
Total Public and Private Programs Offset by Revenues	303,540	303,540	303,540		
Total Operations-Excluded from "CAPS"	7,721,092	7,691,092	7,586,379	104,713	
Detail:					
Salaries and Wages	108,000	98,000	74,971	23,029	
Other Expenses	7,613,092	7,593,092	7,511,408	81,684	
Capital Improvements - Excluded from "CAPS"	350,000	350,000	350,000		
Capital Improvement Fund					
Total Capital Improvements Excluded from "CAPS"	350,000	350,000	350,000		

BOROUGH OF PARAMUS

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	3,230,000	3,230,000	3,230,000		
Payment of Bond Anticipation Notes and Capital Notes	128,000	128,000	128,000		
Interest on Bonds	662,830	662,830	662,830		
Interest on Notes	543,008	543,008	539,555		3,453
Total Municipal Debt Service-Excluded from "CAPS"	4,563,838	4,563,838	4,560,385		3,453
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"					
(1) DEFERRED CHARGES:					
Emergency Authorization	1,580,000	1,580,000	1,580,000		
Total Deferred Charged and Statutory Expenditures-Municipal exclude from "CAPS"	1,580,000	1,580,000	1,580,000		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	14,214,930	14,184,930	14,076,764	104,713	3,453
Subtotal General Appropriations	73,846,971	74,626,971	73,177,862	1,261,925	187,184

BOROUGH OF PARAMUS

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Reserve for Uncollected Taxes	1,535,000	1,535,000	1,535,000		
Total General Appropriations	<u>\$ 75,381,971</u>	<u>76,161,971</u>	<u>74,712,862</u>	<u>1,261,925</u>	<u>187,184</u>
Adopted Budget \$	75,381,970				
Emergency Appropriations	<u>780,000</u>				
	<u>\$ 76,161,970</u>				
Reserve for Uncollected Taxes \$			1,535,000		
Federal and State Grant Fund			303,540		
Deferred Charges			1,581,560		
Encumbrances			1,345,313		
Interfunds			11,649		
Cash			<u>69,935,800</u>		
			<u>\$ 74,712,862</u>		

See accompanying notes to the financial statements.

BOROUGH OF PARAMUS

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Trust Fund:			
Cash	B-1	\$ <u>16,681</u>	<u>93,443</u>
Other Trust Funds:			
Cash	B-1	10,903,138	9,307,542
Interfund Accounts Receivable	B-3	<u>163,706</u>	<u>24,350</u>
		<u>11,066,844</u>	<u>9,331,892</u>
		<u>\$ 11,083,525</u>	<u>9,425,335</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Trust Fund:			
Due to State of New Jersey	B-2	\$ 80	69
Interfunds Payable	B-3	8,389	85,313
Reserve for Animal Trust Fund Expenditures	B-4	<u>8,212</u>	<u>8,061</u>
		<u>16,681</u>	<u>93,443</u>
Other Trust Fund:			
Due to State of New Jersey	B-5		30,330
Interfunds Payable	B-3	1,039	428,818
Reserve for Expenditures	B-6	<u>11,065,805</u>	<u>8,872,744</u>
		<u>11,066,844</u>	<u>9,331,892</u>
		<u>\$ 11,083,525</u>	<u>9,425,335</u>

See accompanying notes to financial statements.

BOROUGH OF PARAMUS

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	C-2/C-3	\$ 5,529,913	122,241
Deferred Charges to Future Taxation:			
Funded	C-4	23,500,000	26,730,000
Unfunded	C-5	18,737,016	13,705,266
Grants Receivable	C-7	2,396,121	874,121
Overexpenditure of Ordinance	C-6	_____	24,131
		<u>\$ 50,163,050</u>	<u>41,455,759</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfunds Payable	C-8	\$ 184,145	784,160
General Serial Bonds	C-9	23,500,000	26,730,000
Bond Anticipation Notes Payable	C-10	15,015,500	9,510,000
Improvement Authorizations:			
Funded	C-11	134,577	378,313
Unfunded	C-11	7,947,369	3,443,383
Capital Improvement Fund	C-12	164,229	177,479
Reserve for Payment of Debt	C-13	262,500	262,500
Reserve for Encumbrances	C-14	2,188,703	169,924
Reserve for Grants Receivable	C-15	610,000	
Fund Balance	C-1	_____	_____
		<u>\$ 50,163,050</u>	<u>41,455,759</u>

There were \$3,721,516 and \$4,195,266 of Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020 respectively (Exhibit C-16).

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Increased By:		
Premiums Received:		
Sale of Bond Anticipation Notes	\$ <u>156,027</u>	<u> </u>
Balance - December 31, 2021	\$ <u><u>156,027</u></u>	<u><u> </u></u>

See accompanying notes to the financial statements.

BOROUGH OF PARAMUS

Comparative Balance Sheet - Regulatory Basis

Golf Course Utility - Operating Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Golf Course Utility Operating Fund:			
Cash	D-5	\$ 946,753	442,989
Interfunds Receivable	D-7	<u>1,274</u>	<u>19,443</u>
Total Golf Course Utility Operating Fund		<u>948,027</u>	<u>462,432</u>
Capital Fund:			
Cash	D-5,D-6	2,401,898	291,220
Fixed Capital	D-8	14,987,124	14,987,124
Fixed Capital Authorized and Uncompleted	D-9	4,448,060	3,401,060
Interfund Receivable	D-10	<u>11,744</u>	<u>823,478</u>
Total Capital Fund		<u>21,848,826</u>	<u>19,502,882</u>
		<u>\$ 22,796,853</u>	<u>19,965,314</u>

BOROUGH OF PARAMUS

Comparative Balance Sheet - Regulatory Basis

Golf Course Utility - Operating Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Golf Course Utility Operating Fund:			
Appropriation Reserves	D-4,D-11	\$ 51,371	149,044
Interfund Accounts Payable	D-7	5,806	1,121
Reserve for Encumbrances	D-12	25,343	31,947
Accrued Interest on Bonds	D-13	31,078	34,003
		<u>113,598</u>	<u>216,115</u>
Fund Balance	D-1	<u>834,429</u>	<u>246,317</u>
Total Golf Course Utility Operating Fund		<u>948,027</u>	<u>462,432</u>
Capital Fund:			
Interfund Accounts Payable	D-10	1,274	19,443
Serial Bonds Payable	D-14	3,120,000	3,510,000
Bond Anticipation Notes Payable	D-15	1,317,000	
Improvement Authorizations:			
Funded	D-16	1,305,654	1,264,285
Unfunded	D-16	1,088,872	41,872
Capital Improvement Fund	D-17	6,098	59,098
Reserve for Amortization	D-18	14,835,053	14,445,053
Deferred Reserve for Amortization	D-19	163,131	163,131
Fund Balance	D-2	<u>11,744</u>	
Total Capital Fund		<u>21,848,826</u>	<u>19,502,882</u>
		<u>\$ 22,796,853</u>	<u>19,965,314</u>

There were \$-0- and \$270,000 of Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020 respectively (Exhibit D-20).

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 120,000	120,000
Registration Fees	138,607	111,961
Golf Cart Rental	425,460	406,611
Green Fees	1,637,466	1,460,428
Snack Bar Rental	7,000	5,000
Miscellaenous	733,990	443,861
Miniature Golf		104,783
Other		
Unexpended Balance of Appropriation Reserves	138,539	107,986
Cancellations and Adjustments		2,925
Prior Year Correction		102,512
	<hr/>	<hr/>
Total Revenue and Other Income	3,201,062	2,866,067
	<hr/>	<hr/>
Expenditures:		
Operating		
Salaries and Wages	1,206,900	1,310,000
Other Expenses	728,200	829,900
Debt Service	473,850	484,575
Deferred Charges and Statutory Expenditures	84,000	
	<hr/>	<hr/>
Total Expenditures	2,492,950	2,624,475
	<hr/>	<hr/>
Excess(Deficit) in Revenues	708,112	241,592
Statutory Excess to Surplus	708,112	241,592
Fund Balance, January 1	246,317	124,725
	<hr/>	<hr/>
	954,429	366,317
Decreased by:		
Anticipated as Current Fund Revenue	120,000	120,000
	<hr/>	<hr/>
Balance, December 31	\$ 834,429	246,317
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

BOROUGH OF PARAMUS

Comparative Statement of Changes in Fund Balance - Regulatory Basis

Golf Course Utility Capital Fund

For the Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Increased By:		
Interfund - Premium	\$ <u>11,744</u>	<u> </u>
Balance, December 31	\$ <u><u>11,744</u></u>	<u><u> </u></u>

See accompanying notes to the financial statements.

BOROUGH OF PARAMUS
Statement of Revenues - Regulatory Basis
Golf Course Utility Operating Fund
Year ended December 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Operating Surplus Anticipated	\$ 120,000	120,000	
Registration Fees	111,900	138,607	26,707
Golf Cart Rental	400,000	425,460	25,460
Green Fees	1,456,050	1,637,466	181,416
Snack Bar Rental	5,000	7,000	2,000
Miscellaneous	400,000	733,990	333,990
	<u>\$ 2,492,950</u>	<u>3,062,523</u>	<u>569,573</u>

Analysis of Realized Revenue

Interest on Investments - Golf Course Utility Capital	1,274
Anticipated Surplus	120,000
Cash Receipts	<u>2,941,249</u>
	<u>\$ 3,062,523</u>

Analysis of Miscellaneous Revenue

Interest on Investments - Capital	1,274
Interest on Investments - Operating	1,606
Miniature Golf	145,103
Gift Certificates	27,105
Golf Lessons	141,231
Pro Shop Sales	27,560
Push Cart Rental	4,628
Lottery Fee	167,310
League Fees	118,511
Locker Fees	100
Handicap Fees	11,720
Range Balls	25,163
Miscellaneous	<u>62,679</u>
	<u>\$ 733,990</u>

See accompanying notes to financial statements.

BOROUGH OF PARAMUS

Statement of Expenditures - Regulatory Basis

Golf Course Utility Operating Fund

Year ended December 31, 2021

	Appropriations		Paid or Charged	Reserved
	Budget	Budget After Modifi- cation		
Operating:				
Salaries and Wages	\$ 1,256,900	1,206,900	1,202,143	4,757
Other Expenses	678,200	728,200	681,586	46,614
Total Operating	1,935,100	1,935,100	1,883,729	51,371
Debt Service:				
Payment of Bond Principal	390,000	390,000	390,000	
Interest on Bonds	83,850	83,850	83,850	
Total Debt Service	473,850	473,850	473,850	
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to:				
Social Security System (O.A.S.I.)	84,000	84,000	84,000	
Total Deferred Charges and Statutory Expenditures	84,000	84,000	84,000	
	\$ 2,492,950	2,492,950	2,441,579	51,371

Cash Disbursed	\$ 2,326,580
Reserve for Encumbrances	25,343
Interfunds	5,806
Accrued Interest on Bonds	83,850
	\$ 2,441,579

See accompanying notes to financial statements.

BOROUGH OF PARAMUS

Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Cash	E-5	\$ 235,634	21,052
Interfunds Receivable	E-8	<u>23</u>	<u>240,000</u>
Total Swimming Pool Utility Operating Fund		<u>235,657</u>	<u>261,052</u>
Deferred Charges:			
Special Emergency	E-7	<u>335,186</u>	<u>335,186</u>
Total Swimming Pool Utility Operating Fund		<u>570,843</u>	<u>596,238</u>
Capital Fund:			
Cash	E-5,E-6	8,540	18,498
Fixed Capital	E-9	3,372,780	3,372,780
Interfunds Receivable	E-10	<u>19</u>	<u>19</u>
Total Swimming Pool Capital Fund		<u>3,381,320</u>	<u>3,391,297</u>
		<u>\$ 3,952,163</u>	<u>3,987,535</u>

BOROUGH OF PARAMUS
Balance Sheet - Regulatory Basis
Swimming Pool Utility Fund
December 31, 2021 and 2020

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Appropriation Reserves	E-4/E-11	\$ 83,106	89,209
Reserve for Encumbrances	E-4/E-12	2,414	717
Interfund Accounts Payable	E-8	12,546	19
Special Emergency Note Payable	E-13	340,000	340,000
Accrued Interest on Bonds	E-14	<u>6,773</u>	<u>7,374</u>
		444,839	437,319
Fund Balance	E-1	<u>126,004</u>	<u>158,919</u>
Total Swimming Pool Utility Operating Fund		<u>570,843</u>	<u>596,238</u>
Capital Fund:			
Serial Bonds Payable	E-15	680,000	760,000
Improvement Authorizations:			
Funded	E-16	8,503	18,503
Interfund Payable	E-10	23	
Reserve for Amortization	E-17	2,692,780	2,612,780
Fund Balance	E-2	<u>14</u>	<u>14</u>
Total Swimming Pool Utility Capital Fund		<u>3,381,320</u>	<u>3,391,297</u>
		<u>\$ 3,952,163</u>	<u>3,987,535</u>

There were \$-0- and \$-0- of Bonds and Notes Authorized But Not Issued on December 31, 2021 and December 31, 2020 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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 150,000	96,718
Membership Fees	391,819	118,194
Guest Fees	80,160	
Miscellaneous	30,660	26,484
Concession Stand	69,282	39,647
Non-Budget Revenue	24,850	
Other		
Special Emergency - COVID-19 Revenue Losses		335,186
Prior Year Voided Checks		147,260
Unexpended Balance of Appropriation Reserves	86,176	10,219
Cancellations and Adjustments	238	600
	<hr/>	<hr/>
Total Revenue and Other Income	833,185	774,308
	<hr/>	<hr/>
Expenditures:		
Operating		
Salaries and Wages	285,000	275,000
Other Expenses	307,600	205,500
Capital Improvements		
Debt Service	98,500	100,463
Deferred Charges and Statutory Expenditures	25,000	35,770
Refunds		692
	<hr/>	<hr/>
Total Expenditures	716,100	617,425
	<hr/>	<hr/>
Excess(Deficit) in Revenues	117,085	156,883
	<hr/>	<hr/>
Fund Balance, January 1	158,919	98,754
	<hr/>	<hr/>
Decreased by:		
Anticipated as Current Fund Revenue	150,000	96,718
	<hr/>	<hr/>
Balance, December 31,	\$ 126,004	158,919
	<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, 2021 and 2020

	<u>2021</u>	<u>2020</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, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Operating Surplus Anticipated	\$ 150,000	150,000	
Membership Fees	273,800	391,819	118,019
Guest Fees	33,500	80,160	46,660
Miscellaneous	36,900	30,660	(6,240)
Concession Stand	62,300	69,282	6,982
Miscellaneous Revenue Not Anticipated		24,850	24,850
	<u>\$ 556,500</u>	<u>746,771</u>	<u>190,271</u>

Analysis of Realized Revenue

Cash Receipts - Anticipated Revenue	571,921
Cash Receipts - Miscellaneous Revenue Not Anticipated	24,827
Interfunds	23
	<u>\$ 596,771</u>

Analysis of Miscellaneous Revenue

Registration Fees - Swim Team	3,700
Swim Lessons	26,960
	<u>\$ 30,660</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investments	253
Interest on Investments - Swim Pool Utility Capital Fund	23
Other - Miscellaneous	10,574
Pool Rental - YMCA	14,000
	<u>\$ 24,850</u>

See accompanying notes to financial statements.

BOROUGH OF PARAMUS
Statement of Expenditures - Regulatory Basis
Swimming Pool Utility Operating Fund
Year ended December 31, 2021

	Appropriations			
	Budget	Budget After Modifi- cation	Paid or Charged	Reserved
Operating:				
Salaries and Wages	\$ 285,000	285,000	284,795	205
Other Expenses	307,600	307,600	227,670	79,930
Total Operating	592,600	592,600	512,465	80,135
Debt Service:				
Payment of Bond Principal	80,000	80,000	80,000	
Interest on Bonds	18,500	18,500	18,500	
Total Debt Service	98,500	98,500	98,500	
Deferred Charges and Statutory Expenditures:				
Deferred Charge - Ordinance Funding Shortages				
Statutory Expenditures - Contribution to:				
Social Security System (O.A.S.I.)	25,000	25,000	22,029	2,971
Total Deferred Charges and Statutory Expenditures	25,000	25,000	22,029	2,971
	\$ 716,100	716,100	632,994	83,106
			Cash Disbursed \$ 612,080	
			Reserve for Encumbrances 2,414	
			Accrued Interest on Bonds 18,500	
			\$ 632,994	

See accompanying notes to financial statements.

BOROUGH OF PARAMUS

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>General Fixed Assets:</u>		
Land	\$ 118,685,338	118,685,338
Buildings & Improvements	12,091,900	12,091,900
Machinery and Equipment	<u>29,692,794</u>	<u>30,866,814</u>
	<u>\$ 160,470,032</u>	<u>161,644,052</u>
 Investment in Fixed Assets	 <u>\$ 160,470,032</u>	 <u>161,644,052</u>

See accompanying notes to financial statements.

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020
(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, 2021 AND 2020
(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, 2021 AND 2020
(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, 2021 AND 2020
(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, 2021 and 2020, the Governing Body approved additional revenues and appropriations of \$-0- and \$409,697, respectively, in accordance with N.J.S.A. 40A:4-87. The Governing Body also approved emergency appropriations of \$89,942 in 2021 for a New Rack Body Truck and special emergency appropriations of \$780,000 in 2021 (Board of Health Other Expenses \$30,000, Legal Fees \$400,000 and Workers' Compensation Insurance \$350,000) and \$1,580,000 in 2020 (Street and Roads Salaries & Wages \$415,000, Vegetative Waste Removal Other Expenses \$350,000, Solid Waste Collection Salaries & Wages \$335,000, Solid Waste Collection Other Expenses \$225,000, Liability Insurance \$125,000 and Shade Tree Salaries & Wages \$130,000). In addition, several budget transfers were approved by the Governing Body in 2021 and 2020.

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2021 AND 2020
(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, 2021 AND 2020
(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

There were no new accounting pronouncements adopted by the Borough during 2021.

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, 2021 AND 2020
(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.

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 1/55th 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 1/60th 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, 2021 AND 2020
(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.

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, 2021 AND 2020
(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>
2021	\$2,311,890	\$4,411,683	\$5,911
2020	2,128,032	4,172,199	7,294
2019	1,854,365	3,574,299	8,426

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2021, the Borough had a liability of \$23,386,067 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the Borough's proportion was .1974091000 percent, which was an increase of .0028816673 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$2,311,890. At December 31, 2021, 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	\$368,828	\$167,417
Changes of assumptions	121,794	8,325,592
Net difference between projected and actual earnings on pension plan investments		6,160,505
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>3,014,422</u>	<u> </u>
Total	<u>\$3,505,044</u>	<u>\$14,653,514</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2021) 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:	
2022	\$(5,518,093)
2023	(3,939,906)
2024	(2,686,344)
2025	(2,019,334)
2026	785

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 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Borough's Proportion	0.1974091000%	.1945274327%

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)**

NOTE 2. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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-2021.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2021. 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, 2021, 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, 2021		
	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	\$31,937,276	\$23,386,067	\$16,129,155

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.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)**

NOTE 2. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2021, the Borough had a liability of \$27,667,653 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the Borough's proportion was .3785343701 percent, which was an increase of .005073231 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$4,411,683. At December 31, 2021, 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	\$315,654	\$3,314,299
Changes of assumptions	147,222	8,291,869
Net difference between projected and actual earnings on pension plan investments		11,790,087
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>4,118,771</u>	<u>79,333</u>
Total	<u>\$4,581,647</u>	<u>\$23,475,588</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) 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:	
2022	\$(7,341,850)
2023	(5,511,112)
2024	(4,728,920)
2025	(4,663,289)
2026	(588,212)
Thereafter	(99,997)

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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 6.17, 5.90, 5.92, 5.73, 5.59 and 5.58 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$817,271,932	\$1,601,195,680
Collective deferred inflows of resources	6,875,738,520	4,191,274,402
Collective net pension liability	9,364,849,587	14,926,648,722
Borough's Proportion	0.3785343701%	.3734611394%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Salary Increases:	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, 2021 AND 2020
(continued)**

NOTE 2. PENSION PLANS, (continued)

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

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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, 2021) 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, 2021 are summarized in the following table:

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2021, 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, 2021		
	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	\$46,046,940	\$27,667,653	\$12,368,880

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, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$7,781,522 and \$7,489,128, respectively. For the years ended December 31, 2021 and 2020, 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 \$866,635 and \$848,743, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$675,975 and \$576,284, 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, 2021 AND 2020
(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.

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, 2021 AND 2020
(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, 2020 which is the latest information available as of the date of this report. This information is eighteen months prior to December 31, 2021. 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, 2021 AND 2020
(continued)

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

At December 31, 2020, the Borough had a liability of \$90,077,819 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2020 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, 2020, the Borough's proportion was .501921000 percent.

For the year ended December 31, 2020, the Borough recognized OPEB expense of \$(1,901,353). At December 31, 2020, 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	\$2,372,580	\$16,774,170
Changes of assumptions	13,472,807	20,031,915
Net difference between projected and actual earnings on OPEB plan investments	57,204	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>23,333,139</u>	<u>10,696,799</u>
Total	<u>\$39,235,730</u>	<u>\$47,502,884</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:	
2021	\$(4,842,132)
2022	(4,846,522)
2023	(4,853,619)
2024	(4,860,103)
2025	(3,313,974)
Thereafter	1,812,856

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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 7.87, 8.05, 8.14 and 8.04 years for 2020, 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB 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. The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

* 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, 2021 AND 2020
(continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 and 2019 was 2.21% and 3.50%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the 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, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Borough's proportionate share of Net OPEB liability	\$106,491,014	\$90,077,819	\$77,085,283

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2020		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Borough's proportionate share of Net OPEB liability	\$74,539,488	\$90,077,819	\$110,425,476

NOTE 4. MUNICIPAL DEBT

Long-term debt as of December 31, 2021 and 2020 consisted of the following:

	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2021</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Capital Fund	\$26,730,000	\$	\$3,230,000	\$23,500,000	\$2,900,000
Golf Course Utility Capital Fund	3,510,000		390,000	3,120,000	390,000
Swim Pool Utility Capital Fund	760,000		80,000	680,000	85,000
Other Liabilities:					
Compensated Absences Payable	2,617,716	462,895	291,097	2,789,514	
PERS/PFRS Pension Deferral	<u>634,812</u>		<u>165,001</u>	<u>469,811</u>	<u>180,417</u>
	<u>\$34,252,528</u>	<u>\$462,895</u>	<u>\$4,156,098</u>	<u>\$30,559,325</u>	<u>\$3,555,417</u>

	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2020</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
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
Other Liabilities:					
Compensated Absences Payable	2,834,245	40,846	257,375	2,617,716	165,001
PERS/PFRS Pension Deferral	<u>634,812</u>	<u>1,610,580</u>	<u>975,768</u>	<u>634,812</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>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$38,515,500	\$36,240,000	\$39,435,000
Golf Course Utility - Bonds, Notes and Loans	4,437,000	3,510,000	3,900,000
Swim Pool Utility - Bonds, Notes and Loans	<u>680,000</u>	<u>760,000</u>	<u>840,000</u>
Total Issued	<u>43,632,500</u>	<u>40,510,000</u>	<u>44,175,000</u>
<u>Authorized Not Issued:</u>			
General - Bonds and Notes	3,721,516	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>3,721,516</u>	<u>4,465,266</u>	<u>2,591,766</u>
Total Bonds, Notes and Loans Issued and Authorized Not Issued	47,354,016	44,975,266	46,766,766
Less: Deductions	<u>262,500</u>	<u>262,500</u>	<u> </u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$47,091,516</u>	<u>\$44,712,766</u>	<u>\$46,766,766</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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 (.405)% for 2021.

<u>2021</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$9,370,000	\$9,370,000	\$0
General Debt	42,237,016	262,500	41,974,516
Swimming Pool Utility	680,000	680,000	0
Golf Course Utility	<u>4,437,000</u>	<u>4,437,000</u>	<u>0</u>
	<u>\$56,724,016</u>	<u>\$14,749,500</u>	<u>\$41,974,516</u>

Net debt of \$41,974,516 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$10,354,397,477 equals 0.405%.

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>2020</u>	<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%.

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

	<u>2021</u>	<u>2020</u>
3 ½% of equalized valuation basis (municipal)	\$351,520,393	\$351,520,393
Net Debt	<u>41,974,516</u>	<u>40,932,766</u>
Remaining borrowing power	<u>\$309,545,877</u>	<u>\$310,587,627</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)

NOTE 4. MUNICIPAL DEBT, (continued)

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

	<u>2021</u>	<u>2020</u>
Cash receipts from fees, rents or other charges for year	\$746,771	\$281,043
Deductions:		
Operating and Maintenance Cost	617,600	505,000
Debt Service	<u>98,500</u>	<u>100,463</u>
Total Deductions	<u>716,100</u>	<u>605,463</u>
Excess/(Deficit) in Revenue - Not Self-Liquidating	<u>\$30,671</u>	<u>(\$324,420)</u>

The Swimming Pool Utility was not Self-Liquidating in 2020.
The Swimming Pool Utility was Self-Liquidating in 2021.

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

	<u>2021</u>	<u>2020</u>
Cash receipts from fees, rents or other charges for year	\$3,062,523	\$2,652,644
Deductions:		
Operating and Maintenance Cost	2,019,100	2,139,900
Debt Service	<u>473,850</u>	<u>484,575</u>
Total Deductions	<u>2,492,950</u>	<u>2,624,475</u>
Excess/(Deficit) in Revenue - Not Self-Liquidating	<u>\$569,573</u>	<u>\$28,169</u>

The Golf Course Utility was Self-Liquidating in 2021 and 2020.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)**

NOTE 4. MUNICIPAL DEBT, (continued)

The Borough's long-term debt consisted of the following at December 31, 2021:

<u>General Obligation Bonds - Paid by Current Fund:</u>	<u>2021</u>	<u>2020</u>
\$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>23,500,000</u>	<u>26,400,000</u>
	<u>\$23,500,000</u>	<u>\$26,730,000</u>
 <u>General Obligation Bonds - Paid by Swimming Pool Operating Fund:</u>	 <u>2021</u>	 <u>2020</u>
\$920,000, 2018 General Improvement Bonds, due in annual installments through February 2029, interest at 2.00-3.00%.	<u>\$680,000</u>	<u>\$760,000</u>
 <u>General Obligation Bonds - Paid by Golf Course Utility Operatin Fund:</u>	 <u>2021</u>	 <u>2020</u>
\$4,280,000, 2018 General Improvement Bonds, due in annual installments through February 2029, interest at 2.00-3.00%.	<u>\$3,120,000</u>	<u>\$3,510,000</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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>
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	3,213,500	2,900,000	313,500
2027-2029	<u>9,405,000</u>	<u>9,000,000</u>	<u>405,000</u>
Total	<u>\$26,208,375</u>	<u>\$23,500,000</u>	<u>\$2,708,375</u>

Swimming Pool Utility Bonds

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	93,925	85,000	8,925
2027-2029	<u>266,475</u>	<u>255,000</u>	<u>11,475</u>
Total	<u>\$757,670</u>	<u>\$680,000</u>	<u>\$77,670</u>

Golf Course Utility Bonds

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	430,950	390,000	40,950
2027-2029	<u>1,222,650</u>	<u>1,170,000</u>	<u>52,650</u>
Total	<u>\$3,476,363</u>	<u>\$3,120,000</u>	<u>\$356,363</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2021 and 2020, the Borough had authorized but not issued debt as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$3,721,516	\$4,195,266
Golf Course Utility Capital Fund		<u>270,000</u>
	<u>\$3,721,516</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.

On December 31, 2021 and 2020, the Borough had \$15,015,500 and \$9,510,000, respectively in outstanding General Capital Bond Anticipation Notes. The Borough also had \$1,317,000 and \$-0-, respectively in outstanding Golf Course Utility Capital Bond Anticipation Notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2021 and 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>2021</u>				
Notes Payable:				
General Capital Fund				
BNY Mellon Capital Markets, LLC	\$7,510,000	\$13,362,000	\$7,510,000	13,362,000
JP Morgan Chase	<u>2,000,000</u>	<u>1,653,500</u>	<u>2,000,000</u>	<u>1,653,500</u>
Total General Capital Fund	9,510,000	15,015,500	9,510,000	15,015,500
Golf Course Utility Capital Fund				
JP Morgan Chase		270,000		270,000
BNY Mellon Capital Markets, LLC		<u>1,047,000</u>		<u>1,047,000</u>
Total Golf Course Utility Capital Fund		<u>1,317,000</u>		<u>1,317,000</u>
	<u>\$9,510,000</u>	<u>\$16,332,500</u>	<u>\$9,510,000</u>	<u>\$16,332,500</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)**

NOTE 5. BOND ANTICIPATION NOTES, (continued)

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

NOTE 6. SPECIAL EMERGENCY NOTES

Following the adoption of ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, by at least 1/3 or 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the third or fifth year following the date of the special emergency resolution.

On December 31, 2021 and 2020, the Borough had \$2,000,000 and \$2,000,000, respectively in outstanding Current Fund Special Emergency Notes. The Borough also had \$340,000 and \$340,000, respectively in outstanding Swimming Pool Utility Special Emergency Notes.

The following activity related to special emergency notes occurred during the periods ended December 31, 2021 and 2020:

<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Special Emergency Notes Payable:				
Current Fund				
Openheimer & Co., Inc	\$2,000,000	\$	\$2,000,000	0
Amboy Bank		2,000,000		2,000,000
Swimming Pool Utility				
Openheimer & Co., Inc	340,000		340,000	
Amboy Bank		<u>340,000</u>		<u>340,000</u>
	<u>\$2,340,000</u>	<u>\$2,340,000</u>	<u>\$2,340,000</u>	<u>\$2,340,000</u>
<u>2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Special Emergency Notes Payable:				
Current Fund				
Openheimer & Co., Inc	\$	\$2,000,000	\$	\$2,000,000
Swimming Pool Utility				
Openheimer & Co., Inc		<u>340,000</u>		<u>340,000</u>
	<u>\$0</u>	<u>\$2,340,000</u>	<u>\$0</u>	<u>\$2,340,000</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)

NOTE 7. TAX ANTICIPATION NOTES

In any fiscal year in anticipation of the collection of taxes for such year, whether levied or to be levied in such year, or in anticipation of other revenues for such year, the Borough may borrow money in the form of tax anticipation notes. The amount of tax anticipation notes of any fiscal year outstanding at any one time shall not exceed an amount certified as the gross borrowing power. Tax anticipation notes may be renewed from time to time, but all such notes and any renewals shall mature within 120 days after the beginning of the succeeding fiscal year.

On December 31, 2021 and 2020, the Borough had \$20,000,000 and \$20,000,000, respectively in outstanding Current Fund Tax Anticipation Notes.

The following activity related to special emergency notes occurred during the periods ended December 31, 2021 and 2020:

<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Tax Anticipation Notes Payable:				
Current Fund				
TD Securities	\$	\$20,000,000	\$	\$20,000,000
BNY Mellon Capital Markets, LLC	<u>20,000,000</u>	<u> </u>	<u>20,000,000</u>	<u> 0</u>
	<u>\$20,000,000</u>	<u>\$20,000,000</u>	<u>\$20,000,000</u>	<u>\$20,000,000</u>
<u>2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Tax Anticipation Notes Payable:				
Current Fund				
TD Securities	\$8,400,000	\$	\$8,400,000	\$0
County of Bergen		20,000,000	20,000,000	
BNY Mellon Capital Markets, LLC		<u>20,000,000</u>		<u>20,000,000</u>
	<u>\$8,400,000</u>	<u>\$40,000,000</u>	<u>\$28,400,000</u>	<u>\$20,000,000</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)**

NOTE 8. 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.

	Balance <u>Dec.31, 2021</u>	2022 Budget <u>Appropriation</u>	Balance Succeeding <u>Year Budget</u>
<u>Current Fund</u>			
Emergency Appropriations	\$780,000	\$780,000	\$
Special Emergency - COVID-19 Revenue Losses	<u>1,059,295</u>	<u>211,859</u>	<u>847,436</u>
Total Current Fund	<u>1,839,295</u>	<u>991,859</u>	<u>847,436</u>
<u>Swimming Pool Utility - Operating Fund</u>			
Special Emergency - COVID-19 Revenue Losses	<u>335,186</u>	<u>67,038</u>	<u>268,148</u>
Total Deferred Charges	<u>\$2,174,481</u>	<u>\$1,058,897</u>	<u>\$1,115,584</u>
	Balance <u>Dec.31, 2020</u>	2021 Budget <u>Appropriation</u>	Balance Succeeding <u>Year Budget</u>
<u>Current Fund:</u>			
Emergency Appropriations	\$1,580,000	\$1,580,000	\$
Deficit in Operations	1,560	1,560	
Special Emergency	<u>1,059,295</u>	_____	<u>1,059,295</u>
Total Current Fund	<u>2,640,855</u>	<u>1,581,560</u>	<u>1,059,295</u>
<u>Swimming Pool Utility - Operating Fund</u>			
Special Emergency - COVID-19 Revenue Losses	<u>335,186</u>	_____	<u>335,186</u>
<u>Trust Funds:</u>			
Trust Funds:	<u>11,649</u>	<u>11,649</u>	_____
Total Deferred Charges	<u>\$2,987,690</u>	<u>\$1,593,209</u>	<u>\$1,394,481</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)**

NOTE 9. FUND BALANCE APPROPRIATED

The fund balances at December 31, 2021 and 2020, which has been appropriated as revenue in the 2022 and 2021 budgets are as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	\$1,000,000	\$2,055,420
Swimming Pool Operating Fund	125,000	150,000
Golf Course Utility Operating Fund	136,000	120,000

NOTE 10. 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 \$2,789,514 as of December 31, 2021. This amount is not reported either as an expenditure or liability.

NOTE 11. 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, 2021, \$-0- of the Borough's bank balance of \$49,521,507 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, 2021 AND 2020
(continued)

NOTE 11. 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 12. 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), 14th 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, 2021 AND 2020
(continued)

NOTE 12. 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, 2021 AND 2020
(continued)**

NOTE 12. 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 13. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2021 and 2020.

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Land	\$118,685,338	\$	\$	\$118,685,338
Building & Improvements	12,091,900			12,091,900
Machinery & Equipment	<u>30,886,814</u>	<u>311,162</u>	<u>1,505,182</u>	<u>29,692,794</u>
	<u>\$161,664,052</u>	<u>\$311,162</u>	<u>\$1,505,182</u>	<u>\$160,470,032</u>

	<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>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)

NOTE 14. INTERFUND BALANCES AND ACTIVITY

Balances due from/to other funds at December 31, 2021 consist of the following:

\$5,806	Due to the Current Fund from the Golf Course Utility Operating Fund for the reimbursement of expenses paid.
11,744	Due to the Golf Course Utility Capital Fund from the Current Fund for premium received on bond anticipation notes not turned over.
184,145	Due to the Current Fund from the General Capital Fund for interfunds advanced and interest earned on investments less note proceeds and premiums.
12,546	Due to the Current Fund from the Swim Pool Utility Operating Fund for interfunds advanced less reimbursement for expenses paid.
1,274	Due to the Golf Course Utility Operating Fund from the Golf Course Utility Capital Fund for current year interest earnings.
23	Due to the Swim Pool Utility Operating Fund from the Swim Pool Utility Capital Fund for current year interest earnings.
8,389	Due to the Current Fund from the Animal License Trust Fund for current year statutory excess.
152,024	Due to the Special Trust Fund from the Current Fund for premiums received less those refunded in current and prior years less the balance of current year interest on investments.
1,039	Due to the Current Fund from the Escrow Trust Fund for interest earned on investments.
11,644	Due to the Unemployment Trust Fund from the Current Fund for the deferred charge raised in the 2021 budget less the balance of current year interest earnings.
38	Due to the Recreation Trust Fund for interest paid over in error.
<u>2,420,165</u>	Due to the Federal and State Grant Fund from the current fund for grants received less reimbursement of expenses paid.
<u>\$2,808,837</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, 2021 AND 2020
(continued)

NOTE 15. 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, 2021 AND 2020
(continued)**

NOTE 15. RISK MANAGEMENT, (continued)

Unemployment expenditures for the past 3 years are as follows:

2021 – \$1,315
2020 – \$70,145
2019 – \$40,000

NOTE 16. 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.
-----------------------	---

The reserve balances in the Worker's Compensation Trust Fund for 2021 and 2020 are \$11,163 and \$3,127, 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, 2021.

NOTE 17. 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:

	<u>Balance Dec 31, 2021</u>	<u>Balance Dec 31, 2020</u>
Prepaid Taxes	<u>\$868,602</u>	<u>\$975,119</u>
Cash Liability for Taxes Collected in Advance	<u>\$868,602</u>	<u>\$975,119</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)

NOTE 18. 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 2021 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 19. 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.

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 and 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 \$2,749,014 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment of \$1,374,507 was received in July 2021 and the second installment of \$1,374,507 was received in July 2022.

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(continued)

NOTE 20. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through September 21, 2022, 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 (President)		
Joseph Vartolone	Councilman		
Pat Verile	Councilman		
Jeanne Weber	Councilwoman		
Joseph D'Arco	Borough Administrator		
Kenneth R. Ehrenberg	Chief of Police		
John Pecoraro	Rescue Squad Chief		
Gino DeGennaro	Fire Chief		
Anne Marie Krusznis	Borough Clerk		
Sheryl Luna	Chief Financial Officer / Tax Collector		
Joseph L. Mecca Jr.	Magistrate	1,000,000	(A)
Richard J. Conte	Magistrate	1,000,000	(A)
Cynthia Holmes	Court Administrator	1,000,000	(A)
James A Anzevino	Tax Assessor		
DeCotiis, Fitzpatrick, Cole and Giblin LLP	Borough Attorney		
Stephen Boswell	Borough Engineer		
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>2021</u>	<u>2020</u>	<u>2019</u>
Tax rate - general	\$ 1.654	\$ 1.595	\$ 1.856
Apportionment of tax rate:			
Municipal	0.535	0.491	0.517
Library	0.032	0.035	0.041
County	0.242	0.245	0.289
County Open Space	0.011	0.010	0.012
Local School	0.834	0.814	0.997

Assessed valuation:

2021	\$ 9,987,679,666
2020	10,038,375,524
2019	10,018,186,246

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>
2021	\$ 165,325,148	163,734,662	99.04%
2020	160,355,523	158,881,343	99.08%
2019	149,763,161	148,760,917	99.33%

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>
2021	\$	1,104,873	6,006	1,110,879	0.67%
2020		1,262,600	5,548	1,268,148	0.79%
2019		923,025	5,118	928,143	0.62%

BOROUGH OF PARAMUS

Supplementary Data, Continued

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2021 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>
2021	\$	23,978
2020		23,978
2019		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:	2021	\$	943,538	1,000,000
	2020		2,507,268	2,055,420
	2019		644,537	
	2018		644,537	
	2017		4,764,530	4,764,000
Swimming Pool Utility Operation Fund:	2021	\$	126,004	125,000
	2020		158,919	150,000
	2019		98,754	96,718
	2018		208,182	134,000
	2017		206,817	510
Golf Utility Operating Fund:	2021	\$	834,429	136,000
	2020		246,317	120,000
	2019		124,725	120,000
	2018		518,478	419,500
	2017		748,685	250,000

BOROUGH OF PARAMUS

Schedule of Expenditures of Federal Financial Assistance

Year ended December 31, 2021

Program	Assistance Listing Number	FAIN Number	Grant period	Award Amount	Cash Received/ Revenue Realized	Expenditures	Adjustments	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:								
<u>National Highway Traffic Safety Administration</u>								
Impaired Driving Countermeasures				\$ 5,500				*
Drive Sober or Get Pulled Over			2021	5,100	5,100			*
Drive Sober or Get Pulled Over				5,500				*
Distracted Driving	20.600							*
Department of the Treasury								*
(Passed through the State of New Jersey Department of Community Affairs)								*
ARP Fiscal Recovery Funds	21.027		2021	2,749,015	1,374,507			*
Department of Transportation								*
Click It or Ticket - Traffic Safety	20.616		2021	6,000	6,000			*
National Priority Safety Programs - Distracted Driving	20.616		2021	11,520	11,520			*
Department of Homeland Security								*
Emergency Management Performance Grant (EMAA)	97.042		2019	10,000		10,000		*
Emergency Management Performance Grant (EMAA)	97.042		2020	10,000				*
Emergency Management Performance Grant (EMAA)	97.042		2021	10,000	10,000			*
(Presidentially Declared Disasters)								*
NJ COVID 19 Pandemic - DR-4488-NJ	97.036		2020 - present	1,283,046	619,652			685,947
Department of Health and Human Services								*
Strengthening Public Health Capacity Program	93.323		2021	164,654	164,654			*
Total Federal and State Grant Fund					<u>2,191,433</u>	<u>10,000</u>		<u>695,947</u>
Current Fund:								
Department of Homeland Security								*
Disaster Grants - Public Assistance								*
(Presidentially Declared Disasters)								*
Hurricane Sandy	97.039		2021	57,263	57,263	57,263		57,263
Severe Winter Storm and Snow Storm Quinn	97.036		2021	253,870	253,870	253,870		253,870
Tropical Storm Isaias	97.036		2021	3,935	3,935	3,935		3,935
Total Current Fund					<u>315,068</u>	<u>315,068</u>		<u>2,073,419</u>

BOROUGH OF PARAMUS

Schedule of Expenditures of Federal Financial Assistance

Year ended December 31, 2021

Program Trust Funds:	Assistance Listing Number	FAIN Number	Grant period	Award Amount	Cash Received/ Revenue Realized	Expenditures	Adjustments	MEMO Cumulative Total Expenditures
U.S. Department of Justice Equitable Sharing Program	16,922				658,127	288,785	189,453	288,785
					658,127	288,785	189,453	288,785
<i>Total Trust Funds</i>					\$ 3,164,628	613,853	189,453	3,058,151
				Total Federal Awards				

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance

BOROUGH OF PARAMUS

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2021

	Grant number	Grant period	Award Amount	Cash Received/ Revenue Realized	Budgetary Expenditures	MEMO Cumulative Total Expenditures
<u>Federal and State Grant Fund:</u>						
<u>Department of Law and Public Safety</u>						
Safe and Secure Communities Grant						
		2020	65,000 \$			*
		2021	60,000	32,500		*
			32,500			*
<u>Body Armor Replacement Fund</u>						
	1020-718-066-1020	2020	8,474			*
		2021	6,209	6,209		*
<u>Alcohol Education and Rehabilitation</u>						
		2020	161			*
			1,500			*
<u>Drunk Driving Enforcement Fund</u>						
	1110-100-066-1110		18,861		1,584	*
			10,743			*
			5,336			*
				38,709	1,584	1,584
<u>Department of Health</u>						
Passed through County of Bergen:						
			14,955		6,011	8,706
			4,273			*
					6,011	8,706
<u>Department of Environmental Protection</u>						
Clean Communities Act						
	765-042-4900-004-6020	2017				*
		2018				*
		2019	100,246		15,340	46,033
		2020	47,515			*
		2021	50,565	50,565		*

BOROUGH OF PARAMUS

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2021

	Grant number	Grant period	Award Amount	Cash Received/ Revenue Realized	Budgetary Expenditures	MEMO Cumulative Total Expenditures
Recycling Tonnage Grant	765-042-4900-001-6020				82,966 *	134,798
			130,864		*	*
		2019	144,982		*	*
		2021	190,034	190,034	*	*
					*	*
New Jersey Forest Service Green Communities Grant		2016	20,000		*	*
Green Communities Grant		2017	20,000		*	*
No Net Loss Grant		2017	108,900		*	*
No Net Loss Grant		2018	135,900		*	135,235
				240,599	98,306 *	316,066
<i>Total Federal and State Grant Fund</i>				279,308	105,901 *	
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		71,015 *	350,000
Midland Avenue, Section 2 - Ord. 2021-33		2021	205,000		45,327 *	45,327
Midland Avenue, Section 3 - Ord. 2021-33		2021	200,000		*	*
					116,342 *	350,000
Department of Law and Public Safety Body Worn Cameras - Ord. 2021-42	BFY21-100-066-1020-495	2021	264,940		*	*
					*	*
					116,342 *	360,290
<i>Total General Capital Fund</i>						

BOROUGH OF PARAMUS

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2021

	Grant number	Grant period	Award Amount	Cash Received/ Revenue Realized	Budgetary Expenditures	MEMO Cumulative Total Expenditures
<u>Other Financial Assistance</u>						
BCUA Recycling Grant			37,542	*	*	36,973
BCUA Recycling Grant			37,542	*	*	
BCUA Recycling Grant			37,542	*	*	
PSE&G - Sustainable New Jersey Grant			2,000	*	*	
State of NJ Library Grant - Ord. 2021-33			507,000	1,593	1,593	1,593
County of Bergen Local Forfeiture Funds - Ord. 2021-42			345,060	*	*	
County of Bergen Imps. To Midland & Forest Ave. Intersection - Ord. 2020-25			397,121	397,121	397,121	397,121
Bergen County Open Space Grant Upgrades to Petruska Park - Ord. 2020-25	03-200-56-130-910	2020	127,000	*	*	
<i>Total Other Financial Assistance</i>						
				\$ 279,308	398,714	435,687
<i>Total State and Other Financial Assistance</i>				\$ 279,308	620,957	

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

BOROUGH OF PARAMUS, N.J.

Schedule of Cash

Current Fund

Year Ended December 31, 2021

		Current <u>Fund</u>
Balance - December 31, 2020	\$	28,671,328
Increased by Receipts:		
Nonbudget Revenue	441,688	
Taxes Receivable	163,664,249	
Special Emergency Note	2,000,000	
Emergency Note	780,000	
Revenue Accounts Receivable	12,702,070	
Tax Anticipation Notes	20,000,000	
Due from State - Senior Citizen and Veteran Deductions	165,750	
Marriage License/Domestic Partnerships Fees	3,600	
DCA Fees	170,350	
Tax Overpayments	210,812	
Prepaid Taxes	868,602	
Grants Receivable	619,652	
Interfunds	2,111,220	
Unappropriated Reserves	<u>1,800,524</u>	
		<u>205,538,517</u>
		234,209,845
Decreased by Disbursements:		
Current Year Budget Appropriations	69,935,800	
Tax Anticipation Notes	20,000,000	
Special Emergency Notes	2,000,000	
Emergency Notes	1,580,000	
Interfunds	2,558,387	
Tax Overpayments	128,165	
Appropriation Reserves	1,389,291	
Marriage License/Domestic Partnerships Fees	3,875	
DCA Fees	175,073	
Local District School Taxes	83,261,832	
County Taxes Payable	25,120,056	
Prior Year Refunds	<u>12,549</u>	
		<u>206,165,028</u>
Balance - December 31, 2021	\$	<u><u>28,044,817</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of Cash

Federal and State Grant Fund

Year Ended December 31, 2021

		Federal and State Grant <u>Fund</u>
Balance - December 31, 2020	\$	402,233
Increased by Receipts:		
Unappropriated Grants Received	\$	50,565
Interfund - Due to Current		424,172
		<u>474,737</u>
		876,970
Decreased by Disbursements:		
Grant Disbursements		115,901
Interfund - Due to Current		708
		<u>116,609</u>
Balance - December 31, 2021	\$	<u><u>760,361</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	<u>450</u>
Balance - December 31, 2021	\$	<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, 2021

Balance - December 31, 2020		\$	(6,464)
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	17,250	
Veterans' Deductions Per Tax Billing		142,500	
Senior Citizen's and Veteran's Allowed - 2021		<u>4,250</u>	
			<u>164,000</u>
			157,536
Decreased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash	\$	165,750	
Senior Citizen's and Veteran's Disallowed - 2021		<u>1,509</u>	
			<u>167,259</u>
Balance - December 31, 2021		\$	<u><u>(9,723)</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2021

Year	Balance, Dec. 31, 2020	Levy	Added Taxes	Collected 2021	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2021
2020	1,262,600			1,260,992			1,608	
	1,262,600			1,260,992			1,608	
2021		165,099,542	225,606	162,597,052	162,491	458	485,155	1,104,873
	\$ 1,262,600	165,099,542	225,606	163,858,044	162,491	458	486,763	1,104,873

Cash Receipts \$	163,664,249
Overpayments Applied	193,795
	\$ 163,858,044

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 165,099,542
Added Tax (R.S. 54:4-63.1 et seq.)	225,606
	\$ 165,325,148

Tax Levy:	
Local District School Tax	\$ 83,261,834
County Tax	\$ 24,081,393
County Open Space Preservation	998,877
County Added and Omitted Taxes	34,520
	25,114,790

Local Tax for Municipal Purposes	\$ 56,768,026
Add: Additional Taxes Levied	180,498
	\$ 56,948,524

Local Tax for Municipal Purposes	\$ 56,948,524
	\$ 165,325,148

Exhibit A-9

BOROUGH OF PARAMUS, N.J.

Schedule of Tax Title Liens Receivable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	5,548
Increased by:		
Transfer from Taxes Receivable		<u>458</u>
Balance - December 31, 2021	\$	<u><u>6,006</u></u>

Exhibit A-10

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

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	<u>23,978</u>
Balance - December 31, 2021	\$	<u><u>23,978</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Accrued</u>	<u>Collected</u>	Balance <u>Dec. 31, 2021</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	99,105	99,105	
Other		819,317	819,317	
Fees and Permits		587,513	587,513	
Municipal Court :				
Fines and Costs	20,051	300,847	294,218	26,680
Interest and Costs on Taxes		295,829	295,829	
Interest on Investments and Deposits		56,241	56,241	
Energy Receipts Tax		4,056,309	4,056,309	
Uniform Construction Code Fees		1,968,786	1,968,786	
Interlocal Service Agreements				
Woodcliff Lake - Tax Assessor		17,500	17,500	
Maywood Borough - Municipal Court		100,390	100,390	
Vehicle Maintenance		591,963	591,963	
Sale of Gasoline		55,987	55,987	
Traffic Light Repairs		3,790	3,790	
Street Sweeping & Snow Plowing		114,498	114,498	
Dumping Fees - Board of Education		10,192	10,192	
Leonia - Chief Financial Officer		46,900	46,900	
South Hackensack - DPW Superintendent		23,437	23,437	
Maywood Borough - Sewer Collection Flow		38,521	38,521	
Uniform Fire Safety Act		172,115	172,115	
Sewer User Charges		940,560	940,560	
Sanitary Sewer Tie-In (River Edge Borough)		188,217	188,217	
Hotel Occupancy Tax		335,344	335,344	
Ambulance Fees		1,037,307	1,037,307	
Cable TV Franchise Fee - Cablevision		182,372	182,372	
Cable TV Franchise Fee - Verizon FIOS		159,930	159,930	
Library PERS Reimbursement		255,429	255,429	
Interfund Loans Returned - General Capital Fund		775,000	775,000	
PSEG Easment Agreement		28,058	28,058	
PILOT - State of New Jersey		62,887	62,887	
Recycling Revenue		159,355	159,355	
	<u>\$ 20,051</u>	<u>13,483,699</u>	<u>13,477,070</u>	<u>26,680</u>
		Interfunds \$ 775,000		
		Cash 12,702,070		
		<u>\$ 13,477,070</u>		

BOROUGH OF PARAMUS, N.J.

Tax Anticipation Note Payable

Current Fund

Year Ended December 31, 2021

<u>Amount of Original Note</u>	<u>Date of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Increased in 2021</u>	<u>Decreased in 2021</u>	<u>Balance, Dec. 31, 2021</u>
20,000,000	Jul. 9, 2020	April 29, 2021	April 29, 2022	1.00%	20,000,000	20,000,000	20,000,000	20,000,000
					\$ 20,000,000	20,000,000	20,000,000	20,000,000

BOROUGH OF PARAMUS, N.J.

Special Emergency Note Payable

Current Fund

Year Ended December 31, 2021

<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>Balance, Dec. 31, 2020</u>	<u>Increased in 2021</u>	<u>Decreased in 2021</u>	<u>Balance, Dec. 31, 2021</u>
21-1 SEN	Dec. 31, 2020	Dec. 31, 2021	Dec. 15, 2022	0.40%	\$ 2,000,000	2,000,000	2,000,000	2,000,000
					\$ 2,000,000	2,000,000	2,000,000	2,000,000

Emergency Note Payable

Current Fund

Year Ended December 31, 2021

<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>Balance, Dec. 31, 2020</u>	<u>Increased in 2021</u>	<u>Decreased in 2021</u>	<u>Balance, Dec. 31, 2021</u>
20-01 EN	Dec. 31, 2020				\$ 1,580,000		1,580,000	780,000
21-1EN	Dec. 31, 2021	Dec. 31, 2021	Dec. 15, 2022	0.46%		780,000		780,000
					\$ 1,580,000	780,000	1,580,000	780,000

BOROUGH OF PARAMUS, N.J.

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

Current Fund

Year Ended December 31, 2021

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Balance,</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>Dec. 31,</u>	<u>Dec. 31,</u>
			<u>Authorized</u>	<u>2020</u>	<u>2021</u>
Dec. 31, 2020	COVID-19 Revenue Losses	1,059,250	211,859	\$ 1,059,295	1,059,295
				<u>\$ 1,059,295</u>	<u>1,059,295</u>

BOROUGH OF PARAMUS, N.J.

Schedule of Deferred Charges

Current Fund

December 31, 2021 and 2020

	Balance, Dec. 31, 2020	Increased	Decreased by: Budget Appropriation	Balance, Dec. 31, 2021
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	
Board of Health - Other Expenses		30,000		30,000
Legal Fees		400,000		400,000
Workers' Compensation Insurance		350,000		350,000
Deficit in Operations	<u>1,560</u>		<u>1,560</u>	
	\$ <u>1,581,560</u>	<u>780,000</u>	<u>1,581,560</u>	<u>780,000</u>

BOROUGH OF PARAMUS, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2021

<u>Fund</u>	Due from/(to) Balance Dec. 31, 2020	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance Dec. 31, 2021
Federal and State Grant Fund	\$ (423,453)	424,172	2,420,884	(2,420,165)
Golf Course Utility:				
Operating	1,121	5,806	1,121	5,806
Capital	(823,478)	823,478	11,744	(11,744)
General Capital Fund	784,160	952,665	1,552,680	184,145
Swimming Pool Utility:				
Operating	(240,000)	290,000	37,454	12,546
Trust Funds				
Animal License Trust Fund	85,313	8,389	85,313	8,389
Special Trust Fund	413,572	45,267	610,863	(152,024)
Escrow Trust Fund	12,557	1,039	12,557	1,039
Affordable Housing Trust	(24,350)	24,350		
Unemployment Trust Fund	3	55	11,702	(11,644)
Property Self-Insurance Trust Fund	9	98	107	
Recreation Trust Fund	81	529	648	(38)
DEA Federal Forfeiture	2,596		2,596	
	<u>\$ (211,869)</u>	<u>2,575,848</u>	<u>4,747,669</u>	<u>(2,383,690)</u>
Due to Current Fund	1,299,412	1,063,848	2,151,335	211,925
Due from Current Fund	<u>(1,511,281)</u>	<u>1,512,000</u>	<u>2,596,334</u>	<u>(2,595,615)</u>
	<u>\$ (211,869)</u>	<u>2,575,848</u>	<u>4,747,669</u>	<u>(2,383,690)</u>
Cash Disbursements	\$ 2,558,387			
Cash Receipts			2,111,220	
Interest on Investments		9,072	6,924	
Statutory Excess		8,389		
Budget Appropriations			11,649	
Grants Receivable			619,652	
Unappropriated Grant Reserves			1,800,524	
Reimbursement for Expenditures			4,300	
Correction to Prior Year Premium Balance			193,400	
		<u>\$ 2,575,848</u>	<u>4,747,669</u>	

BOROUGH OF PARAMUS, NJ

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 3,053	1,091		1,091
Municipal Clerk	2,293	93		93
Financial Administration	2,218	18		18
Central Equipment and Data Processing	2,571	71		71
Division of Revenue	4,499	99		99
Tax Assessment	2,799	99		99
Planning Board	76	76		76
Zoning Board	242	242		242
Public Buildings and Grounds	4,398	4,398		4,398
Vehicle Maintenance	164,270	164,270		164,270
Road Repair and Maintenance	6,796	6,796		6,796
Shade Tree	10,941	10,941		10,941
Solid Waste	173,701	173,701		173,701
Police Department	7,582	7,582		7,582
Police Dispatch/911	11,605	11,605		11,605
Emergency Management Services	1,207	1,207		1,207
Rescue Squad	200	200		200
Fire Department	300	300		300
Ambulance Corp	13,268	13,268		13,268
Uniform Fire Safety Act	2,595	2,591		2,591
Health Department	3,495	3,495		3,495
Municipal Court	2,129	2,129		2,129
Public Assistance	1,251	1,251		1,251
Recreation	2,577	2,577		2,577
Senior Citizen Center	1,828	1,828		1,828
Construction Officials	1,125	1,125		1,125
Total Salaries and Wages Within "CAPS"	<u>427,019</u>	<u>411,053</u>		<u>411,053</u>
Other Expenses Within "CAPS":				
General Administration	993	1,086	330	756
Grant Consultant	4,000	4,000	3,500	500
Mayor and Council	158	158		158
Municipal Clerk	1,681	1,681	1,451	230
Financial Administration	100	4,370	4,370	
Central Equipment and Data Processing	4,794	17,202	13,543	3,659
Revenue Administration	5	605	592	13
Tax Assessment	10	250		250
Legal Services	63,523	146,723	145,676	1,047
Engineering Services and Costs	488	6,989	6,986	3
Planning Board	3,515	5,485	5,476	9

BOROUGH OF PARAMUS, NJ

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Police	21,070	59,968	32,639	27,329
Police Disptach/911	1,020	10,538	8,491	2,047
Emergency Management Services	5,484	30,558	19,495	11,063
Rescue Squad	6,257	9,306	7,887	1,419
Fire Department	3,878	19,536	16,658	2,878
Uniform Fire Safety Act	1,283	3,387	2,267	1,120
Ambulance Corps	1,658	17,454	16,714	740
Municipal Court	4,289	4,758	469	4,289
Insurance:				
General Liability	82,971	159,115	60,085	99,030
Other Insurance	40,000	40,000		40,000
Vision Insurance (Self)	22,058	25,159	4,653	20,506
JIF Workers Compensation	5,942	5,942		5,942
Self Workers Compensation	214,126	214,126	15	214,111
Liability Insurance (Self)	30	30		30
Unemployment	12,000	12,000	12,000	
Employee Group Health	349,456	270,972	77,327	193,645
Road Repair and Maintenance	12,144	206,275	200,746	5,529
Shade Tree	816	8,713	8,607	106
Solid Waste Collection	24,550	26,211	1,716	24,495
Public Grounds and Buildings	19,135	49,368	46,433	2,935
Vehicle Maintenance	2,110	268,418	236,270	32,148
Health Services	20,130	21,601	7,114	14,487
Animal Control	540	6,100	6,060	40
Public Assistance	217	288	71	217
Recreation	393	5,910	5,516	394
Senior Citizens	1,148	1,335	188	1,147
Construction Code Official	741	741		741
Gasoline	9,651	19,684	18,599	1,085
Diesel Fuel	18,003	38,402	23,063	15,339
Electricity & Natural gas	63,867	63,867	61,624	2,243
Telephone	1,405	9,843	9,805	38
Street Lighting	9,446	9,446		9,446
Fire Hydrant Service	10,994	10,994		10,994
Water	6,361	6,361	4,116	2,245
Outside Fuel Agreements	20,000	20,000		20,000
Landfill/ Solid Waste Disposal	34,781	34,781		34,781
Landfill/ Solid Waste Disposal - Vegetative Waste	48,737	93,037	92,971	66
Total Other expenses Within "CAPS"	1,155,958	1,972,773	1,163,523	809,250

BOROUGH OF PARAMUS, NJ

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security System (O.A.S.I.)	4,338	4,338		4,338
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>4,338</u>	<u>4,338</u>		<u>4,338</u>
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	191,217	191,217	191,217	
Sewerage Processing and Disposal - Debt Service				
Interlocal Health Service Agreements:				
Landfill/Solid Waste Disposal - Board of Education	21,600	21,600		21,600
Salaries & Wages - Municipal Court - Maywood	1,183	1,183		1,183
Mechanical Maintenance - Salaries and Wages	10,000	10,000		10,000
Mechanical Maintenance - Other Expenses	874	34,575	34,551	24
Total Other Expenses Excluded from "CAPS"	<u>224,874</u>	<u>258,575</u>	<u>225,768</u>	<u>32,807</u>
 Total Reserves	 <u>\$ 1,812,189</u>	 <u>2,646,739</u>	 <u>1,389,291</u>	 <u>1,257,448</u>
		Appropriation Reserves Encumbrances		
		1,812,189 <u>834,550</u>		
		<u>\$ 2,646,739</u>		
			Cash Disbursed \$	<u>1,389,291</u>

BOROUGH OF PARAMUS, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	834,550
Increased by:		
Transferred from Current Year Budget		<u>1,345,313</u>
		2,179,863
Decreased by:		
Transferred to Appropriation Reserves		<u>834,550</u>
Balance - December 31, 2021	\$	<u><u>1,345,313</u></u>

Schedule of Marriage License/Domestic Partnership Fees Payable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	1,475
Increased by:		
Cash Receipts		<u>3,600</u>
		5,075
Decreased by:		
Cash Disbursements		<u>3,875</u>
Balance - December 31, 2021	\$	<u><u>1,200</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of DCA Fees Payable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$ 27,446
Increased by:	
Cash Receipts	<u>170,350</u>
	197,796
Decreased by:	
Cash Disbursements	<u>175,073</u>
Balance - December 31, 2021	<u><u>\$ 22,723</u></u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$ 39,786
Increased by:	
2021 Levy	\$ 24,081,393
2021 Open Space	998,877
2021 Added Assessments	<u>34,520</u>
	<u>25,114,790</u>
	25,154,576
Decreased by:	
Payments	<u>25,120,056</u>
Balance - December 31, 2021	<u><u>\$ 34,520</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of Local School District Tax Payable

Current Fund

Year Ended December 31, 2021

Increased by:	
2021 Levy	\$ <u>83,261,834</u>
Decreased by:	
Payments	<u>83,261,832</u>
Balance - December 31, 2021	\$ <u><u>2</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	17,055
Increased by:			
Tax Overpayments Received	\$	210,812	
Transfer from Fund Balance		<u>115,494</u>	
			<u>326,306</u>
			343,361
Decreased by:			
Cash Disbursements	\$	128,165	
Applied to Taxes Receivable		<u>193,795</u>	
			<u>321,960</u>
Balance - December 31, 2021		\$	<u><u>21,401</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	975,119
Increased by:		
Collections		<u>868,602</u>
		1,843,721
Decreased by:		
Applied to 2021 Taxes Receivable		<u>975,119</u>
Balance - December 31, 2021	\$	<u><u>868,602</u></u>

BOROUGH OF PARAMUS, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Current Fund	\$ 423,453	2,420,884	424,172	2,420,165
	<u>\$ 423,453</u>	<u>2,420,884</u>	<u>424,172</u>	<u>2,420,165</u>
Due to Federal and State Grant Fund	\$ 423,453	2,420,884	424,172	2,420,165
	<u>\$ 423,453</u>	<u>2,420,884</u>	<u>424,172</u>	<u>2,420,165</u>
	Cash Receipts \$		423,453	
	Grants Receivable	619,652		
	Unappropriated Grants	1,800,524		
	Interest - Disbursed	708		
	Interest - Earned		719	
		<u>\$ 2,420,884</u>	<u>424,172</u>	

BOROUGH OF PARAMUS, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, <u>2020</u>	2021 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2021</u>
Clean Communities Grant	\$	47,516	47,516	
Recycling Tonnage Grant		144,982	144,982	
Safe and Secure Communities		60,000	60,000	
Alcohol Education and Rehabilitation		1,500	1,500	
Emergency Management		10,000	10,000	
BCUA Grant		37,542	37,542	
Sustainable New Jersey		2,000	2,000	
FEMA - COVID 19	<u>685,947</u>	<u> </u>	<u>619,652</u>	<u>66,295</u>
	<u>\$ 685,947</u>	<u>303,540</u>	<u>923,192</u>	<u>66,295</u>
Adopted Budget \$		<u>303,540</u>		
		Cash Receipts - Current Fund	619,652	
		Unappropriated Grants	<u>303,540</u>	
			<u>\$ 923,192</u>	

BOROUGH OF PARAMUS, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, <u>2020</u>	Transfer From 2021 <u>Budget</u>	<u>Expended</u>	Balance, Dec. 31, <u>2021</u>
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	69,553		15,340	54,213
Clean Communities Program - 2017	42,449			42,449
Clean Communities Program - 2018	21,458			21,458
Clean Communities Program - 2019		47,516		47,516
Drunk Driving Enforcement Fund	10,743			10,743
Drunk Driving Enforcement Fund - 2017	5,336			5,336
Solid Waste Admin - Public Space Recycling	3,962			3,962
State Forestry Services - No Net Loss Grant - 2017	108,900			108,900
State Forestry Services - No Net Loss Grant - 2018	665			665
State Forestry Services - Green Communities - 2016	2,125			2,125
State Forestry Services - Green Communities - 2017	20,000			20,000
Drunk Driving Enforcement Fund	18,861		1,584	17,277
Recycling Tonnage Grant	471,533		131,551	339,982
Recycling Tonnage Grant	130,864			130,864
Recycling Tonnage Grant - 2017	148,374			148,374
Recycling Tonnage Grant - 2019		144,982		144,982
Safe and Secure Communities	65,000		30,870	34,130
Safe and Secure Communities - 2020		60,000		60,000
Alcohol Education and Rehabilitation	161			161
Alcohol Education and Rehabilitation - 2020		1,500		1,500
Distracted Driving	5,500			5,500
Drive Sober or Get Pulled Over	5,500			5,500
Emergency Management Grant	10,000		10,000	
Emergency Management Grant - 2020		10,000		10,000
BCUA Grant	569			569
BCUA Grant	3,000			3,000
BCUA Grant		37,542		37,542
Body Armor Replacement	8,690			8,690
Municipal Alliance	12,260		6,011	6,249
Sustainable New Jersey Grant		2,000		2,000
	<u>\$ 1,195,346</u>	<u>303,540</u>	<u>195,356</u>	<u>1,303,530</u>
		Budget \$ <u>303,540</u>		

Encumbrances \$	79,455
Cash Disbursements - Federal and State Grant Fund	<u>115,901</u>
	<u>\$ 195,356</u>

BOROUGH OF PARAMUS, N.J.

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year Ended December 31, 2021

Increased by:

Transferred from Appropriated Grant Reserves \$ 79,455

Balance - December 31, 2021 \$ 79,455

BOROUGH OF PARAMUS, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, 2020	Transfer To 2021 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, 2021
NJ Clean Communities	\$ 47,516	47,516	50,565	50,565
Recycling Tonnage Aid	144,982	144,982	190,034	190,034
Municipal Alliance	4,273			4,273
Alcohol Education and Rehabilitation	1,500	1,500		
Distracted Driving			11,520	11,520
Drive Sober or Get Pulled Over			5,100	5,100
Emergency Management	10,000	10,000	10,000	10,000
Click It or Ticket			6,000	6,000
BCUA Grant	37,542	37,542		
Strengthening Public Health Capacity			164,654	164,654
Body Armor Replacement Grant	8,474		6,209	14,683
Safe and Secure	60,000	60,000	32,500	32,500
Sustainable NJ	2,000	2,000		
American Rescue Plan			1,374,507	1,374,507
	<u>\$ 316,287</u>	<u>303,540</u>	<u>1,851,089</u>	<u>1,863,836</u>
		Cash Receipts	50,565	
		Cash Receipts - Due from Current Fund	1,800,524	
			<u>\$ 1,851,089</u>	

BOROUGH OF PARAMUS

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2021

	Animal Trust <u>Fund</u>	Other Trust <u>Fund</u>
Balance - December 31, 2020	\$ <u>93,443</u>	<u>9,307,542</u>
Increase by Receipts:		
Interfunds		30,037
Due to the State of New Jersey	1,174	
Reserve for Expenditures	<u>8,540</u>	<u>8,374,900</u>
Total Receipts	<u>9,714</u>	<u>8,404,937</u>
	<u>103,157</u>	<u>17,712,479</u>
Decreased by Disbursements:		
Interfunds	85,313	433,423
Due to the State of New Jersey	1,163	30,330
Reserve for Expenditures		<u>6,345,588</u>
Total Disbursements	<u>86,476</u>	<u>6,809,341</u>
Balance - December 31, 2021	\$ <u><u>16,681</u></u>	<u><u>10,903,138</u></u>

BOROUGH OF PARAMUS

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

Animal License Trust Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	69
Increased by:		
State Fees Collected		<u>1,174</u>
		1,243
Decreased by:		
Paid to State		<u>1,163</u>
Balance - December 31, 2021	\$	<u><u>80</u></u>

BOROUGH OF PARAMUS

Schedule of Interfunds Receivable/(Payable)

Trust Funds

Year Ended December 31, 2021

	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Animal Control Trust				
Current Fund	\$ (85,313)	85,313	8,389	(8,389)
Total Animal Control Trust	<u>(85,313)</u>	<u>85,313</u>	<u>8,389</u>	<u>(8,389)</u>
Special Trust Fund:				
Current Fund:	(413,572)	610,863	45,267	152,024
Affordable Housing Trust	24,350		24,350	
Escrow Trust Fund	(12,557)	12,557	1,039	(1,039)
Property Self-Insurance Trust Fund	(9)	106	97	
Unemployment Insurance Compensatio Trust	(3)	11,702	55	11,644
Recreation Trust Fund	(81)	648	529	38
DEA Federal Forfeiture	(2,596)	2,596		
	<u>(404,468)</u>	<u>638,472</u>	<u>71,337</u>	<u>162,667</u>
	<u>\$ (489,781)</u>	<u>723,785</u>	<u>79,726</u>	<u>154,278</u>
Due to Current Fund \$	(514,131)	514,228	9,525	(9,428)
Due from Current Fund	<u>24,350</u>	<u>209,557</u>	<u>70,201</u>	<u>163,706</u>
	<u>\$ (489,781)</u>	<u>723,785</u>	<u>79,726</u>	<u>154,278</u>
Cash Receipts - Interest on Investments \$			5,687	
Cash Receipts			24,350	
Reimburse Current for Expenditures made			41,300	
Deferred Charge - Budget Appropriation		11,649		
Deposit errors		193,400		
Cash Disbursements		518,736		
Statutory Excess			<u>8,389</u>	
		<u>\$ 723,785</u>	<u>79,726</u>	

BOROUGH OF PARAMUS
Schedule of Due to State of New Jersey -
Unemployment Compensation Insurance Fund
Trust Funds
Year Ended December 31, 2021

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

BOROUGH OF PARAMUS

Schedule of Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2021

Balance - December 31, 2020		\$	8,061
Increased by:			
Dog License Fees	\$	7,527	
Cat License Fees		843	
Miscellaneous Revenue:			
Interest Earnings		<u>170</u>	
			<u>8,540</u>
			16,601
Decreased by:			
Statutory Excess Due to Current Fund			<u>8,389</u>
Balance - December 31, 2021		\$	<u><u>8,212</u></u>

Animal License Fees Collected

	<u>Year</u>	
	2019	5,458
	2020	<u>2,754</u>
Maximum Reserve		<u><u>8,212</u></u>

BOROUGH OF PARAMUS

Schedule of Various Reserves and Deposits

Trust Funds

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2021</u>
Affordable Housing Expenditures	\$ 712,516	432,818	104,335	1,040,999
Affordable Housing Rehabilitation	361,422	17,013	12,638	365,797
COAH	252,796	579		253,375
Department of Justice - Federal Forfeiture	169,376	678,204	288,785	558,795
Developers Escrow	1,081,710	85	315,461	766,334
Donations N.J.S.A. 40A:5-29	39,233	8,173		47,406
Donations N.J.S.A. 40A:5-29 - July 4th		125,728	91,124	34,604
Donations N.J.S.A. 40A:5-29 - Cultural Arts	50,796		25,200	25,596
Donations N.J.S.A. 40A:5-29 - Celebration - Winter Wonderland	15,070			15,070
Donations N.J.S.A. 40A:5-29 - Celebration - Farmer's Market	39,751	6,840	5,795	40,796
Donations N.J.S.A. 40A:5-29 - Adopt a Bench	5,820	2,438	1,922	6,336
Donations N.J.S.A. 40A:5-29 - National Night	2,328	1,450	2,879	899
Donations N.J.S.A. 40A:5-29 - Police Vests	25,081	24,902	26,975	23,008
Donations N.J.S.A. 40A:5-29 - Shade Tree	247,635	79,119	82,512	244,242
Donations N.J.S.A. 40A:5-29 - Veterans Memorial	15,990	250	163	16,077
Donations N.J.S.A. 40A:5-29 - Volunteers	72,062	275		72,337
Escrow Reserves - Accutrack	2,834,211	944,675	809,632	2,969,254
FSA Expenditures	26,820	16,750	13,134	30,436
General Escrow	433,569	144,073	69,500	508,142
Lead Program	85,572	170,969	23,140	233,401
Outside Employment - Off Duty Municipal	451,208	3,614,242	2,852,182	1,213,268
POAA	12,719	246		12,965
Recreation	255,597	359,950	392,235	223,312
Recycling Program	9,011	154,600	42,574	121,037
Recycling Program	31			31
Self Insurance - General Liability	9,179	160,066	163,458	5,787
Self Insurance - Property	53,558			53,558
Senior Citizens Recreation Activities	46,968		4,196	42,772
Shade Tree	1,133,584	176,238	134,360	1,175,462
Substance Abuse	2,109			2,109
TTL Premiums	358,600	741,600	275,300	824,900
Uniform Fire Safety	64,459	11,300	7,682	68,077
Unemployment Insurance Compensation	(11,649)	71,424	1,315	58,460
Workers Compensation	15,612	635,942	640,391	11,163
	<u>\$ 8,872,744</u>	<u>8,579,949</u>	<u>6,386,888</u>	<u>11,065,805</u>

Cash Receipts	\$ 8,374,900	
Cash Disbursements		6,345,588
Unemployment Claims Payable		
Interfunds	<u>205,049</u>	<u>41,300</u>
	<u>\$ 8,579,949</u>	<u>6,386,888</u>

BOROUGH OF PARAMUS

Schedule of Cash

General Capital Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	122,241
Increased by Receipts:			
Bond Anticipation Notes	\$	7,027,000	
Interfunds		952,665	
Capital Improvement Fund		<u>350,000</u>	
			<u>8,329,665</u>
			8,451,906
Decreased by Disbursements:			
Improvement Authorizations		1,961,916	
Encumbrances Payable		169,924	
Interfunds		<u>790,153</u>	
			<u>2,921,993</u>
Balance - December 31, 2021		\$	<u><u>5,529,913</u></u>

BOROUGH OF PARAMUS

Analysis of Cash

General Capital Fund

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2021</u>
Fund Balance	\$ 156,027
Grants Receivable	(2,396,121)
Reserve for Payment of Debt	262,500
Reserve for Grants Receivable	610,000
Capital Improvement Fund	164,229
Encumbrances Payable	2,188,703
Interfunds Payable	184,145
Improvement Authorizations:	
<u>Ordinance</u>	
<u>Number</u>	<u>Improvement Description</u>
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 35,024
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 1,432,625
2019-12	Various Public Improvements 145,708
2020-25	Various Public Improvements 1,131,173
2021-33	Various Capital Improvements 4,631,410
2021-42	New Additional or Replacement Equipment/ Machinery & New Vehicle for EMS (574,750)
	<u>\$ 5,529,913</u>

BOROUGH OF PARAMUS

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

General Capital Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$ 26,730,000
Decreased by:	
Current year Budget Appropriations:	
Serial Bonds	<u>3,230,000</u>
Balance - December 31, 2021	<u>\$ 23,500,000</u>

BOROUGH OF PARAMUS

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Decreased	Balance Dec. 31, 2021	Analysis of Balance		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
	<u>General Improvements:</u>							
Prior		2,540,313			2,540,313		2,540,313	
2018-07	Various Public Improvements	5,470,853		128,000	5,342,853	5,342,853		
2019-12	Various Public Improvements	2,040,600			2,040,600	2,039,147		1,453
2019-01	Housing Loan	2,000,000		2,000,000				
2020-25	Various Public Improvements	1,653,500			1,653,500	1,653,500		480,000
2021-33	Various Capital Improvements		6,460,000		6,460,000	5,980,000		
2021-42	New Additional or Replacement Equipment/ Machinery & New Vehicle for EMS		699,750		699,750		574,750	125,000
		<u>\$ 13,705,266</u>	<u>7,159,750</u>	<u>2,128,000</u>	<u>18,737,016</u>	<u>15,015,500</u>	<u>3,115,063</u>	<u>606,453</u>

Paydown on Bond Anticipation Notes \$ 128,000
 Note Paid by Affordable Housing Corp. 2,000,000

Paydown on Bond Anticipation Notes \$ 2,128,000

Improvement Authorizations - Unfunded \$ 7,947,369
 Less: Unexpended proceeds of Bond Anticipation Notes
 Ordinance:
 2018-07 1,432,625
 2019-12 145,708
 2020-25 1,131,173
 2021-33 4,631,410

7,340,916
 \$ 606,453

BOROUGH OF PARAMUS
Statement of Overexpenditure of
Improvement Authorizations
General Capital Fund
Year Ended December 31, 2021

Balance - December 31, 2020	\$ <u>24,131</u>
Decreased by:	
Reallocation of Improvement Authorizations	\$ <u><u>24,131</u></u>

BOROUGH OF PARAMUS
Schedule of Grants/Contributions Receivable

General Capital Fund

Year Ended December 31, 2021

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Original Grant Award</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Awards</u>	<u>Balance Dec. 31, 2021</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>					
2020-25	Imps. To Midland & Forest Ave. Intersection	750,000	350,000		350,000
2021-33	Midland Avenue, Section 2	205,000		205,000	205,000
2021-33	Midland Avenue, Section 3	200,000		200,000	200,000
<u>Bergen County Open Space Trust Fund</u>					
2020-25	Upgrades at Petruska Park	127,000	127,000		127,000
<u>NJ Department of Law and Public Safety</u>					
2021-42	Body Worn Cameras	264,940		264,940	264,940
<u>NJ Library Construction Bond Act Program</u>					
2021-33	Renovations to Children's Library	507,000		507,000	507,000
<u>County of Bergen Forfeiture Funds</u>					
2021-42	Body Worn Cameras	345,060		345,060	345,060
		\$ 874,121		1,522,000	2,396,121

BOROUGH OF PARAMUS

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2021

	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Current Fund	\$ <u>(784,160)</u>	<u>1,552,680</u>	<u>952,665</u>	<u>(184,145)</u>
	\$ <u>(784,160)</u>	<u>1,552,680</u>	<u>952,665</u>	<u>(184,145)</u>
<u>Analysis</u>				
Due from General Capital Fund	\$ <u>(784,160)</u>	<u>1,552,680</u>	<u>952,665</u>	<u>(184,145)</u>
	\$ <u>(784,160)</u>	<u>1,552,680</u>	<u>952,665</u>	<u>(184,145)</u>
			Cash Receipts \$ 952,665	
		Cash Disbursements 790,153		
		Bond Anticipation Note Proceeds 606,500		
		Premium on Bond Anticipation Notes 156,027		
		\$ <u>1,552,680</u>	<u>952,665</u>	

BOROUGH OF PARAMUS

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Decreased	Balance Dec. 31, 2021	
			Date	Amount					
Refunding Pension Bonds	March 1, 2003	2,395,000			\$	330,000	330,000		
General Improvement Bonds	February 15, 2018	30,800,000	Feb. 15, 2022	2,900,000	2.000%	26,400,000	2,900,000	23,500,000	
			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%					
						\$	<u>26,730,000</u>	<u>3,230,000</u>	<u>23,500,000</u>
							Budget Appropriations		<u>3,230,000</u>

BOROUGH OF PARAMUS

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2020		2021 Authorizations	Paid or Charged	Balance Dec. 31, 2021	
				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		2,438,500	32,400			(2,624)	35,024	
17-06	Supplement to #15-19	Oct. 18, 2016		65,762			24,131	41,631	
17-10	Various Public Improvements			1,362				1,362	
17-24	Supplement to #16-13			12,587				12,587	
18-07	Various Public Improvements	April 24, 2018	5,943,000		1,544,222		111,597		1,432,625
19-12	Various Public Improvements	June 27, 2019	2,148,000		245,661		98,500		147,161
2020-25	Various Public Improvements	Oct. 7, 2020	2,614,000		222,229		744,556		1,131,173
2021-33	Various Capital Improvements	Au. 25, 2021	7,700,000		1,653,500	7,700,000	2,588,590		5,111,410
2021-42	New Additional or Replacement Equipment/ Machinery & New Vehicle for EMS	Oct. 12, 2021	735,000			735,000	610,000		125,000
				\$ 378,313	\$ 3,443,383	\$ 8,435,000	\$ 4,174,750	\$ 134,577	\$ 7,947,369

Capital Improvement Fund \$	363,250
Grants Receivable	912,000
Deferred Charges - Unfunded	7,159,750
	\$ 8,435,000

Reallocate Prior Year Deferred Charges \$	24,131
Encumbrances Payable	2,188,703
Cash Disbursements	1,961,916
	\$ 4,174,750

BOROUGH OF PARAMUS
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2021

Balance - December 31, 2020	\$	177,479
Increased by:		
Budget Appropriation		350,000
		527,479
Decreased by:		
Appropriated to Finance Improvement Authorizations		363,250
Balance - December 31, 2021	\$	164,229

Schedule of Reserve for Payment of Debt
General Capital Fund
Year Ended December 31, 2021

Balance - December 31, 2020	\$	262,500
Balance - December 31, 2021	\$	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, 2021

Balance - December 31, 2020	\$	169,924
Increased by:		
Charges to Improvement Authorizations		<u>2,188,703</u>
		2,358,627
Decreased by:		
Cash Disbursed		<u>169,924</u>
Balance - December 31, 2021	\$	<u><u>2,188,703</u></u>

BOROUGH OF PARAMUS
Schedule of Reserve for Grants Receivable
General Capital Fund
Year Ended December 31, 2021

Increased by:		
Grant Awards	\$	610,000
Balance - December 31, 2021	\$	610,000

<u>Analysis of Balance:</u>		
Ord. 2021-42, NJ Law & Public Safety	\$	264,940
Ord. 2021-42, Bergen County Forfeiture Funds		345,060
	\$	610,000

BOROUGH OF PARAMUS

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance <u>Dec. 31, 2020</u>	2021 <u>Authorizations</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2021</u>
Prior Year	Unknown	\$ 2,540,313			2,540,313
2019-12	Various Capital Improvements	1,453			1,453
2020-25	Various Capital Improvements	1,653,500		1,653,500	
2021-33	Various Capital Improvements		6,460,000	5,980,000	480,000
2021-42	New Additional or Replacement Equipment/ Machinery & New Vehicle for EMS		<u>699,750</u>		<u>699,750</u>
		<u>\$ 4,195,266</u>	<u>7,159,750</u>	<u>7,633,500</u>	<u>3,721,516</u>
	Improvement Authorizations \$		<u>7,159,750</u>		
					Bond Anticipation Notes Issued \$ <u>7,633,500</u>

BOROUGH OF PARAMUS

Schedule of Cash

Golf Course Utility Fund

Year ended December 31, 2021

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	\$ <u>442,989</u>	<u>291,220</u>
Increased by Receipts:		
Anticipated Revenue	2,941,249	
Bond Anticipation Notes		1,317,000
Interfunds	<u>19,443</u>	<u>824,752</u>
	<u>2,960,692</u>	<u>2,141,752</u>
	3,403,681	2,432,972
Decreased by Disbursements:		
2021 Appropriations	2,326,580	
2020 Appropriation Reserves	42,452	
Interfunds	1,121	19,443
Accrued Interest on Bonds	86,775	
Improvement Authorizations		<u>11,631</u>
	<u>2,456,928</u>	<u>31,074</u>
Balance - December 31, 2021	\$ <u><u>946,753</u></u>	<u><u>2,401,898</u></u>

BOROUGH OF PARAMUS

Analysis of Cash

Golf Course Utility Capital Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2021</u>
Fund Balance	\$ 11,744
Capital Improvement Fund	6,098
Interfunds Receivable	(11,744)
Interfunds Payable	1,274
Improvement Authorizations:	
Ordinance	
<u>Number</u>	<u>General Improvements</u>
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 63,482
16-24	Golf Course Improvements 3,073
17-28	Golf Course Improvements - Concession Stand 997,683
19-13	Golf Course Improvements 41,872
2021-34	Golf Course Improvements <u>1,100,000</u>
	<u>\$ 2,401,898</u>

BOROUGH OF PARAMUS

Schedule of Interfunds

Golf Course Utility Operating Fund

Year ended December 31, 2021

	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Current Fund	\$ (1,121)	1,121	5,806	(5,806)
Golf Course Utility Capital Fund	<u>19,443</u>	<u>1,274</u>	<u>19,443</u>	<u>1,274</u>
	<u>\$ 18,322</u>	<u>2,395</u>	<u>25,249</u>	<u>(4,532)</u>
 <u>Analysis</u>				
Due from Golf Course Utility Operating Fund	\$ (1,121)	1,121	5,806	(5,806)
Due to Golf Course Utility Operation Fund	<u>19,443</u>	<u>1,274</u>	<u>19,443</u>	<u>1,274</u>
	<u>18,322</u>	<u>2,395</u>	<u>25,249</u>	<u>(4,532)</u>
	Cash Receipts \$		19,443	
	Cash Disbursements	1,121		
	Reimbursement for Expense Paid		5,806	
	Interest on Investments	<u>1,274</u>		
		<u>\$ 2,395</u>	<u>25,249</u>	

BOROUGH OF PARAMUS

Schedule of Fixed Capital

Golf Course Utility Capital Fund

Year ended December 31, 2021

<u>Improvements</u>	Balance, Dec. 31, <u>2020</u>	Balance, Dec. 31, <u>2021</u>
Unallocated	\$ 12,961,822	12,961,822
Golf Course Improvements	1,805,302	1,805,302
Acquisition of Property	<u>220,000</u>	<u>220,000</u>
	<u>\$ 14,987,124</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, 2021

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2020	2021 Authorizations	Balance, Dec. 31, 2021
		Date	Amount			
99-14	Golf Course Improvements		\$	14,500		14,500
99-31	Acquisition of Land			11,250		11,250
07-06	Constr/Renovation to Parkway School Field			1,644,310		1,644,310
16-18	Supplemental to #15-37 - Golf Course Improvements			430,000		430,000
16-24	Golf Course Improvements			151,000		151,000
17-28	Golf Course Improvements - Concession Stand			1,100,000		1,100,000
2019-13	Golf Course Improvements		50,000	50,000		50,000
2021-34	Golf Course Improvements	Oct. 16, 2021	1,047,000		1,047,000	1,047,000
				\$ 3,401,060	1,047,000	4,448,060

BOROUGH OF PARAMUS

Schedule of Interfunds

Golf Course Utility Capital Fund

Year ended December 31, 2021

	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Golf Course Utility Operating Fund	\$ (19,443)	19,443	1,274	(1,274)
Current Fund	<u>823,478</u>	<u>11,744</u>	<u>823,478</u>	<u>11,744</u>
	<u>\$ 804,035</u>	<u>31,187</u>	<u>824,752</u>	<u>10,470</u>
<u>Analysis</u>				
Due from Golf Course Utility Capital Fund	(19,443)	19,443	1,274	(1,274)
Due to Golf Course Utility Capital Fund	<u>823,478</u>	<u>11,744</u>	<u>823,478</u>	<u>11,744</u>
	<u>\$ 804,035</u>	<u>31,187</u>	<u>824,752</u>	<u>10,470</u>
			Cash Receipts \$ 823,478	
		Cash Disbursements 19,443		
		Premium on Bond Anticipation Notes 11,744		
		Interest on Investments - Cash Receipts	1,274	
		<u>\$ 31,187</u>	<u>824,752</u>	

BOROUGH OF PARAMUS

Schedule of 2020 Appropriation Reserves

Golf Course Utility - Operating Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance After Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 96,819	96,819		96,819
Other Expenses	<u>52,225</u>	<u>84,172</u>	<u>42,452</u>	<u>41,720</u>
 Total Operating	 <u>\$ 149,044</u>	 <u>180,991</u>	 <u>42,452</u>	 <u>138,539</u>
 Appropriation Reserves		149,044		
Encumbrances		<u>31,947</u>		
		 <u>\$ 180,991</u>		
		Cash Disbursements \$	<u>42,452</u>	

BOROUGH OF PARAMUS
Schedule of Reserve for Encumbrances
Golf Course Utility - Operating Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	31,947
Increased by:		
Transferred from Budget		<u>25,343</u>
		57,290
Decreased by:		
Transferred to Appropriation Reserves		<u>31,947</u>
Balance - December 31, 2021	\$	<u><u>25,343</u></u>

BOROUGH OF PARAMUS
Schedule of Accrued Interest on Bonds
Golf Course Utility - Operating Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	34,003
Increased by:		
Budget Appropriation		83,850
		117,853
Decreased by:		
Cash Disbursements		86,775
Balance - December 31, 2021	\$	31,078

Analysis of Balance

Principal Outstanding <u>Dec. 31, 2021</u>	<u>Period (Days)</u>	Interest <u>Rate</u>	Required <u>Amount</u>
\$ 3,120,000	135	2.00%	\$ <u>31,078</u>

BOROUGH OF PARAMUS
Schedule of Golf Course Utility Serial Bonds
Golf Course Utility - Capital Fund
Year ended December 31, 2021

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2021		Interest rate	Balance, Dec. 31, 2020	Decreased	Balance, Dec. 31, 2021
			Date	Amount				
General Improvement Bonds	Feb. 15, 2018	4,280,000	Feb. 15, 2022	390,000.00	2.00	3,510,000	390,000	3,120,000
			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			
						\$ 3,510,000	390,000	3,120,000
						Paid via Budget Appropriation 390,000		

BOROUGH OF PARAMUS

Schedule of Bond Anticipation Notes Payable

Golf Course Utility - Capital Fund

Year ended December 31, 2021

<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, 2021</u>
2019-13	Golf Course Improvements	June 18, 2021	June 18, 2021	June 17, 2022	0.34%	\$ 50,000	50,000
2020-26	Acquisition of Real Property	June 18, 2021	June 18, 2021	June 17, 2022	0.34%	220,000	220,000
2021-34	Golf Course Improvements	Oct. 15, 2021	Oct. 15, 2021	Oct. 14, 2022	1.50%	1,047,000	1,047,000
						<u>\$ 1,317,000</u>	<u>1,317,000</u>

BOROUGH OF PARAMUS
Schedule of Capital Improvement Fund
Golf Course Utility - Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020		\$ <u>59,098</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>53,000</u>
Balance - December 31, 2021		\$ <u><u>6,098</u></u>

Schedule of Reserve for Amortization
Golf Course Utility - Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020		\$ 14,445,053
Increased by:		
Budget Appropriation - Bonds		<u>390,000</u>
Balance - December 31, 2021		\$ <u><u>14,835,053</u></u>

BOROUGH OF PARAMUS

Schedule of Deferred Reserve for Amortization

Golf Course Utility - Capital Fund

Year ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance, Dec. 31, <u>2020</u>	Balance, Dec. 31, <u>2021</u>
99-14	Golf Course Improvements		\$ 14,500	14,500
99-31	Acquisition of Land		11,250	11,250
07-06	Constr/Renovation to Parkway School Field		85,000	85,000
17-28	Golf Course Improvements - Concession Stand		<u>52,381</u>	<u>52,381</u>
			<u>\$ 163,131</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, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Authorizations</u>	<u>Decreased</u>
2019-13	Golf Course Improvements	\$ 50,000		50,000
2020-26	Acquisition of Property	220,000		220,000
2021-34	Golf Course Improvements		<u>1,047,000</u>	<u>1,047,000</u>
		<u>\$ 270,000</u>	<u>1,047,000</u>	<u>1,317,000</u>
Bond Anticipation Notes Issued \$				<u>1,317,000</u>

BOROUGH OF PARAMUS

Schedule of Cash

Swimming Pool Utility Fund

Year ended December 31, 2021

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	\$ <u>21,052</u>	<u>18,498</u>
Increased by Receipts:		
Anticipated Revenue	571,921	
Miscellaneous Revenue Not Anticipated	24,827	
Interfunds	<u>290,000</u>	<u>42</u>
	<u>886,748</u>	<u>42</u>
	907,800	18,540
Decreased by Disbursements:		
2021 Appropriations	612,080	
2020 Appropriation Reserves	3,750	
Interfunds	37,473	
Accrued Interest on Bonds	18,863	
Improvement Authorizations		<u>10,000</u>
	<u>672,166</u>	<u>10,000</u>
Balance - December 31, 2021	\$ <u><u>235,634</u></u>	<u><u>8,540</u></u>

BOROUGH OF PARAMUS

Analysis of Cash

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

		Balance, Dec. 31, <u>2021</u>
Fund Balance		\$ 14
Interfund Payable		23
Improvement Authorizations:		
<u>Ordinance</u>	<u>General Improvements</u>	
80-19	Improvements to Filtration System	146
14-28	Pool Improvements	<u>8,357</u>
		\$ <u><u>8,540</u></u>

BOROUGH OF PARAMUS

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

Current Fund

Year ended December 31, 2021

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Balance,</u>	<u>Balance,</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>Dec. 31,</u>	<u>Dec. 31,</u>
		<u>Authorized</u>	<u>Authorized</u>	<u>2020</u>	<u>2021</u>
Dec. 1, 2020	COVID-19 Revenue Losses	335,186	67,037	\$ 335,186	\$ 335,186
				<u>335,186</u>	<u>335,186</u>
				\$ 335,186	\$ 335,186

BOROUGH OF PARAMUS

Schedule of Interfunds

Swimming Pool Utility Operating Fund

Year ended December 31, 2021

	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Current Fund	\$ 240,000	37,454	290,000	(12,546)
Swimming Pool Utility Capital Fund	<u>(19)</u>	<u>42</u>	<u> </u>	<u>23</u>
	<u>\$ 239,981</u>	<u>37,496</u>	<u>290,000</u>	<u>(12,523)</u>
 <u>Analysis</u>				
Due to Swimming Pool Utility Capital Fund	\$ (19)	37,473	50,000	(12,546)
Due from Current Fund	<u>240,000</u>	<u>23</u>	<u>240,000</u>	<u>23</u>
	<u>239,981</u>	<u>37,496</u>	<u>290,000</u>	<u>(12,523)</u>
 Cash Receipts \$ 290,000				
Cash Disbursements 37,473				
Interest on Investments <u>23</u>				
		<u>\$ 37,496</u>	<u>290,000</u>	

BOROUGH OF PARAMUS

Schedule of Fixed Capital

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

<u>Improvement Description</u>	Balance, Dec. 31, <u>2020</u>	Balance, Dec. 31, <u>2021</u>
Swim Pool Improvements	\$ <u>3,372,780</u>	<u>3,372,780</u>
	\$ <u><u>3,372,780</u></u>	<u><u>3,372,780</u></u>
	Reserve for Amortization	2,692,780
	Serial Bonds Payable	680,000
		\$ <u><u>3,372,780</u></u>

BOROUGH OF PARAMUS

Schedule of Interfunds

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

	Due from/(to) Balance <u>Dec. 31, 2020</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>
Swimming Pool Operating Fund	\$ <u>19</u>	<u>42</u>	<u>(23)</u>
	\$ <u>19</u>	<u>42</u>	<u>(23)</u>
<u>Analysis</u>			
Due from Swimming Pool Operating Fund	\$ 19	19	
Due to Swimming Pool Utility Capital Fund	<u> </u>	<u>23</u>	<u>(23)</u>
	\$ <u>19</u>	<u>42</u>	<u>(23)</u>
		Cash Receipts \$ 19	
		Interest on Investments <u>23</u>	
		\$ <u>42</u>	

BOROUGH OF PARAMUS

Schedule of 2020 Appropriation Reserves

Swimming Pool Utility Operating Fund

Year ended December 31, 2021

	Balance Dec. 31, <u>2020</u>	Balance After Tranfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 50,773	50,773		50,773
Other Expenses	<u>31,230</u>	<u>31,947</u>	<u>3,750</u>	<u>28,197</u>
Total Operating	<u>82,003</u>	<u>82,720</u>	<u>3,750</u>	<u>78,970</u>
Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>7,206</u>	<u>7,206</u>		<u>7,206</u>
Total Statutory Expenditures	<u>7,206</u>	<u>7,206</u>		<u>7,206</u>
	<u>\$ 89,209</u>	<u>89,926</u>	<u>3,750</u>	<u>86,176</u>
Appropriation Reserves	\$ 89,209			
Encumbrances		<u>717</u>		
		<u>\$ 89,926</u>		

BOROUGH OF PARAMUS
Schedule of Encumbrances Payable
Swimming Pool Utility Operating Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$ 717
Increased by:	
Transferred from Current Year Budget	<u>2,414</u>
	3,131
Decreased by:	
Transferred to Appropriation Reserves	<u>717</u>
Balance - December 31, 2021	<u><u>\$ 2,414</u></u>

BOROUGH OF PARAMUS

Schedule of Special Emergency Note Payable

Swimming Pool Utility Operating Fund

Year ended December 31, 2021

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance, Dec. 31, 2021
2020-33	COVID-19 Revenue Losses	Dec. 31, 2020	Dec. 15, 2021	Dec. 14, 2022	0.40%	\$ 340,000	340,000	340,000	340,000
						\$ 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, 2021

Balance - December 31, 2020		\$	7,374
Increased by:			
Budget Appropriation			18,500
			25,874
Decreased by:			
Cash Disbursements	\$	18,863	
Cancelled to Operations		238	
			19,101
Balance - December 31, 2021		\$	6,773

Analysis of Balance

	Principal Outstanding <u>Dec. 31, 2021</u>	<u>Period (Days)</u>	<u>Interest Rate</u>	<u>Required Amount</u>
	\$ 680,000	135	2.00%	\$ <u>6,773</u>

BOROUGH OF PARAMUS

Schedule of Improvement Authorizations

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

Ordinance Number	Improvement Description	Balance, Dec. 31, 2020		Balance, Dec. 31, 2021	
		Funded	Unfunded	Funded	Unfunded
80-19	Improvements to Filtration System	\$ 146		146	
14-28	Pool Improvements	18,357		8,357	
		<u>\$ 18,503</u>		<u>10,000</u>	<u>8,503</u>
	Cash Disbursements		<u>10,000</u>		<u>10,000</u>

BOROUGH OF PARAMUS
Schedule of Reserve for Amortization
Swimming Pool Utility Capital Fund
Year ended December 31, 2021

Balance, December 31 - 2020	\$	2,612,780
Increased by:		
Budget Appropriation		
Bond Principal Payments		<u>80,000</u>
Balance, December 31 - 2021	\$	<u><u>2,692,780</u></u>

BOROUGH OF PARAMUS

PART II

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

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2021 and the related notes to the financial statements, and have issued our report thereon dated September 21, 2022, 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. CR00413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants

September 21, 2022



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:

- Uniform Rental and Cleaning
- Summer Preparation and Winterization of the Paramus Municipal Pool
- Surface Preparation and Painting of the Paramus Municipal Pool
- Furnish and deliver Electronic Credit/Debit Card Payment Services for the Paramus Golf Course
- Road Resurfacing associated with the Midland Ave Improvement Project
- Motorized Golf Carts
- HVAC Service Contract for Maintenance and Repairs
- Removal and Transportation of Grass, Leaves and Brush
- Life Safety Burn Building Upgrades and Repairs

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 15, 2021 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, 2021	4
December 31, 2020	4
December 31, 2019	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, 2021**

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. *Not all established trust accounts have an approved dedication by rider.
3. *There is a significant balance in general capital unfunded improvement authorizations greater than five years old that have unfunded portions outstanding.
4. *There is a significant amount of unexpended appropriated grant balances.
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. *There are old reconciling items and outstanding checks on bank reconciliations.
10. Reimbursement of overtime for on-loan officers is being comingled in the Justice Equitable Forfeiture account in violation of the Equitable Sharing Manual policies.

BOROUGH OF PARAMUS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021

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. There are old, reconciling items listed on the court fines and costs account reconciliation.

Departments

1. The fees charged by the Building Department are not always in agreement with those listed in the Borough’s adopted fee ordinance.
2. The Engineering Department does not maintain a ledger of fees collected.
3. The UCC report submitted to the State of New Jersey includes unsupported expenditures as Other Expenses.

**BOROUGH OF PARAMUS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

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. *Dedication by Riders be approved by resolution and filed with the Division of Local Government services for all required Trust Funds.
3. *That unfunded improvement authorizations over 5 years old, where projects have been completed, be funded through either a budget appropriation or through the issuance of temporary or permanent debt.
4. *Greater effort be made to expend available appropriated grant reserves.
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. *Old reconciling items and outstanding checks in the Borough's bank reconciliations be investigated for propriety and cancelled by resolution if necessary.
10. The practice of depositing the reimbursement of on-loan officer overtime into the Justice Equitable Forfeiture account be discontinued in accordance with equitable sharing guidelines.

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. Unsupported reconciling items in the court fines and costs account be adjusted and cleared from the reconciliation.

**BOROUGH OF PARAMUS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

RECOMMENDATIONS, (cont.)

Departments

1. The fee ordinance utilized by the Building Department be updated to reflect the fees the department is charging.
2. Ledgers should be kept for all departmental receipts.
3. The Annual UCC Report should accurately reflect Building Department expenses.

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 "*".

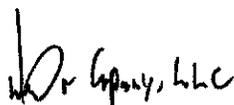
Acknowledgment

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

September 21, 2022