

BOROUGH OF PARAMUS
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2022

BOROUGH OF PARAMUS
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2022

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

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2022**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Paramus, as of December 31, 2022, and the related statements of operations and changes in fund balance - regulatory basis, statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year then ended and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Paramus as of December 31, 2022 and the results of operations and changes in fund balance – regulatory basis and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year then ended in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Paramus as of December 31, 2022, or changes in financial position, or, where applicable, cash flows for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of 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 audit opinions.

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

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

Prior Year Financial Statements

The financial statements of the Borough of Paramus as of and for the year ended December 31, 2021 were audited by other auditors whose report dated September 21, 2022 expressed an unmodified opinion on the financial statements-regulatory basis prepared in accordance with the regulatory basis of accounting. Their report also expressed an adverse opinion on the financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America but rather the regulatory basis of accounting described in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of their report.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Paramus's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Paramus'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Paramus as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by NJ OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Paramus. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

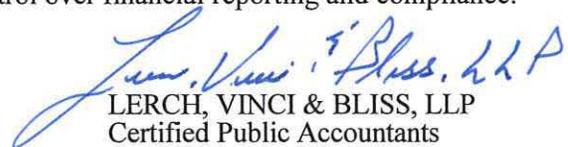
Other Information

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 15, 2023 on our consideration of the Borough of Paramus's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Borough of Paramus's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Paramus's internal control over financial reporting and compliance.


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


 Paul J. Lerch
 Registered Municipal Accountant
 RMA Number CR00457

BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021

ASSETS	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Cash	A-4	\$ 25,290,859	\$ 28,044,817
Cash - Change Fund	A-6	<u>450</u>	<u>450</u>
		<u>25,291,309</u>	<u>28,045,267</u>
Receivables and Other Assets with Full Reserves			
Delinquent Taxes Receivable	A-8	986,838	1,104,873
Tax Title Liens	A-9	7,030	6,006
Property Acquired for Taxes - Assessed Valuation	A-10	23,978	23,978
Revenue Accounts Receivable	A-11	31,522	26,678
Due from Animal Control Trust Fund	B-3	10,421	8,389
Due from Other Trust Fund	B-8		1,039
Due from Insurance Trust Fund	B-15	1,159	
Due from General Capital Fund	C-7		184,145
Due from Golf Course Utility Operating Fund	D-8	97,383	5,806
Due from Swim Pool Utility Operating Fund	E-9	<u>121,852</u>	<u>12,546</u>
		<u>1,280,183</u>	<u>1,373,460</u>
Deferred Charges			
Emergency Authorization	A-3, A-16	1,013,871	780,000
Overexpenditure of Appropriations	A-3,A-16	210,418	
Overexpenditure of Appropriation Reserves	A-16,A-17	194,468	
Expenditure Without Appropriation	A-16	52,053	
Special Emergency Appropriation	A-15	<u>847,436</u>	<u>1,059,295</u>
		<u>2,318,246</u>	<u>1,839,295</u>
		<u>28,889,738</u>	<u>31,258,022</u>
Federal and State Grant Fund			
Cash - Federal and State Grant Fund	A-5	567,538	760,361
Grants Receivable	A-25	60,891	66,295
Due from Current Fund	A-30	<u>2,719,780</u>	<u>2,420,165</u>
		<u>3,348,209</u>	<u>3,246,821</u>
		<u>\$ 32,237,947</u>	<u>\$ 34,504,843</u>

**BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Appropriation Reserves	A-3,A-17	\$ 1,100,373	\$ 1,261,925
Encumbrances Payable	A-18	678,497	1,345,313
Accounts Payable	A-27	21,708	
Tax Anticipation Note Payable	A-12	15,000,000	20,000,000
Special Emergency Note Payable	A-13	847,436	2,000,000
Emergency Note Payable	A-14	600,000	780,000
Due to Federal and State Grant Fund	A-30	2,719,780	2,420,165
Due to Other Trust Fund	B-8	246,105	152,062
Due to Unemployment Trust Fund	B-11	11,644	11,644
Due to Golf Course Utility Capital Fund	D-12	20,109	11,744
Due to General Capital Fund	C-7	838,886	
Reserve for Municipal Relief Fund	A-31	211,593	
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	14,028	9,723
Marriage License Fees Payable	A-19	325	1,200
DCA Fees Payable	A-20	52,112	22,723
County Taxes Payable	A-21	68,160	34,520
School Taxes Payable	A-22		2
Tax Overpayments	A-23	1,154,943	21,401
Prepaid Taxes	A-24	967,814	868,602
		<u>24,553,513</u>	<u>28,941,024</u>
Reserve for Receivables	A	1,280,183	1,373,460
Fund Balance	A-1	<u>3,056,042</u>	<u>943,538</u>
		<u>28,889,738</u>	<u>31,258,022</u>
Federal and State Grant Fund:			
Appropriated Reserves for Grants	A-26	1,322,764	1,303,530
Encumbrances Payable	A-28	56,560	79,455
Unappropriated Reserves for Grants	A-29	<u>1,968,885</u>	<u>1,863,836</u>
		<u>3,348,209</u>	<u>3,246,821</u>
		<u>\$ 32,237,947</u>	<u>\$ 34,504,843</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARAMUS
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,000,000	\$ 2,055,420
Miscellaneous Revenue Anticipated	A-2	15,780,370	13,780,610
Receipts from Delinquent Taxes	A-2	1,104,361	1,260,992
Receipts from Current Taxes	A-2	169,806,978	163,734,662
Non-Budget Revenue	A-2	1,903,004	441,688
Other Credits to Income			
Unexpended Balance of Appropriated Reserves	A-17	200,028	1,257,448
Statutory Excess - Animal Control Trust Fund	B-4	1,771	
Interfunds Returned	A	<u>211,925</u>	<u>524,411</u>
 Total Revenues and Other Income		 <u>190,008,437</u>	 <u>183,055,231</u>
 EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	32,998,816	33,053,170
Other Expenses	A-3	27,503,145	26,731,972
Capital Improvements	A-3	1,252,474	350,000
Municipal Debt Service	A-3	4,141,954	4,560,385
Deferred Charges and Statutory Expenditures - Municipal	A-3	9,616,244	9,744,260
Local District School Tax	A-22	84,804,279	83,261,834
County Taxes Including Added Taxes	A-21	26,492,972	25,114,790
Interfunds Advanced	A	230,815	205,687
Tax Overpayments	A		115,494
Tax Title Lien Premiums Due Special Trust	A		193,400
Overexpenditure of Appropriation Reserves	A-16, A-17	194,468	
Expenditure Without Appropriation	A-4, A-16	52,053	
Tax Appeals Refunds	A-4	1,024,099	
Refund of Prior Year Revenue	A-4	<u>55,424</u>	<u>12,549</u>
 Total Expenditures		 <u>188,366,743</u>	 <u>183,343,541</u>
 Excess (Deficit) in Revenue		 1,641,694	 (288,310)
 Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-16	<u>1,470,810</u>	<u>780,000</u>
 Statutory Excess to Fund Balance		 3,112,504	 491,690
 Fund Balance, January 1	A	 <u>943,538</u>	 <u>2,507,268</u>
		4,056,042	2,998,958
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-1,A-2	<u>1,000,000</u>	<u>2,055,420</u>
 Fund Balance, December 31,	A	 <u>\$ 3,056,042</u>	 <u>\$ 943,538</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARAMUS
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,000,000	\$ 1,000,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-11	90,000	47,438	\$ (42,562)
Other	A-2	800,000	1,045,134	245,134
Fees and Permits				
Other	A-2	580,000	730,727	150,727
Fines and Costs				
Municipal Court	A-11	300,000	304,096	4,096
Interest and Costs on Taxes	A-11	225,000	339,135	114,135
Interest on Investments	A-2	56,000	489,815	433,815
Off Duty Police Administrative Fees	A-11	300,000	300,000	-
Energy Receipts Taxes	A-11	4,056,309	4,056,309	-
Uniform Construction Code Fees	A-11	1,950,000	1,839,735	(110,265)
Maywood Borough- Municipal Court	A-11	102,398	98,294	(4,104)
911 Services	A-11	21,984	-	(21,984)
Vehicle Maintenance	A-11	580,000	480,159	(99,841)
Sale of Gasoline	A-11	55,000	108,421	53,421
Traffic Light Repairs	A-11	1,000	8,370	7,370
Street Sweeping and Snow Plowing	A-11	75,000	84,745	9,745
Dumping Fees- Board of Education	A-11	4,000	17,714	13,714
Leonia- CFO Services	A-11	27,500	20,550	(6,950)
S. Hackensack- Supt. Of Dept. of Public Works	A-11	23,000	25,500	2,500
Maywood- Sewer Collection Flow	A-11	38,000	-	(38,000)
Lyndhurst- Tax Assessor	A-11	22,500	5,000	(17,500)
Rochelle Park- Municipal Court	A-11	6,250	6,250	-
State and Federal Grants Offset with Appropriations-				
Municipal Alliance on Alcoholism and Drug Abuse	A-29	4,273	4,273	-
Body Armor Fund	A-29	14,682	14,682	-
Clean Communities'	A-29	50,565	50,565	-
Safe and Secure	A-29	32,500	32,500	-
Distracted Driving	A-29	11,520	11,520	-
Click It or Ticket	A-29	6,000	6,000	-
Drive Sober or get Pulled Over	A-29	5,100	5,100	-
Emergency Management	A-29	10,000	10,000	-
Recycling Tonnage Grant	A-29	190,034	190,034	-
Uniform Fire Safety Act	A-11	172,000	197,102	25,102
Cable TV Franchise Fee	A-11	340,000	345,946	5,946
Hotel Occupancy Fee (P.L. 2003, c.114)	A-11	300,000	477,348	177,348
Sewer User Charges	A-11	940,000	983,557	43,557
Sanitary Sewer Tie-In (River Edge)	A-11	160,000	220,228	60,228
Ambulance Fees	A-11	1,000,000	994,244	(5,756)
Library PERS Reimbursement	A-11	200,000	200,000	-
Golf Course Utility Surplus	A-11	300,000	300,000	-
Golf Course Utility- Group Insurance Reimbursement	A-11	75,000	75,000	-
American Rescue Plan	A-28	1,374,507	1,374,507	-
PSE&G Easement Agreement	A-11	21,000	32,828	11,828
Payment in Lieu of Taxes - State of NJ	A-11	62,000	58,322	(3,678)
Recycling Revenue	A-11	150,000	189,222	39,222
Total Miscellaneous Revenues	A-1	14,733,122	15,780,370	1,047,248

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARAMUS
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	<u>1,000,000</u>	<u>1,104,361</u>	<u>104,361</u>
AMOUNT TO BE RAISED BY TAXATION:				
Local Tax for Municipal Purposes		55,654,989	56,593,533	938,544
Minimum Library Tax		<u>3,616,194</u>	<u>3,616,194</u>	<u>-</u>
Total Amount to be Raised by Taxation	A-2	<u>59,271,183</u>	<u>60,209,727</u>	<u>938,544</u>
Total General Revenues		<u>\$ 76,004,305</u>	<u>\$ 78,094,458</u>	<u>\$ 2,090,153</u>
Non-Budget Revenues	A-1,A-2		<u>1,903,004</u>	
			<u>\$ 79,997,462</u>	

BOROUGH OF PARAMUS
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)

ANALYSIS OF REALIZED REVENUES	<u>Reference</u>	
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 169,806,978
Less: Allocated to School, County and Open Space Taxes	A-21, A-22	<u>111,297,251</u>
		58,509,727
Balance for Support of Municipal Budget		58,509,727
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,700,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 60,209,727</u>
Licenses - Other		
Borough Clerk	A-11	\$ 858,803
Board of Health	A-11	<u>186,331</u>
	A-2	<u>\$ 1,045,134</u>
Fees and Permits - Other		
Police Department	A-11	\$ 61,531
Zoning Board of Adjustment	A-11	169,857
Planning Board	A-11	125,687
Board of Health	A-11	75,615
Fire Prevention	A-11	<u>298,037</u>
	A-2	<u>\$ 730,727</u>
Interest on Investments and Deposits		
Treasurer	A-11	\$ 361,939
Due from Federal and State Grant Fund	A-30	8,770
Due from General Capital Fund	C-7	81,065
Due from Animal Control Fund	B-3	261
Due from Self Insurance Trust fund	B-15	1,658
Due from Other Trust Fund	B-8	<u>36,122</u>
	A-2	<u>\$ 489,815</u>

**BOROUGH OF PARAMUS
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)**

ANALYSIS OF NON-BUDGET REVENUE

Cannabis Tax Revenue	\$ 256,385
Life Safety Revenues	98,730
Credit Card Fees	156
Outside Vehicle Revenues	6,961
Sewer Fees	20,860
Maywood Recycling	5,000
Oradell Court Interlocal Agreement - 2022 & 2021	170,088
Palisades Park COAH Interlocal Agreement	30,000
Township of Washington Sewer Interlocal Agreement	29,008
Oradell Sewer Interlocal Agreement	6,866
FEMA Reimbursements (Tropical Storm ISAIAS, Tropical Storm IDA, Coronavirus Pandemic)	853,256
Tax Sale Deposits	114,270
Cell Tower Lease	27,500
Xerox Copies	1,927
Bus Shelter	643
Sale of Municipal Assets	17,892
Bail Forfeiture	1,475
DMW Inspection Fees	900
Miscellaneous	146,713
Bounced Check Fee	725
Sr. Cit 2% Admin Fees	3,045
Prior Year Refunds	2,794
Prior Year Voided Checks	7,020
Prior Year Budget Reimbursements	<u>100,790</u>
	<u>\$ 1,903,004</u>
Reference	A-1

BOROUGH OF PARAMUS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

OPERATIONS - WITHIN "CAPS"	<u>Appropriated</u>		<u>Expended</u>		Over- Expended	Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
GENERAL GOVERNMENT						
General Administration						
Salaries and Wages	\$ 279,246	\$ 247,246	\$ 246,629	\$ 617		
Other Expenses	24,000	24,000	13,783	10,217		
Other Expenses - Grant Writer - Millennium Strategies	45,000	45,000	33,250	11,750		
Mayor and Council						
Salaries and Wages	75,000	75,000	74,596	404		
Other Expenses	1,000	1,000	835	165		
Municipal Clerk						
Salaries and Wages	381,200	364,200	363,255	945		
Other Expenses	106,000	111,500	111,246	254		
Information Technology Services						
Salaries and Wages	364,600	360,600	360,263	337		
Other Expenses	483,750	453,750	438,672	15,078		
Audit Services						
Other Expenses	100,000	100,000	65,000	35,000		
Financial Administration						
Salaries and Wages	492,000	493,000	492,835	165		
Other Expenses	73,500	103,500	102,022	1,478		
Revenue Administration						
Salaries and Wages	178,200	178,200	178,183	17		
Other Expenses	22,150	24,150	24,060	90		
Tax Assessment Administration						
Salaries and Wages	217,150	221,150	221,076	74		
Other Expenses	6,550	420,521	420,428	93		
Legal Services & Costs						
Other Expenses	980,000	830,000	780,766	49,234		
Engineering Services & Costs						
Other Expenses	75,000	83,000	78,820	4,180		
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	119,200	119,200	117,593	1,607		
Other Expenses	43,700	33,700	26,055	7,645		
Board of Adjustment						
Salaries and Wages	78,820	78,820	78,819	1		

BOROUGH OF PARAMUS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Over-</u>	<u>Balance</u>
OPERATIONS - WITHIN "CAPS"		<u>Modification</u>	<u>Charged</u>		<u>Expended</u>	<u>Cancelled</u>
GENERAL GOVERNMENT (Continued)						
INSURANCE						
Liability Insurance (JIF)	\$ 550,000	\$ 475,000	\$ 475,000			
Other Insurance Premiums	15,000					
Vision (Self)	75,000	75,000	73,579	\$ 1,421		
Worker's Compensation Insurance (JIF)	189,000	189,000	188,445	555		
Worker's Compensation Insurance (Self)	700,000	660,000	659,938	62		
Liability Insurance (Self)	250,332	200,332	200,155	177		
Unemployment	70,000	70,000		70,000		
Employee Group Insurance	8,090,000	8,391,500	8,332,609	58,891		
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	16,037,600	16,992,600	16,992,558	42		
Other Expenses	223,850	259,850	257,826	2,024		
Police Dispatch						
Salaries and Wages	981,500	1,012,500	1,012,491	9		
Other Expenses	109,150	89,150	84,245	4,905		
Office of Emergency Management						
Salaries and Wages	222,700	240,700	240,443	257		
Other Expenses	98,150	81,150	79,044	2,106		
Rescue Squad						
Salaries and Wages	120,000	134,300	134,300	-		
Other Expenses	35,000	35,000	34,610	390		
Fire Department						
Salaries and Wages	980,000	904,000	903,600	400		
Other Expenses	230,750	420,750	392,653	28,097		
Fire Inspection						
Salaries and Wages	550,100	564,900	564,845	55		
Other Expenses	12,200	12,200	6,833	5,367		
Emergency Medical Services						
Salaries and Wages	1,012,000	1,002,000	999,548	2,452		
Other Expenses	121,375	121,375	116,325	5,050		
PUBLIC WORKS						
Streets and Roads Maintenance						
Salaries and Wages	1,339,500	1,495,500	1,495,401	99		
Other Expenses	278,750	228,750	180,438	48,312		
Shade Tree Commission						
Salaries and Wages	1,580,000	1,440,000	1,439,316	684		
Other Expenses	79,400	79,400	75,001	4,399		

**BOROUGH OF PARAMUS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriated</u>		<u>Expended</u>		<u>Over- Expended</u>	<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
OPERATIONS - WITHIN "CAPS"						
UNIFORM CONSTRUCTION CODE						
APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)						
CODE ENFORCEMENT AND ADMINISTRATION						
Construction Code Official						
Salaries and Wages	\$ 762,000	\$ 682,000	\$ 676,296	\$ 5,704		
Other Expenses	7,250	7,250	6,922	328		
UNCLASSIFIED						
Electricity	575,000	575,000	420,479	154,521		
Street Lighting	550,000	550,000	534,499	15,501		
Fire Hydrants	449,785	449,785	449,781	4		
Telephone	300,000	300,000	293,152	6,848		
Water	70,000	70,000	61,499	8,501		
Gasoline	375,000	375,000	436,123		\$ 61,123	
Diesel Fuel	300,000	420,000	412,086	7,914		
Outside Fuel Agreements	20,000	20,000	30	19,970	-	-
Total Operations Within "CAPS"	51,081,364	52,061,035	51,482,794	788,659	210,418	-
Contingent	-	-	-	-	-	-
Total Operations Including Contingent Within "CAPS"	51,081,364	52,061,035	51,482,794	788,659	210,418	-
Detail:						
Salaries and Wages	32,289,616	32,902,816	32,856,876	45,940	-	-
Other Expenses (Including Contingent)	18,791,748	19,158,219	18,625,918	742,719	210,418	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL WITHIN "CAPS"						
STATUTORY EXPENDITURES						
Contribution to:						
Defined Contribution Retirement Plan	10,000	36,000	35,875	125		
Social Security Syst. (O.A.S.I.)	1,600,000	1,600,000	1,587,230	12,770		
Police and Fireman's Retirement System	4,600,936	4,609,136	4,609,125	11		
Public Employees Retirement System	2,379,249	2,379,249	2,379,249	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	8,590,185	8,624,385	8,611,479	12,906	-	-
Total General Appropriations for Municipal Purposes Within "CAPS"	59,671,549	60,685,420	60,094,273	801,565	210,418	-
OPERATIONS - EXCLUDED FROM "CAPS"						
EDUCATIONAL FUNCTIONS						
Maintenance of Free Public Library	3,616,194	3,616,194	3,396,199	219,995		

BOROUGH OF PARAMUS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>	<u>Expended</u>			<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Over-</u> <u>Expended</u>	<u>Balance</u> <u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)						
UTILITY EXPENSES AND BULK PURCHASES						
Sewerage Processing and Disposal - BCUA						
Other Expenses - Operation and Maintenance	\$ 3,204,457	\$ 3,204,457	\$ 3,204,457			
Other Expenses - Debt Service	713,183	713,183	713,183			
INTERLOCAL						
Landfill/Solid Waste Disposal - Board of Education	25,000	25,000		\$ 25,000		
Municipal Court - Maywood						
Salaries and Wages	47,000	47,000	47,000			
Municipal Court - Oradell						
Salaries and Wages	44,000	44,000	42,942	1,058		
Mechanical Maintenance						
Salaries and Wages	5,000	5,000	2,500	2,500		
Other Expenses	250,000	250,000	199,745	50,255		
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Municipal Alliance - Grant	4,273	4,273	4,273	-		
Municipal Alliance - Match	1,000	1,000	1,000	-		
Office of Emergency Management	10,000	10,000	10,000	-		
Safe and Secure	32,500	32,500	32,500	-		
Body Armor Grant	14,682	14,682	14,682	-		
Distracted Driving Grant	11,520	11,520	11,520	-		
Drive Sober or Get Pulled Over	5,100	5,100	5,100	-		
Click It or Ticket	6,000	6,000	6,000	-		
Recycling Tonnage Grant	190,034	190,034	190,034	-		
Clean Communities	50,565	50,565	50,565	-	-	-
Total Operations - Excluded from "CAPS"	<u>8,230,508</u>	<u>8,230,508</u>	<u>7,931,700</u>	<u>298,808</u>	<u>-</u>	<u>-</u>
Detail:						
Salaries and Wages	96,000	96,000	92,442	3,558	-	-
Other Expenses	8,134,508	8,134,508	7,839,258	295,250	-	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	1,252,474	1,252,474	1,252,474	-	-	-
Total Capital Improvement Excluded from "CAPS"	<u>1,252,474</u>	<u>1,252,474</u>	<u>1,252,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	2,900,000	2,900,000	2,900,000	-		
Payment of Bond Anticipation Notes and Capital Notes	243,077	243,077	243,077	-		
Interest on Bonds	596,250	596,250	596,250	-		
Interest on Notes	418,588	418,588	402,627	-	-	\$ 15,961
Total Municipal Debt Service Excluded from "CAPS"	<u>4,157,915</u>	<u>4,157,915</u>	<u>4,141,954</u>	<u>-</u>	<u>-</u>	<u>15,961</u>

BOROUGH OF PARAMUS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>		<u>Over-</u> <u>Expended</u>	<u>Unexpended</u> <u>Balance</u> <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>		
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Emergency Authorizations	\$ 780,000	\$ 780,000	\$ 780,000			
Special Emergency Authorization - 5 Years	<u>211,859</u>	<u>211,859</u>	<u>211,859</u>	-	-	-
Total Deferred Charges-Municipal Excluded from "CAPS"	<u>991,859</u>	<u>991,859</u>	<u>991,859</u>	-	-	-
Total General Appropriations Excluded from "CAPS"	<u>14,632,756</u>	<u>14,632,756</u>	<u>\$ 14,317,987</u>	<u>\$ 298,808</u>	-	<u>\$ 15,961</u>
Total General Appropriations	74,304,305	75,318,176	74,412,260	1,100,373	\$ 210,418	15,961
Reserve for Uncollected Taxes	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	-	-	-
Total General Appropriations	<u>\$76,004,305</u>	<u>\$77,018,176</u>	<u>\$ 76,112,260</u>	<u>\$ 1,100,373</u>	<u>\$ 210,418</u>	<u>\$ 15,961</u>
	<u>Reference</u>	A-2	A-1	A, A-1	A-16	A-1
Adopted Budget	A-1	\$76,004,305				
Emergency Authorization	A-16	<u>1,013,871</u>				
		<u>\$77,018,176</u>				
Cash Disbursed	A-4		\$ 72,311,406			
Encumbrances Payable	A-18		678,497			
Deferred Charges	A-15,A-16		991,859			
Appropriated Reserves for Grants	A-26		325,674			
Due to Other Trust Fund	B-8		104,824			
Reserve for Uncollected Taxes	A-3		<u>1,700,000</u>			
			<u>\$ 76,112,260</u>			

BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-1	\$ 21,579	\$ 16,681
		<u>21,579</u>	<u>16,681</u>
OTHER TRUST FUNDS			
Cash	B-1	11,019,237	10,785,814
Due from Current Fund	B-8	<u>246,105</u>	<u>152,062</u>
		<u>11,265,342</u>	<u>10,937,876</u>
UNEMPLOYMENT TRUST FUND			
Cash	B-1	48,881	46,816
Due from Current Fund	B-11	11,644	11,644
Other Accounts Receivable	B-7	<u>3,409</u>	<u>-</u>
		<u>63,934</u>	<u>58,460</u>
INSURANCE TRUST FUND			
Cash	B-1	<u>90,717</u>	<u>70,508</u>
		<u>90,717</u>	<u>70,508</u>
		<u>\$ 11,441,572</u>	<u>\$ 11,083,525</u>

BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021
(Continued)

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ANIMAL CONTROL TRUST FUND			
Due to State of New Jersey	B-2	\$ 34	\$ 80
Due to Current Fund	B-3	10,421	8,389
Reserve for Animal Control Trust Fund Expenditures	B-4	<u>11,124</u>	<u>8,212</u>
		21,579	16,681
OTHER TRUST FUND			
Due to Current Fund	B-8		1,039
Payroll Deposits Payable	B-9	63,556	
Miscellaneous Reserves and Deposits	B-5	<u>11,201,786</u>	<u>10,936,837</u>
		11,265,342	10,937,876
UNEMPLOYMENT TRUST FUND			
Due to State of New Jersey	B-6	11,718	
Reserve for Unemployment Expenditures	B-10	<u>52,216</u>	<u>58,460</u>
		63,934	58,460
INSURANCE TRUST FUND			
Due to Current Fund	B-15	1,159	
Reserve for Workers Compensation Expenditures	B-12	13,330	11,163
Reserve for General Liability Expenditures	B-13	22,670	5,787
Reserve for Property Liability Expenditures	B-14	<u>53,558</u>	<u>53,558</u>
		90,717	70,508
		<u>\$ 11,441,572</u>	<u>\$ 11,083,525</u>

**BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash	C-2,C-3	\$ 9,070,152	\$ 5,529,913
Deferred Charges to Future Taxation			
Funded	C-4	20,600,000	23,500,000
Unfunded	C-5	24,451,087	18,737,016
Due from Paramus Public Library	C-14	626,750	
Due from Current Fund	C-7	838,886	
Due from Golf Course Utility Operating Fund	D-13	404	
Grants Receivable	C-6	<u>3,176,512</u>	<u>2,396,121</u>
		<u>\$ 58,763,791</u>	<u>\$ 50,163,050</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Due to Current Fund	C-7		\$ 184,145
General Serial Bonds	C-8	20,600,000	23,500,000
Bond Anticipation Notes Payable	C-9	21,511,000	15,015,500
Improvement Authorizations			
Funded	C-10	170,577	134,577
Unfunded	C-10	9,364,654	7,947,369
Capital Improvements Fund	C-11	1,077,444	164,229
Encumbrances Payable	C-13	4,852,657	2,188,703
Reserve for:			
Payment of Debt	C-12	262,500	262,500
Grants Receivable	C-6	610,000	610,000
Fund Balance	C-1	<u>314,959</u>	<u>156,027</u>
		<u>\$ 58,763,791</u>	<u>\$ 50,163,050</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 of \$3,256,939 and \$3,721,516, respectively (See Exhibit C-15).

BOROUGH OF PARAMUS
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, January 1	C	\$ 156,027	\$ 156,027
Increased by:			
Premium From Sale of Bond Anticipation Notes	C-7	<u>158,932</u>	<u>-</u>
Balance, December 31	C	<u>\$ 314,959</u>	<u>\$ 156,027</u>

**BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GOLF COURSE UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
OPERATING FUND			
Cash	D-5	\$ 1,336,841	\$ 946,753
Due from Golf Course Utility Capital Fund	D-7	<u>30,630</u>	<u>1,274</u>
		<u>1,367,471</u>	<u>948,027</u>
Deferred Charges:			
Overexpenditure of Appropriations	D-9	<u>5,901</u>	<u>-</u>
		<u>5,901</u>	<u>-</u>
Total Operating Fund		<u>1,373,372</u>	<u>948,027</u>
CAPITAL FUND			
Cash	D-5, D-6	2,369,488	2,401,898
Fixed Capital	D-10	15,183,105	14,987,124
Fixed Capital Authorized and Uncompleted	D-11	4,448,060	4,448,060
Due from Current Fund	D-12	<u>20,109</u>	<u>11,744</u>
Total Capital Fund		<u>22,020,762</u>	<u>21,848,826</u>
		<u>\$ 23,394,134</u>	<u>\$ 22,796,853</u>

**BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GOLF COURSE UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4, D-14	\$ 275,332	\$ 51,371
Due to Current Fund	D-8	97,383	5,806
Encumbrances Payable	D-15	224,501	25,343
Accrued Interest on Bonds and Notes	D-16	<u>40,477</u>	<u>31,078</u>
		637,693	113,598
 Fund Balance	 D-1	 <u>735,679</u>	 <u>834,429</u>
 Total Operating Fund		 <u>1,373,372</u>	 <u>948,027</u>
CAPITAL FUND			
Due to Golf Course Utility Operating Fund	D-7	30,630	1,274
Due to General Capital Fund	D-13	404	
Serial Bonds Payable	D-17	2,730,000	3,120,000
Bond Anticipation Notes Payable	D-18	1,317,000	1,317,000
Improvement Authorizations:			
Funded	D-19	1,269,157	1,305,654
Unfunded	D-19	1,063,199	1,088,872
Capital Improvement Fund	D-20	6,098	6,098
Reserve for Amortization	D-21	15,421,034	14,835,053
Deferred Reserve for Amortization	D-22	163,131	163,131
Fund Balance	D-2	<u>20,109</u>	<u>11,744</u>
 Total Capital Fund		 <u>22,020,762</u>	 <u>21,848,826</u>
		 <u>\$ 23,394,134</u>	 <u>\$ 22,796,853</u>

There were no Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021.

BOROUGH OF PARAMUS
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - GOLF COURSE UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-3	\$ 136,000	\$ 120,000
Registration Fees	D-3	155,501	138,607
Golf Cart Rental	D-3	442,145	425,460
Green Fees	D-3	1,840,866	1,637,466
Snack Bar Rental			7,000
Miscellaneous	D-3	668,362	733,990
Other			
Prior Year Encumbrances Payable Cancelled	D-15	18,747	
Unexpended Balance of Appropriation Reserves	D-14	<u>33,979</u>	<u>138,539</u>
 Total Income		 <u>3,295,600</u>	 <u>3,201,062</u>
 EXPENDITURES			
Operating			
Salaries and Wages	D-4	1,292,300	1,206,900
Other Expenses	D-4	892,000	728,200
Capital Improvements	D-4	200,000	
Debt Service	D-4	494,951	473,850
Deferred Charges and Statutory Expenditures	D-4	<u>85,000</u>	<u>84,000</u>
 Total Expenditures		 <u>2,964,251</u>	 <u>2,492,950</u>
 Excess in Revenue		 331,349	 708,112
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	D-4, D-9	<u>5,901</u>	<u>-</u>
 Statutory Excess to Fund Balance		 337,250	 708,112
 Fund Balance, January 1	D	 <u>834,429</u>	 <u>246,317</u>
		1,171,679	954,429
Decreased by:			
Anticipated as Current Fund Revenue	A-2	300,000	
Fund Balance Utilized	D-1	<u>136,000</u>	<u>120,000</u>
 Fund Balance, December 31	D	 <u>\$ 735,679</u>	 <u>\$ 834,429</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARAMUS
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GOLF COURSE UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Fund Balance, January 1	D	\$ 11,744	\$ 11,744
Increased by:			
Premium on Sale of Bond Anticipation Notes	D-12	<u>8,365</u>	<u>-</u>
Fund Balance, December 31	D	<u>\$ 20,109</u>	<u>\$ 11,744</u>

**BOROUGH OF PARAMUS
STATEMENT OF REVENUES - REGULATORY BASIS
GOLF COURSE UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	D-1	\$ 136,000	\$ 136,000	
Registration Fees	D-1	125,000	155,501	\$ 30,501
Golf Cart Rental	D-1	400,000	442,145	42,145
Green Fees	D-1	1,600,000	1,840,866	240,866
Miscellaneous	D-1	<u>700,275</u>	<u>668,362</u>	<u>(31,913)</u>
 Budget Revenues	 D-4	 <u>\$ 2,961,275</u>	 <u>\$ 3,242,874</u>	 <u>\$ 281,599</u>

Analysis of Miscellaneous Revenues

Interest on Deposits	\$ 48,141
Miniature Golf	169,066
Gift Certificates	19,519
Golf Lessons	70,750
Pro Shop Sales	36,834
Push Cart Rental	5,739
Lottery Fee	189,525
League Fees	76,762
Snack Bar Concession	7,524
Handicap Fees	11,553
Range Balls	20,998
Miscellaneous	<u>11,951</u>
	<u>\$ 668,362</u>
 Due from Golf Course Utility Capital Fund	 \$ 29,356
Cash Receipts	<u>639,006</u>
	<u>\$ 668,362</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARAMUS
STATEMENT OF EXPENDITURES - REGULATORY BASIS
GOLF COURSE UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>			<u>Over- Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	
OPERATING						
Salaries and Wages	\$ 1,292,300	\$ 1,292,300	\$ 1,068,734	\$ 223,566		
Other Expenses	892,000	892,000	848,600	43,400	-	-
Total Operating	2,184,300	2,184,300	1,917,334	266,966	-	-
CAPITAL IMPROVEMENTS						
Capital Outlay	200,000	200,000	195,981	4,019	-	-
Total Capital Improvements	200,000	200,000	195,981	4,019	-	-
DEBT SERVICE						
Bond Principal	390,000	390,000	390,000			
Interest on Bonds	78,975	78,975	76,050		\$ 2,925	
Interest on Notes	23,000	23,000	28,901	-	-	\$ 5,901
Total Debt Service	491,975	491,975	494,951	-	2,925	5,901
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures						
Contribution to Social Security System (O.A.S.I.)	85,000	85,000	80,653	4,347	-	-
Total Deferred Charges and Statutory Expenditures	85,000	85,000	80,653	4,347	-	-
	\$ 2,961,275	\$ 2,961,275	\$ 2,688,919	\$ 275,332	\$ 2,925	\$ 5,901

	<u>Reference</u>	D-3	D-4	D-1	D,D-1	D-9
Cash Disbursed	D-5			\$ 2,267,890		
Encumbrances Payable	D-15			224,501		
Accrued Interest on Bonds	D-16			104,951		
Due to Current Fund	D-8			91,577		
				<u>\$ 2,688,919</u>		

BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIMMING POOL UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 220,423	\$ 235,634
Due from Swim Pool Utility Capital Fund	E-8	<u>115</u>	<u>23</u>
		<u>220,538</u>	<u>235,657</u>
Deferred Charges			
Special Emergency	E-7	268,148	335,186
Overexpenditure of Appropriations	E-4,E-16	<u>67,785</u>	<u>-</u>
		<u>335,933</u>	<u>335,186</u>
Total Operating Fund		<u>556,471</u>	<u>570,843</u>
CAPITAL FUND			
Cash	E-5,E-6	4,182	8,540
Fixed Capital	E-10	3,372,780	3,372,780
Fixed Capital Authorized and Uncompleted	E-11	<u>250,000</u>	<u>-</u>
Total Capital Fund		<u>3,626,962</u>	<u>3,381,320</u>
		<u>\$ 4,183,433</u>	<u>\$ 3,952,163</u>

**BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIMMING POOL UTILITY FUND
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-12	\$ 806	\$ 83,106
Encumbrances Payable	E-13	209	2,414
Due to Current Fund	E-9	121,852	12,546
Accrued Interest on Bonds	E-17	6,136	6,773
Accounts Payable	E-14	316	
Special Emergency Note Payable	E-15	<u>268,148</u>	<u>340,000</u>
		397,467	444,839
Fund Balance	E-1	<u>159,004</u>	<u>126,004</u>
Total Operating Fund		<u>556,471</u>	<u>570,843</u>
CAPITAL FUND			
Serial Bonds Payable	E-18	595,000	680,000
Improvement Authorizations:			
Funded	E-19	4,053	8,503
Unfunded	E-19	250,000	
Due to Swim Pool Utility Operating Fund	E-8	115	23
Reserve for Amortization	E-20	2,777,780	2,692,780
Fund Balance	E-2	<u>14</u>	<u>14</u>
Total Capital Fund		<u>3,626,962</u>	<u>3,381,320</u>
		<u>\$ 4,183,433</u>	<u>\$ 3,952,163</u>

There were bonds and notes authorized but not issued on December 31, 2022 and 2021 of \$250,000 and \$0- respectively. (Exhibit E-21)

BOROUGH OF PARAMUS
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 125,000	\$ 150,000
Membership Fees	E-3	401,919	391,819
Guest Fees	E-3	78,265	80,160
Miscellaneous	E-3	24,425	30,660
Concession Stand	E-3	62,828	69,282
Non-Budget Revenue	E-3	76,522	24,850
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	E-12	82,404	86,176
Cancellations and Adjustments	E	<u>-</u>	<u>238</u>
 Total Revenue and Other Income		 <u>851,363</u>	 <u>833,185</u>
 EXPENDITURES			
Operating			
Salaries and Wages	E-4	304,181	285,000
Other Expenses	E-4	264,353	307,600
Debt Service	E-4	101,576	98,500
Deferred Charges and Statutory Expenditures	E-4	<u>91,038</u>	<u>25,000</u>
 Total Expenditures		 <u>761,148</u>	 <u>716,100</u>
 Excess in Revenue		 90,215	 117,085
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	E-16	<u>67,785</u>	<u>-</u>
 Statutory Excess to Fund Balance		 158,000	 117,085
 Fund Balance, January 1	E	 <u>126,004</u>	 <u>158,919</u>
		284,004	276,004
Decreased by:			
Anticipated as Operating Fund Revenue	E-3	<u>125,000</u>	<u>150,000</u>
 Fund Balance, December 31	E	 <u>\$ 159,004</u>	 <u>\$ 126,004</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF PARAMUS
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
SWIMMING POOL UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Fund Balance, January 1	E	\$ <u>14</u>	\$ <u>14</u>
Fund Balance, December 31	E	\$ <u>14</u>	\$ <u>14</u>

**BOROUGH OF PARAMUS
STATEMENT OF REVENUES - REGULATORY BASIS
SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	E-1	\$ 125,000	\$ 125,000	
Membership Fees	E-1	390,000	401,919	\$ 11,919
Guest Fees	E-1	80,000	78,265	(1,735)
Miscellaneous	E-1	30,000	24,425	(5,575)
Concession Stand	E-1	<u>69,000</u>	<u>62,828</u>	<u>(6,172)</u>
 Budget Revenues	 E-4	 <u>\$ 694,000</u>	 <u>\$ 692,437</u>	 <u>\$ (1,563)</u>
 Non-Budget Revenues			 <u>76,522</u>	
			 <u>\$ 76,959</u>	
 <u>Analysis of Miscellaneous Revenue Not Anticipated</u>				
Interest on Deposits			\$ 3,517	
Interest on Deposits - Due from Swim Pool Utility Capital Fund			92	
Other - Miscellaneous			<u>72,913</u>	
			 <u>\$ 76,522</u>	

BOROUGH OF PARAMUS
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>			<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	
OPERATING						
Salaries and Wages	\$ 277,962	\$ 277,962	\$ 304,181		\$ 26,219	
Other Expenses	<u>222,787</u>	<u>222,787</u>	<u>264,353</u>	-	<u>41,566</u>	-
Total Operating	<u>500,749</u>	<u>500,749</u>	<u>568,534</u>	-	<u>67,785</u>	-
DEBT SERVICE						
Bond Principal	85,000	85,000	85,000	-		
Interest on Bonds	<u>17,213</u>	<u>17,213</u>	<u>16,576</u>	-	-	\$ 637
Total Debt Service	<u>102,213</u>	<u>102,213</u>	<u>101,576</u>	-	-	<u>637</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Deferred Charges						
Special Emergency - COVID 5 Years	67,038	67,038	67,038			
Statutory Expenditures						
Contribution to Social Security System (O.A.S.I.)	<u>24,000</u>	<u>24,000</u>	<u>23,194</u>	\$ 806	-	-
Total Deferred Charges and Statutory Expenditures	<u>91,038</u>	<u>91,038</u>	<u>90,232</u>	<u>806</u>	-	-
	<u>\$ 694,000</u>	<u>\$ 694,000</u>	<u>\$ 760,342</u>	<u>\$ 806</u>	<u>\$ 67,785</u>	<u>\$ 637</u>

	<u>Reference</u>	E-3	E-4	E-1	E,E-1	E-16
Cash Disbursed	E-5			\$ 639,065		
Encumbrances Payable	E-13			209		
Accrued Interest on Bonds	E-17			16,576		
Due to Current Fund	E-9			37,454		
Deferred Charges	E-7			<u>67,038</u>		
				<u>\$ 760,342</u>		

**BOROUGH OF PARAMUS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Land and Land Improvements	\$ 118,685,338	\$ 118,685,338
Buildings and Building Improvements	12,617,478	12,091,900
Machinery and Equipment	<u>31,604,079</u>	<u>29,692,794</u>
	<u>\$ 162,906,895</u>	<u>\$ 160,470,032</u>
 Investment in Fixed Assets	 <u>\$ 162,906,895</u>	 <u>\$ 160,470,032</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Paramus (the "Borough") was incorporated in 1922 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

B. Description of Regulatory Basis of Accounting

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

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

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

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

Insurance Trust Fund - This fund is used to account for the resources and expenditures for worker's compensation, property and general liability insurance claims.

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

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

Swimming Pool Utility Fund - This fund is used to account for the revenues and expenditures for operation of the Borough's swimming and recreational facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the swimming pool utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the golf course and swimming pool utility funds. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2021 balances to conform to the December 31, 2022 presentation.

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Utility Revenues/Receivables - Utility charges are levied based upon a schedule of fees approved by Borough ordinance. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's golf course and swimming pool utility operating funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund
Golf Course Utility Capital Fund
Swimming Pool Utility Capital Fund

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

1977 Appropriation “CAP”: The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the “cost of living adjustment” (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

2010 Levy “CAP”: The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year’s amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2022 and 2021 the Borough Council increased the original budget by \$1,013,871 and \$780,000. The increases were attributable to emergency resolutions for Police – Salary And Wages and Tax Appeals in 2022 and Board of Health – Other Expenses, Legal Fees and Worker’s Compensation Insurance in 2021. In addition, the governing body approved several budget transfers during 2022 and 2021.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

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

<u>2022</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>Current Fund</u>			
2022 Appropriations:			
Vehicle Maintenance			
Other Expenses	\$ 935,526	\$ 1,084,821	\$ 149,295
Gasoline	375,000	436,123	61,123
2021 Appropriation Reserves:			
Information Technology Services			
Salaries and Wages	3,335	13,999	10,664
Employee Group Insurance	270,810	295,514	24,704
Public Employees Retirement System		159,100	159,100
Expenditure Without Appropriation		52,053	52,053
<u>Golf Course Utility Operating Fund</u>			
Debt Service			
Interest on Notes	23,000	28,901	5,901
<u>Swimming Pool Utility Operating Fund</u>			
Operating			
Salaries and Wages	277,962	304,181	26,219
Other Expenses	222,787	264,353	41,566

2021

NONE

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2022 and 2021, the book value of the Borough's deposits were \$50,040,347 and \$48,848,185 and bank and brokerage firm balances of the Borough's deposits amounted to \$51,123,296 and \$49,521,507, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
Insured	\$ 44,864,624	\$ 43,117,251
Uninsured and Collateralized	<u>6,258,672</u>	<u>6,404,256</u>
	<u>\$ 51,123,296</u>	<u>\$ 49,521,507</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2022 and 2021, the Borough's bank balances of \$6,258,672 and \$6,404,256 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 6,258,672</u>	<u>\$ 6,404,256</u>
	<u>\$ 6,258,672</u>	<u>\$ 6,404,256</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments

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

As of December 31, 2022 and 2021 the Borough had no outstanding investments.

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

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2022 and 2021 consisted of the following:

<u>Current</u>	<u>2022</u>	<u>2021</u>
Property Taxes	\$ 986,838	\$ 1,104,873
Tax Title Liens	<u>7,030</u>	<u>6,006</u>
	<u>\$ 993,868</u>	<u>\$ 1,110,879</u>

In 2022 and 2021, the Borough collected \$1,104,361 and \$1,260,992 from delinquent taxes, which represented 99.41% and 99.44%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2022</u>		<u>2021</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:				
Regular	\$ 230,815	\$ 3,836,524	\$ 211,925	\$ 2,595,615
Grant	2,719,780		2,420,165	
Trust Fund:				
Animal Control		10,421		8,389
Other Trust	246,105		152,062	1,039
Unemployment Trust	11,644		11,644	
Insurance Trust		1,159		
General Capital Fund	839,290			184,145
Golf Course Utility Fund:				
Operating	30,630	97,383	1,274	5,806
Capital	20,109	31,034	11,744	1,274
Swimming Pool Utility Fund:				
Operating	115	121,852	23	12,546
Capital	-	115	-	23
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 4,098,488</u>	<u>\$ 4,098,488</u>	<u>\$ 2,808,837</u>	<u>\$ 2,808,837</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<u>2022</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 847,436	\$ 211,859	\$ 635,577
Overexpenditure of Appropriations	210,418	210,418	
Overexpenditure of Appropriation Reserves	194,468	194,468	
Emergency Authorization	1,013,871	1,013,871	
Expenditures without Appropriation	52,053	52,053	
Golf Course Utility Operating Fund			
Overexpenditure of Appropriations	5,901	5,901	
Swimming Pool Utility Operating Fund			
Overexpenditure of Appropriations	67,785	67,785	
Special Emergency Authorizations (40A:4-55)	268,148	67,038	201,110
<u>2021</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 1,059,295	\$ 211,859	\$ 847,436
Emergency Authorization	780,000	780,000	
Swimming Pool Utility Operating Fund			
Special Emergency Authorizations (40A:4-55)	335,186	67,038	268,148

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 7 FUND BALANCES APPROPRIATED

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

	<u>2022</u>			<u>2021</u>	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget		Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund					
Cash Surplus	\$ 2,185,232	\$ 2,500,000	(A)	\$ 943,538	\$ 1,000,000
Non-Cash Surplus	<u>870,810</u>	<u>-</u>		<u>-</u>	<u>-</u>
	<u>\$ 3,056,042</u>	<u>\$ 2,500,000</u>		<u>\$ 943,538</u>	<u>\$ 1,000,000</u>
Golf Course Utility Operating Fund					
Cash Surplus	\$ 729,778	\$ 302,000	(A)	\$ 834,429	\$ 136,000
Non-Cash Surplus	<u>5,901</u>	<u>-</u>		<u>-</u>	<u>-</u>
	<u>\$ 735,679</u>	<u>\$ 302,000</u>		<u>\$ 834,429</u>	<u>\$ 136,000</u>
Swimming Pool Utility Operating Fund					
Cash Surplus	\$ 91,219	\$ 91,000	(A)	\$ 126,004	\$ 125,000
Non-Cash Surplus	<u>67,785</u>	<u>-</u>		<u>-</u>	<u>-</u>
	<u>\$ 159,004</u>	<u>\$ 91,000</u>		<u>\$ 126,004</u>	<u>\$ 125,000</u>

(A) The above fund balance amounts appropriated represents the surplus anticipated in the 2023 introduced municipal budget. The 2023 municipal budget has not been legally adopted as of the date of audit.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2022 and 2021.

	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Land	\$ 118,685,338			\$ 118,685,338
Buildings and Building Improvements	12,091,900	\$ 525,578		12,617,478
Machinery and Equipment	<u>29,692,794</u>	<u>1,911,285</u>	<u>-</u>	<u>31,604,079</u>
	<u>\$ 160,470,032</u>	<u>\$ 2,436,863</u>	<u>\$ -</u>	<u>\$ 162,906,895</u>
	Balance December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land	\$ 118,685,338			\$ 118,685,338
Buildings and Building Improvements	12,091,900			12,091,900
Machinery and 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>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 8 FIXED ASSETS (Continued)

B. Golf Course Utility Fund Fixed Assets

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2022 and 2021.

<u>Golf Course Utility Fund</u>	Balance December 31, 2021	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2022
<u>2022</u>				
Fixed Capital				
Unallocated	\$ 12,961,822			\$ 12,961,822
Golf Course Improvements	1,805,302	\$ 24,320		1,829,622
Acquisition of Vehicles and Equipment		171,661		171,661
Acquisition of Property	220,000	-	-	220,000
	<u>\$ 14,987,124</u>	<u>\$ 195,981</u>	<u>\$ -</u>	<u>\$ 15,183,105</u>
	Balance December 31, 2020	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2021
<u>2021</u>				
Fixed Capital				
Unallocated	\$ 12,961,822			\$ 12,961,822
Golf Course Improvements	1,805,302			1,805,302
Acquisition of Property	220,000	\$ -	\$ -	220,000
	<u>\$ 14,987,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,987,124</u>

C. Swimming Pool Utility Fund Fixed Assets

<u>Swimming Pool Utility Fund</u>	Balance December 31, 2021	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2022
<u>2022</u>				
Fixed Capital				
Swim Pool Improvements	\$ 3,372,780	\$ -	\$ -	\$ 3,372,780
	<u>\$ 3,372,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,372,780</u>
	Balance December 31, 2020	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2021
<u>2021</u>				
Fixed Capital				
Swim Pool Improvements	\$ 3,372,780	\$ -	\$ -	\$ 3,372,780
	<u>\$ 3,372,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,372,780</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2022</u>	<u>2021</u>
Issued		
General		
Bonds and Notes	\$ 42,111,000	\$ 38,515,500
Golf Course Utility		
Bonds and Notes	4,047,000	4,437,000
Swimming Pool Utility		
Bonds	<u>595,000</u>	<u>680,000</u>
	46,753,000	43,632,500
Less Funds Temporarily Held to Pay Bonds and Notes	<u>579,352</u>	<u>262,500</u>
Net Debt Issued	46,173,648	43,370,000
Authorized But Not Issued		
General		
Bonds and Notes	3,256,939	3,721,516
Swimming Pool Utility		
Bonds and Notes	<u>250,000</u>	<u>-</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 49,680,587</u>	<u>\$ 47,091,516</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .402% and .405% at December 31, 2022 and 2021, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
General Debt	\$ 45,367,939	\$ 579,352	\$ 44,788,587
School Debt	8,100,000	8,100,000	-
Utility Debt	<u>4,892,000</u>	<u>4,892,000</u>	<u>-</u>
Total	<u>\$ 58,359,939</u>	<u>\$ 13,571,352</u>	<u>\$ 44,788,587</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 42,237,016	\$ 262,500	\$ 41,974,516
School Debt	9,370,000	9,370,000	-
Utility Debt	<u>5,117,000</u>	<u>5,117,000</u>	<u>-</u>
Total	<u>\$ 56,724,016</u>	<u>\$ 14,749,500</u>	<u>\$ 41,974,516</u>

Statutory Borrowing Power

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

	<u>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 389,897,574	\$ 362,403,912
Less: Net Debt	<u>44,788,587</u>	<u>41,974,516</u>
Remaining Borrowing Power	<u>\$ 345,108,987</u>	<u>\$ 320,429,396</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2022</u>	<u>2021</u>
\$30,800,000, 2018 General Improvement Bonds, due in annual installments of \$2,900,000 to \$3,000,000 through February 15, 2029, interest at 2.25% - 3.00%	<u>\$ 20,600,000</u>	<u>\$ 23,500,000</u>

Utility Bonds

The Borough pledges revenue from operations to pay debt service on utility bonds issued. The golf course and swimming pool utility bonds outstanding at December 31 are as follows:

Golf Course Utility

	<u>2022</u>	<u>2021</u>
\$4,280,000, 2018 General Improvement Bonds, due in annual installments of \$390,000 through February 15, 2029, interest at 2.25% - 3.00%	<u>\$ 2,730,000</u>	<u>\$ 3,120,000</u>

Swimming Pool Utility

	<u>2022</u>	<u>2021</u>
\$920,000, 2018 General Improvement Bonds, due in annual installments of \$85,000 through February 15, 2029, interest at 2.50% - 3.00%	<u>\$ 595,000</u>	<u>\$ 680,000</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2022 is as follows:

Calendar Year	General		Golf Course Utility		Swimming Pool Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 2,900,000	\$ 534,625	\$ 390,000	\$ 70,688	\$ 85,000	\$ 15,406	\$ 3,995,719
2024	2,900,000	465,750	390,000	61,425	85,000	13,388	3,915,563
2025	2,900,000	393,250	390,000	51,675	85,000	11,263	3,831,188
2026	2,900,000	313,500	390,000	40,950	85,000	8,925	3,738,375
2027	3,000,000	225,000	390,000	29,250	85,000	6,375	3,735,625
2028-2029	6,000,000	180,000	780,000	23,400	170,000	5,100	7,158,500
Total	<u>\$ 20,600,000</u>	<u>\$ 2,112,125</u>	<u>\$ 2,730,000</u>	<u>\$ 277,388</u>	<u>\$ 595,000</u>	<u>\$ 60,457</u>	<u>\$ 26,374,970</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, 2021	Additions	Reductions	Balance, December 31, 2022	Due Within One Year
<u>2022</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 23,500,000	\$ -	\$ 2,900,000	\$ 20,600,000	\$ 2,900,000
General Capital Fund Long-Term Liabilities	\$ 23,500,000	\$ -	\$ 2,900,000	\$ 20,600,000	\$ 2,900,000
<u>Golf Course Utility Capital Fund</u>					
Bonds Payable	\$ 3,120,000	\$ -	\$ 390,000	\$ 2,730,000	\$ 390,000
Golf Course Utility Capital Fund Long-Term Liabilities	\$ 3,120,000	\$ -	\$ 390,000	\$ 2,730,000	\$ 390,000
<u>Swimming Pool Utility Capital Fund</u>					
Bonds Payable	\$ 680,000	\$ -	\$ 85,000	\$ 595,000	\$ 85,000
Swimming Pool Utility Capital Fund Long-Term Liabilities	\$ 680,000	\$ -	\$ 85,000	\$ 595,000	\$ 85,000

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 26,730,000	\$ -	\$ 3,230,000	\$ 23,500,000	\$ 2,900,000
General Capital Fund Long-Term Liabilities	<u>\$ 26,730,000</u>	<u>\$ -</u>	<u>\$ 3,230,000</u>	<u>\$ 23,500,000</u>	<u>\$ 2,900,000</u>
<u>Golf Course Utility Capital Fund</u>					
Bonds Payable	\$ 3,510,000	\$ -	\$ 390,000	\$ 3,120,000	\$ 390,000
Golf Course Utility Capital Fund Long-Term Liabilities	<u>\$ 3,510,000</u>	<u>\$ -</u>	<u>\$ 390,000</u>	<u>\$ 3,120,000</u>	<u>\$ 390,000</u>
<u>Swimming Pool Utility Capital Fund</u>					
Bonds Payable	\$ 760,000	\$ -	\$ 80,000	\$ 680,000	\$ 85,000
Swimming Pool Utility Capital Fund Long-Term Liabilities	<u>\$ 760,000</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 680,000</u>	<u>\$ 85,000</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2022 and 2021 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2021</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2022</u>
<u>2022</u>						
<u>General Capital Fund</u>						
Various Public Improvements	2.20	6/15/2023	\$ 15,015,500	\$ 1,653,500	\$ 15,015,500	\$ 1,653,500
Various Public Improvements	4.00	10/13/2023		19,158,000		19,158,000
Acquisition of Various Equipment and Vehicles	2.20	6/15/2023	-	699,500	-	699,500
Total General Capital Fund			<u>\$ 15,015,500</u>	<u>\$ 21,511,000</u>	<u>\$ 15,015,500</u>	<u>\$ 21,511,000</u>
<u>Golf Course Utility Capital Fund</u>						
Golf Course Improvements	2.20	6/15/2023	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Golf Course Improvements	4.00	10/13/2023	1,047,000	1,047,000	1,047,000	1,047,000
Acquisition of Property	2.20	6/15/2023	220,000	220,000	220,000	220,000
Total Golf Course Utility Capital Fund			<u>\$ 1,317,000</u>	<u>\$ 1,317,000</u>	<u>\$ 1,317,000</u>	<u>\$ 1,317,000</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2020</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2021</u>
<u>2021</u>						
<u>General Capital Fund</u>						
Various Public Improvements	1.50	10/14/2022	\$ 7,510,000	\$ 15,015,500	\$ 7,510,000	\$ 15,015,500
Acquisition of Various Equipment						
Housing Loan	0.34	6/17/2022	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total General Capital Fund			<u>\$ 9,510,000</u>	<u>\$ 15,015,500</u>	<u>\$ 9,510,000</u>	<u>\$ 15,015,500</u>
<u>Golf Course Utility Capital Fund</u>						
Golf Course Improvements	0.34	6/17/2022		\$ 50,000		\$ 50,000
Golf Course Improvements	1.50	10/14/2022		1,047,000		1,047,000
Acquisition of Property	0.34	6/17/2022	<u>-</u>	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Total Golf Course Utility Capital Fund			<u>\$ -</u>	<u>\$ 1,317,000</u>	<u>\$ -</u>	<u>\$ 1,317,000</u>

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

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

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough's statutory debt limit calculation is reported in the Current Fund and Swim Pool Utility Operating Fund for the years 2022 and 2021 as follows:

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Emergency Notes

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2021</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2022</u>
<u>Current Fund</u>						
<u>2022</u>						
Police - Salaries & Wages	4.00	12/15/2023		\$ 600,000		\$ 600,000
Board of Health - Other Expenses			\$ 30,000		\$ 30,000	-
Legal Fees			400,000		400,000	-
Workmen's Compensation Insurance			350,000	-	350,000	-
Total Emergency Notes			<u>\$ 780,000</u>	<u>\$ 600,000</u>	<u>\$ 780,000</u>	<u>\$ 600,000</u>

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2020</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2021</u>
<u>Current Fund</u>						
<u>2021</u>						
Board of Health - Other Expenses	0.46	12/15/2022		\$ 30,000		\$ 30,000
Legal Fees	0.46	12/15/2022		400,000		400,000
Workmen's Compensation Insurance	0.46	12/15/2022		350,000		350,000
Streets & Roads - Salaries & Wages			\$ 415,000		\$ 415,000	-
Vegetative Waste Removal - O/E			350,000		350,000	-
Solid Waste Collection - S&W			335,000		335,000	-
Solid Waste Collection - O/E			225,000		225,000	-
Liability Insurance			125,000		125,000	-
Shade Tree - Salaries & Wages			130,000	-	130,000	-
Total Emergency Notes			<u>\$ 1,580,000</u>	<u>\$ 780,000</u>	<u>\$ 1,580,000</u>	<u>\$ 780,000</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Special Emergency Notes

Following the adoption of an 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, but at least 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 fifth year following the date of the special emergency resolution.

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2021</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2022</u>
<u>Current Fund</u>						
<u>2022</u>						
COVID-19 Revenue Shortfall	3.97	12/15/2023	\$ 2,000,000	\$ 847,436	\$ 2,000,000	\$ 847,436
Total Special Emergency Notes			\$ 2,000,000	\$ 847,436	\$ 2,000,000	\$ 847,436

Swim Pool Utility Operating Fund
2022

COVID-19 Revenue Shortfall	3.97	12/15/2023	\$ 340,000	\$ 268,148	\$ 340,000	\$ 268,148
Total Special Emergency Notes			\$ 340,000	\$ 268,148	\$ 340,000	\$ 268,148

Current Fund
2021

			<u>Balance, December 31, 2020</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2021</u>
COVID-19 Revenue Shortfall	0.40	12/15/2022	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total Special Emergency Notes			\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000

Swim Pool Utility Operating Fund
2021

			<u>Balance, December 31, 2020</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2021</u>
COVID-19 Revenue Shortfall	0.40	12/15/2022	\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000
Total Special Emergency Notes			\$ 340,000	\$ 340,000	\$ 340,000	\$ 340,000

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

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.

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2021</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2022</u>
<u>2022</u>						
Tax Anticipation	3.12	2/8/2023	\$ 20,000,000	\$ 15,000,000	\$ 20,000,000	\$ 15,000,000
Total Tax Anticipation Notes			<u>\$ 20,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 15,000,000</u>
			Balance, December 31, <u>2020</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2021</u>
<u>2021</u>						
Tax Anticipation	1.00	4/29/2022	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Total Tax Anticipation Notes			<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2022</u>		
Paramus Library Children’s Addition	\$900,000	2023
Sanitary Sewer Lining	194,975	2023
Roofing Projects	61,500	2023

As of December 31, the Borough has other significant commitments as follows:

<u>Purpose</u>	<u>Remaining Commitment</u>
<u>2022</u>	
Fire Training Building Software Upgrades and Repairs	\$212,073
Acquisition of DPW Front Loader	289,286
Acquisition of DPW Chassis	131,523

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$2,322,784 and \$3,002,912 at December 31, 2022 and 2021, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

B. Financing Agreements

Capital Financing Agreements

The Borough entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the Borough’s approved budget.

Capital financing agreements at December 31 are comprised of the following:

	<u>2022</u>	<u>2021</u>
\$711,600, 2021 Agreement for the acquisition of fire department equipment for a term of 4 years due in annual principal installments of \$171,049 to \$184,870 through January 15, 2025 interest at 2.624%	\$ 540,551	\$ 711,600
Total	<u>\$ 540,551</u>	<u>\$ 711,600</u>

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest as of December 31, 2022:

Governmental Activities:

Calendar Year	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 175,537	\$ 14,184	\$ 189,721
2024	180,144	9,578	189,722
2025	<u>184,870</u>	<u>4,851</u>	<u>189,721</u>
Total	<u>\$ 540,551</u>	<u>\$ 28,613</u>	<u>\$ 569,164</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

C. Deferred Pension Obligation

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$1,610,580 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (7.00% effective July 1, 2017) at December 31, 2022 and 2021 is \$368,872 and \$596,643, respectively.

During the years ended December 31, 2022, 2021 and 2020 the Borough was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

<u>Years Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2022	\$ 67,359	\$ 189,253
2021	66,045	185,773
2020	65,871	185,590

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2022 and 2021 were as follows:

	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 3,002,912	\$ 165,065	\$ 845,193	2,322,784	
Deferred Pension Obligation	596,643	28,841	256,612	368,872	\$ 246,913
Net Pension Liability - PERS (1)	23,386,067			23,386,067	
Net Pension Liability - PFRS (1)	27,667,653			27,667,653	
Net OPEB Liability (1)	<u>89,872,188</u>	<u>-</u>	<u>-</u>	<u>89,872,188</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 144,525,463</u>	<u>\$ 193,906</u>	<u>\$ 1,101,805</u>	<u>\$ 143,617,564</u>	<u>\$ 246,913</u>

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

C. Deferred Pension Obligation (Continued)

Changes in Other Long-Term Liabilities (Continued)

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 2,617,716	\$ 676,293	\$ 291,097	3,002,912	
Deferred Pension Obligation	804,619	43,842	251,818	596,643	\$ 256,612
Net Pension Liability - PERS	31,722,337		8,336,270	23,386,067	
Net Pension Liability - PFRS	48,256,105		20,588,452	27,667,653	
Net OPEB Liability	<u>90,077,819</u>	<u>-</u>	<u>205,631</u>	<u>89,872,188</u>	<u>-</u>
 Total Other Long-Term Liabilities	 <u>\$ 173,478,596</u>	 <u>\$ 720,135</u>	 <u>\$ 29,673,268</u>	 <u>\$ 144,525,463</u>	 <u>\$ 256,612</u>

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

The following represents the membership tiers for PFRS:

<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% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was not available and for June 30, 2021 is \$12.0 billion, and the plan fiduciary net position as a percentage of the total pension liability is 70.33% at June 30, 2021. The collective net pension liability of the participating employers for local PFRS at June 30, 2022 was not available and for June 30, 2021 is \$9.4 billion and the plan fiduciary net position as a percentage of total pension liability is 77.26% at June 30, 2021.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2022 and 2021 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2022 and 2021 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2022, 2021 and 2020 were equal to the required contributions.

During the years ended December 31, 2022, 2021, and 2020, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2022	\$ 4,411,683	\$ 2,311,890	\$ 35,875
2021	4,172,199	2,128,034	5,911
2020	3,574,299	1,854,375	7,294

In addition for the years ended December 31, 2022, 2021 and 2020 the Borough contributed for long-term disability insurance premiums (LTDI) \$0, \$0 and \$8,319, respectively for PERS and \$0, \$0 and \$0, respectively for PFRS.

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2022 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2021, the Borough reported 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 July 1, 2020. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the Borough's proportionate share was .19741 percent, which was an increase of .00198 percent from its proportionate share measured as of June 30, 2020 of .19543 percent.

For the year ended December 31, 2021, the pension system has determined the Borough's pension expense (benefit) to be \$(1,411,987), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$2,128,034. At December 31, 2021, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2021</u>	
	<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 Borough Contributions and Proportionate Share of Contributions	<u>3,014,422</u>	<u>-</u>
Total	<u>\$ 3,505,044</u>	<u>\$ 14,653,514</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2022	\$ (2,747,866)
2023	(2,747,866)
2024	(2,747,866)
2025	(2,747,867)
2026	(157,005)
Thereafter	<u>-</u>
	<u>\$ (11,148,470)</u>

**BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for PERS 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 in determining the total pension liability.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2021</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 31,847,081</u>	<u>\$ 23,386,067</u>	<u>\$ 16,205,698</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

Police and Firemen’s Retirement System (PFRS)

At December 31, 2021, the Borough reported 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 July 1, 2020. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the Borough’s proportionate share was .37853 percent, which was an increase of .00507 percent from its proportionate share measured as of June 30, 2020 of .37346 percent.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2021, the pension system has determined the Borough pension expense (benefit) to be \$(2,517,280) for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$4,172,199. At December 31, 2021, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual 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>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (4,321,575)
2023	(4,321,575)
2024	(4,321,575)
2025	(4,321,574)
2026	(1,374,053)
Thereafter	<u>(233,589)</u>
	<u>\$ (18,893,941)</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	2.75%
Salary Increases	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%

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 Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability for PFRS 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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2021</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 42,012,466	\$ 27,667,653	\$ 15,727,146

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

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

At December 31, 2021, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$7,781,522. For the year ended December 31, 2021, 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, which is more than the actual contribution the State made on behalf of the Borough of \$675,975. At December 31, 2021 (measurement date June 30, 2021) the State’s share of the PFRS net pension liability attributable to the Borough was .37853 percent, which was an increase of .00507 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .37346 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough’s financial statements.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plan Fiduciary Net Position

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <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 participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployees of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	64,243
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>32,624</u>
Total	<u>96,867</u>
Contributing Employers	585
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2022 was not available and for 2021 is \$18.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.28% at June 30, 2021.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2020 which was rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The employers participating in the OPEB plan made contributions of \$325.1 million and the State of New Jersey, as the non-employer contributing entity, contributed \$37.8 million for fiscal year 2021.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2022, 2021 and 2020 were \$3,031,033, \$2,202,381 and \$2,031,138, respectively, which equaled the required contributions for each year. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2022, 2021 and 2020 were \$226,895, \$272,765 and \$255,297, respectively.

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2022 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2021, the Borough reported a liability of \$89,872,188 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2021 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2021. As of the measurement date of June 30, 2021 the Borough's proportionate share was .49930 percent, which was a decrease of .00262 percent from its proportionate share measured as of June 30, 2020 of .50192 percent.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

For the year ended December 31, 2021, the Plan has determined the Borough's OPEB expense to be \$2,098,148, based on the actuarial valuation which is less than the actual contributions reported in the Borough's financial statements of \$3,031,033. At December 31, 2021, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,016,624	\$ 18,802,588
Changes of Assumptions	12,928,383	15,885,965
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	42,972	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	21,742,701	10,801,238
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 36,730,680</u>	<u>\$ 45,489,791</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (1,279,885)
2023	(1,279,885)
2024	(1,279,885)
2025	(1,279,885)
2026	(1,290,628)
Thereafter	<u>(2,348,943)</u>
	<u>\$ (8,759,111)</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough’s total OPEB liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2021</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%

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

Mortality Rates

Pre-retirement and healthy post-retirement mortality rates were based on the Pub-2010 Healthy “Safety” for PFRS and Healthy “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled “Safety” for PFRS and Disabled “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 5.65 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. Future years PPO and HMO trend rates differ for each retirement plan. PPO trend is initially 7.56% in fiscal year 2024, increasing to 14.43% in fiscal year 2025 and decreasing to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term after 7 years.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate for June 30, 2021 measurement date was 2.16%. 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.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2021 calculated using the discount rate of 2.16%, 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 1.16% or 1-percentage-point higher 3.16% than the current rate:

<u>2021</u>	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 105,762,326</u>	<u>\$ 89,872,188</u>	<u>\$ 77,278,912</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2021. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

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

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2021 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2021</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 74,983,673</u>	<u>\$ 89,872,188</u>	<u>\$ 109,299,857</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2021. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$712,923. For the year ended December 31, 2021 the plan has determined the State's proportionate share of the OPEB expense (benefit) attributable to the Borough for the OPEB special funding situation is \$97,281. At December 31, 2021, (measurement date June 30, 2021), the State's share of the OPEB liability attributable to the Borough was .01846 percent, which was an increase of .01434 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .00412 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

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

NOTE 14 RISK MANAGEMENT

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

The Borough of Paramus is a member of the New Jersey Municipal Self Insurers' 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 Funds are risk-sharing public entity pools. 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 the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 14 RISK MANAGEMENT (Continued)

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

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

The Borough has established an insurance trust fund for worker’s compensation, general liability and property deductible payments. The Borough funds the cost of the plans up to a certain threshold at which point coverage is maintained through a policy with the New Jersey Municipal Self-Insurers’ Joint Insurance Fund containing the following limits:

Worker’s Compensation	The first \$200,000 is the Borough’s responsibility and in excess of \$200,000 is covered by the New Jersey Municipal Self-Insurers’ Joint Insurance Fund.
General Liability, Property	The first \$150,000 is the Borough’s responsibility and in excess of \$150,000 is covered by the New Jersey Municipal Self-Insurers’ Joint Insurance Fund an excess limit of \$9,700,000.

The reserve balances in the Insurance Trust Fund for workers’ compensation at December 31, 2022 and 2021 are \$13,330 and \$11,163, respectively. The reserve balances in the Insurance Fund for general liability at December 31, 2022 and 2021 are \$22,670 and \$5,787, respectively. The reserve balances in the Insurance Fund for property liability at December 31, 2022 and 2021 are \$53,558 and \$53,558, respectively.

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

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u> <u>(Deficit)</u>
2022	\$ -	\$ 57,019	\$ 1,024	\$ 63,489	\$ 52,216
2021	12,149	59,275		1,315	58,460
2020	8,000	44,874		70,145	(11,649)

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2022 and 2021. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts to be material. As of December 31, 2022 and 2021, the Borough reserved \$0 and \$0, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 15 CONTINGENT LIABILITIES (Continued)

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2022 and 2021, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2022 and 2021, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 17 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The Borough of Paramus's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Paramus's primary revenue source for supporting its budget. The Borough of Paramus cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive \$2,749,014 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized \$1,374,507 of the funds in the 2022 budget to replace lost public sector revenue. The Borough utilized the remaining funds in the amount of \$1,374,507 in the 2023 budget to replace lost public sector revenue. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 18 SUBSEQUENT EVENTS

Emergency Notes

On May 19, 2023 the Borough issued an emergency not in the amount of \$413,871 to temporarily finance expenditures related to tax appeals. The Borough have awarded the sale of said notes to Amboy Bank at an interest rate of 4.20%. These notes dated May 19, 2023 will mature on December 15, 2023.

Tax Anticipation Notes

On May 23, 2023 the Borough authorized the Chief Financial Officer to issue \$12,000,000 of tax anticipation notes to temporarily finance the Borough's operating expenditures. The Borough have awarded the sale of said notes to BNY Mellon Capital Markets LLC at an interest rate of 4.50%. These notes dated June 15, 2023 will mature on February 15, 2024.

Bond Anticipation Notes

On June 15, 2023 the Borough issued bond anticipation notes in the amount of \$2,873,000 to temporarily finance expenditures related to various capital projects. The Borough have awarded the sale of said notes to Amboy Bank at an interest rate of 4.30%. These notes dated June 15, 2023 will mature on June 14, 2024.

Special Emergency Notes

On May 19, 2023 the Borough issued special emergency notes in the amount of \$710,000 to finance terminal pay for retired employees. The Borough awarded the sale of said notes to Amboy Bank at an interest rate of 4.20%. These notes dated May 19, 2023 will mature on May 17, 2024.

Debt Issued

On May 23, 2023 the Borough awarded a lease to De Lage Landen Public Financial LLC for the acquisition of sixty five (65) golf carts in the amount of \$516,491 with an interest rate of 6.00%. Term is for five annual installments commencing on May 1, 2023 through March 1, 2027.

CURRENT FUND

**BOROUGH OF PARAMUS
STATEMENT OF CASH - CURRENT FUND**

Balance, December 31, 2021		\$ 28,044,817
Increased by Receipts:		
Taxes Receivable	\$ 169,894,792	
Revenue Accounts Receivable	13,878,313	
Non Budget Revenue	1,903,004	
Special Emergency Note Payable	847,436	
Emergency Note Payable	600,000	
Tax Anticipation Note Payable	15,000,000	
Due from State - Senior Citizen and Veteran Deductions	152,250	
Marriage License/Domestic Partnership Fees Payable	1,300	
DCA Fees Payable	181,709	
Tax Overpayments	1,135,499	
Prepaid Taxes	967,814	
Reserve for Municipal Relief Fund	211,593	
Receipts from Federal and State Grant Fund	6,730	
Receipts for Federal and State Grant Fund	1,675,162	
Receipts from Other Trust Fund	26,380	
Receipts from Self Insurance Trust Fund	499	
Receipts from General Capital Fund	54,414	
Receipts for General Capital Fund	1,049,682	
Receipts for Golf Course Utility Capital Fund	8,365	
Receipts for Swim Pool Utility Operating Fund	<u>268,148</u>	
		<u>207,863,090</u>
		235,907,907
Decreased by Disbursements:		
2022 Budget Appropriations	72,311,406	
2021 Appropriation Reserves	1,522,604	
Tax Anticipation Note Payable	20,000,000	
Special Emergency Note Payable	2,000,000	
Emergency Note Payable	780,000	
Encumbrances Payable	1,057,366	
Tax Overpayments	1,957	
Marriage License/Domestic Partnership Fees Payable	2,175	
DCA Fees Payable	152,320	
Local School District Taxes Payable	84,804,281	
County Taxes Payable	26,459,332	
Payments for Golf Course Utility Operating Fund	16,577	
Payments for Swim Pool Utility Operating Fund	377,454	
Expenditure Without Appropriation	52,053	
Tax Appeals	1,024,099	
Refund of Prior Year Revenue	<u>55,424</u>	
		<u>210,617,048</u>
Balance, December 31, 2022		<u>\$ 25,290,859</u>

**BOROUGH OF PARAMUS
STATEMENT OF CASH - FEDERAL AND STATE GRANT FUND**

Balance, December 31, 2021		\$	760,361
Increased by Receipts:			
Grants Receivable	\$	1,273	
Unappropriated Reserves for Grants		133,199	
Interest Earned		<u>8,770</u>	
			<u>143,242</u>
			903,603
Decreased by Disbursements:			
Encumbrances Payable		79,455	
Appropriated Reserves for Grants		249,880	
Payments to Current Fund		<u>6,730</u>	
			<u>336,065</u>
Balance, December 31, 2022		\$	<u>567,538</u>

**BOROUGH OF PARAMUS
STATEMENT OF CHANGE FUNDS**

<u>Title</u>	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</u>
Tax Collector	\$ 100	\$ 100
Borough Clerk	50	50
Swimming Pool	170	170
Municipal Court	<u>130</u>	<u>130</u>
	<u>\$ 450</u>	<u>\$ 450</u>

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

Balance, December 31, 2021		\$ 9,723
Increased by:		
State Share of Senior Citizens' and Veterans' Deductions Received in Cash	\$ 152,250	
Senior Citizens' and Veterans' Disallowed - 2022	<u>6,555</u>	
		<u>158,805</u>
		168,528
Decreased by:		
Senior Citizens' Deductions Per Tax Billing	15,750	
Veterans' Deductions Per Tax Billing	137,750	
Senior Citizens and Veteran's Allowed - 2022	<u>1,000</u>	
		<u>154,500</u>
Balance, December 31, 2022		<u>\$ 14,028</u>

**BOROUGH OF PARAMUS
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, December 31,	2022 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Collections		Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31,
	2021			2021	2022	2021	2022			2022
2021	\$ 1,104,873	-	-	-	-	\$ 1,104,361	-	\$ 241	\$ 271	-
	1,104,873	-	-	-	-	1,104,361	-	241	271	-
2022	-	\$ 170,518,361	\$ 439,253	\$ 6,555	\$ 868,602	168,790,431	\$ 154,500	163,045	753	\$ 986,838
	\$ 1,104,873	\$ 170,518,361	\$ 439,253	\$ 6,555	\$ 868,602	\$ 169,894,792	\$ 154,500	\$ 163,286	\$ 1,024	\$ 986,838

Analysis of 2022 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 170,518,361
Added Taxes (RS 54:4-36.1 et seq.)	<u>439,253</u>
	\$ 170,957,614
Tax Levy	
Local District School Taxes	84,804,279
County Taxes	
County Tax	\$ 25,373,778
Open Space Tax	1,051,034
Due County for Added and Omitted Taxes	<u>68,160</u>
	26,492,972
Local Tax for Municipal Purposes	59,271,183
Add: Additional Taxes Levied	<u>389,180</u>
	<u>59,660,363</u>
	\$ 170,957,614

EXHIBIT A-9

**BOROUGH OF PARAMUS
STATEMENT OF TAX TITLE LIENS**

Balance, December 31, 2021		\$	6,006
Increased by:			
Transfers from Taxes Receivable:			
2022 Taxes	\$	753	
2021 Taxes		<u>271</u>	
			<u>1,024</u>
Balance, December 31, 2022		\$	<u>7,030</u>

EXHIBIT A-10

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES -
AT ASSESSED VALUATIONS**

Balance, December 31, 2021	\$	<u>23,978</u>
Balance, December 31, 2022	\$	<u>23,978</u>

**BOROUGH OF PARAMUS
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2021</u>	Accrued In <u>2022</u>	<u>Collected</u>	Balance, December 31, <u>2022</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 47,438	\$ 47,438	
Other		858,803	858,803	
Board of Health				
Licenses		186,331	186,331	
Fees and Permits		75,615	75,615	
Police Department				
Fees and Permits		61,531	61,531	
Zoning Board of Adjustment				
Fees and Permits		169,857	169,857	
Planning Board				
Fees and Permits		125,687	125,687	
Fire Prevention				
Fees and Permits		298,037	298,037	
Municipal Court				
Fines and Costs	\$ 26,678	308,940	304,096	\$ 31,522
Interest and Costs on Taxes		339,135	339,135	
Interest on Investments and Deposits		361,939	361,939	
Off Duty Police Administrative Fees		300,000	300,000	
Energy Receipts Tax		4,056,309	4,056,309	
Uniform Construction Code Fees		1,839,735	1,839,735	
Interlocal Service Agreements				
Maywood Borough - Municipal Court		98,294	98,294	
Vehicle Maintenance		480,159	480,159	
Sale of Gasoline		108,421	108,421	
Traffic Light Repairs		8,370	8,370	
Street Sweeping and Snow Plowing		84,745	84,745	
Dumping Fees - Board of Education		17,714	17,714	
Leonia - Chief Financial Officer		20,550	20,550	
South Hackensack - DPW Superintendent		25,500	25,500	
Lyndhurst- Tax Assessor		5,000	5,000	
Rochelle Park- Municipal Court		6,250	6,250	
Uniform Fire Safety Act		197,102	197,102	
Sewer User Fees		983,557	983,557	
Sanitary Sewer Tie-in (River Edge Borough)		220,228	220,228	
Hotel Occupancy Tax		477,348	477,348	
Ambulance Fees		994,244	994,244	
Cable TV Franchise Fees		345,946	345,946	
Golf Course Utility Surplus		300,000	300,000	
Golf Course Utility- Group Insurance Reimbursement		75,000	75,000	
Library PERS Reimbursement		200,000	200,000	
PSE&G Easement Agreement		32,828	32,828	
PILLOT-State of New Jersey		58,322	58,322	
Recycling Revenue	-	189,222	189,222	-
	<u>\$ 26,678</u>	<u>\$ 13,958,157</u>	<u>\$ 13,953,313</u>	<u>\$ 31,522</u>
		Cash Receipts	\$ 13,878,313	
		Due from Golf Course Utility Operating Fund	<u>75,000</u>	
			<u>\$ 13,953,313</u>	

**BOROUGH OF PARAMUS
STATEMENT OF TAX ANTICIPATION NOTE PAYABLE**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
April 29, 2021	April 29, 2022	1.00%	\$ 20,000,000		\$ 20,000,000	
July 8, 2022	February 8, 2023	3.12%	-	\$ 15,000,000	-	\$ 15,000,000
			<u>\$ 20,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 15,000,000</u>

STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
44,561	December 15, 2022	0.40%	\$ 2,000,000		\$ 2,000,000	
December 15, 2022	December 15, 2023	3.97%	-	\$ 847,436	-	\$ 847,436
			<u>\$ 2,000,000</u>	<u>\$ 847,436</u>	<u>\$ 2,000,000</u>	<u>\$ 847,436</u>

STATEMENT OF EMERGENCY NOTE PAYABLE

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
44,561	December 15, 2022	0.46%	\$ 780,000		\$ 780,000	
December 29, 2022	December 15, 2023	4.00%	-	\$ 600,000	-	\$ 600,000
			<u>\$ 780,000</u>	<u>\$ 600,000</u>	<u>\$ 780,000</u>	<u>\$ 600,000</u>

BOROUGH OF PARAMUS
STATEMENT OF DEFERRED CHARGES N.J.S.A. 40A:4-53 - SPECIAL EMERGENCY

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Amount</u> <u>Raised in</u> <u>2022</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
December 31, 2020	COVID-19 Revenue Shortfall	\$ 1,059,250	\$ 211,859	\$ 1,059,295	\$ 211,859	\$ 847,436
				<u>\$ 1,059,295</u>	<u>\$ 211,859</u>	<u>\$ 847,436</u>

STATEMENT OF DEFERRED CHARGES

	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Increased</u>	<u>Amount</u> <u>Raised in</u> <u>2022</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
Overexpenditure of Appropriation Reserves		\$ 194,468		\$ 194,468
Overexpenditure of Appropriations		210,418		210,418
Expenditure Without Appropriation		52,053		52,053
Emergency Appropriations:				
Board of Health - Other Expenses	\$ 30,000		\$ 30,000	
Legal Fees	400,000		400,000	
Police - Salaries & Wages		600,000		600,000
Refunding Tax Appeals		413,871		413,871
Workmen's Compensation Insurance	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>-</u>
	<u>\$ 780,000</u>	<u>\$ 1,470,810</u>	<u>\$ 780,000</u>	<u>\$ 1,470,810</u>

BOROUGH OF PARAMUS
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	Amount <u>Lapsed</u>	Over- <u>Expended</u>
GENERAL GOVERNMENT						
General Administration						
Salaries and Wages	\$ 1,408		\$ 1,408		\$ 1,408	
Other Expenses	4,230		4,230	\$ 4,155	75	
Other Expenses - Grant Writer - Millennium Strategies	6,500		6,500	3,500	3,000	
Mayor & Council						
Other Expenses	125		125		125	
Municipal Clerk						
Salaries and Wages	3,279		3,279		3,279	
Other Expenses	1,190		1,190	748	442	
Information Technology Services						
Salaries and Wages	3,335		3,335	13,999	-	\$ 10,664
Other Expenses	6,201		6,201	6,071	130	
Financial Administration						
Salaries and Wages	48		48		48	
Other Expenses	1,782		1,782	877	905	
Revenue Administration						
Salaries and Wages	1,768		1,768		1,768	
Other Expenses	7		7	6	1	
Tax Assessment Administration						
Salaries and Wages	84		84		84	
Other Expenses	234		234	215	19	
Legal Services						
Other Expenses	195,612		195,612	193,798	1,814	
Engineering Services						
Other Expenses	1,187		1,187	979	208	
Land Use Administration						
Planning Board						
Salaries and Wages	103		103		103	
Other Expenses	167		167		167	
Zoning Board of Adjustment						
Salaries and Wages	26		26		26	
PUBLIC SAFETY FUNCTIONS						
Police Department						
Salaries and Wages	60,018		60,018	51,277	8,741	
Other Expenses	15,073		15,073	1,079	13,994	
Police Dispatchers						
Salaries and Wages	6,742		6,742		6,742	
Other Expenses	2,013	\$ 15	2,028		2,028	
Office of Emergency Management						
Salaries and Wages	482		482		482	
Other Expenses	19,984		19,984	19,445	539	
Rescue Squad						
Salaries & Wages	500		500		500	
Other Expenses	680		680		680	
Fire Department						
Salaries & Wages	300		300		300	
Other Expenses	95		95	12	83	
Uniform Fire Safety						
Salaries & Wages	12,872		12,872	12,590	282	
Other Expenses	1,967		1,967	545	1,422	

**BOROUGH OF PARAMUS
STATEMENT OF 2021 APPROPRIATION RESERVES**

	Balance, December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	Amount <u>Lapsed</u>	Over- <u>Expended</u>
PUBLIC SAFETY FUNCTIONS (Continued)						
Ambulance Corps						
Salaries & Wages	\$ 282	\$ 590	\$ 872		\$ 872	
Other Expenses	1,463	368	1,831		1,831	
Fire Hydrant Service	5	46	51		51	
PUBLIC WORKS FUNCTIONS						
Streets and Roads Maintenance						
Salaries and Wages	5		5		5	
Other Expenses	2,746		2,746	\$ 2,740	6	
Shade Tree Commission						
Salaries and Wages	5,781		5,781		5,781	
Other Expenses	28	1	29		29	
Solid Waste Collection						
Salaries and Wages	368		368		368	
Other Expenses	4,310		4,310	470	3,840	
Buildings and Grounds						
Salaries and Wages	689		689		689	
Other Expenses	5,307		5,307	5,169	138	
Vehicle Maintenance						
Salaries and Wages	11,213		11,213	11,000	213	
Other Expenses	58,201		58,201	57,711	490	
HEALTH AND HUMAN SERVICES						
Board of Health						
Salaries and Wages	2,669		2,669		2,669	
Other Expenses	1,483		1,483	744	739	
Animal Control Services						
Other Expenses	2,440		2,440	2,420	20	
Administration of Public Assistance						
Salaries and Wages	5		5		5	
Other Expenses	586		586		586	
PARK AND RECREATION FUNCTIONS						
Recreation Services and Programs						
Salaries and Wages	1,462		1,462		1,462	
Other Expenses	2,891	3,493	6,384		6,384	
Senior Citizens Center						
Salaries and Wages	2,739		2,739		2,739	
Other Expenses	2,317		2,317	437	1,880	

BOROUGH OF PARAMUS
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	Amount <u>Lapsed</u>	Over- <u>Expended</u>
RECYCLING AND LANDFILL						
Landfill/Solid Waste Disposal Cost						
Other Expenses	\$ 7,198		\$ 7,198	\$ 7,101	\$ 97	
Other Expenses - Vegetative Waste	18,656		18,656	18,640	16	
MUNICIPAL COURT						
Salaries and Wages	28,215		28,215		28,215	
Other Expenses	1,460		1,460	1,108	352	
CODE ENFORCEMENT & ADMINISTRATION						
Construction Officials						
Salaries and Wages	77,498		77,498	77,000	498	
Other Expenses	6,033		6,033		6,033	
INSURANCE						
Other Insurance Premiums	5,000		5,000		5,000	
Vision (Self)	22,833	\$ 283,233	306,066	297,566	8,500	
Workers Compensation Insurance (JIF)	1,544		1,544	892	652	
Workers Compensation Insurance (Self)	68,484		68,484	68,484	-	
Unemployment	29,500		29,500		29,500	
Employee Group Insurance	270,810		270,810	295,514	-	\$ 24,704
UTILITY EXPENSES & BULK PURCHASES						
Electricity and Natural Gas	84,560		84,560	84,514	46	
Street Lighting	14,436		14,436	14,400	36	
Telephone	7,494		7,494	7,452	42	
Water	10,348		10,348	6,619	3,729	
Gasoline	2,995		2,995	2,905	90	
Diesel Fuel	11,263		11,263	11,173	90	
Outside Fuel Agreements	20,000		20,000	20,000	-	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Charges						
DCRP Pension	135		135		135	
Social Security System (O.A.S.I.)	13,748	201	13,949		13,949	
Public Employees Retirement System			-	159,100		159,100
OPERATIONS - EXCLUDED FROM "CAPS"						
EDUCATION FUNCTIONS						
Maintenance of Free Public Library	64,886		64,886	64,886	-	
UTILITY EXPENSES & BULK PURCHASES						
Sewerage Processing and Disposal - BCUA						
Other Expenses - Operation and Maintenance	1		1		1	

**BOROUGH OF PARAMUS
STATEMENT OF 2021 APPROPRIATION RESERVES**

	Balance, December 31, <u>2021</u>	Encumbrances Cancelled	Budget After Modification	Paid or Charged	Amount Lapsed	Over- Expended
INTERLOCAL SERVICE AGREEMENTS						
Landfill/Solid Waste Disposal - Board of Education	\$ 15,000		\$ 15,000	\$ 15,000		
Municipal Court - Maywood Salaries and Wages	23,029		23,029	202	\$ 22,827	
Mechanical Maintenance Other Expenses	<u>1,797</u>	<u>-</u>	<u>1,797</u>	<u>1,769</u>	<u>28</u>	<u>-</u>
	<u>\$ 1,261,925</u>	<u>\$ 287,947</u>	<u>\$ 1,549,872</u>	<u>\$ 1,544,312</u>	<u>\$ 200,028</u>	<u>\$ 194,468</u>
				Cash Disbursements	\$ 1,522,604	
				Accounts Payable	<u>21,708</u>	
					<u>\$ 1,544,312</u>	

**BOROUGH OF PARAMUS
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2021		\$ 1,345,313
Increased by:		
Transferred from 2022 Budget		<u>678,497</u>
		2,023,810
Decreased by:		
Cancelled to Appropriation Reserves	\$ 287,947	
Cash Disbursements	<u>1,057,366</u>	
		<u>1,345,313</u>
Balance, December 31, 2022		<u>\$ 678,497</u>

STATEMENT OF MARRIAGE LICENSE/DOMESTIC PARTNERSHIP FEES PAYABLE

Balance, December 31, 2021		\$ 1,200
Increased by:		
Cash Receipts		<u>1,300</u>
		2,500
Decreased by:		
Cash Disbursements		<u>2,175</u>
Balance, December 31, 2022		<u>\$ 325</u>

**BOROUGH OF PARAMUS
STATEMENT OF DCA FEES PAYABLE**

Balance, December 31, 2021		\$ 22,723
Increased by:		
Cash Receipts		<u>181,709</u>
		204,432
Decreased by:		
Cash Disbursements		<u>152,320</u>
Balance, December 31, 2022		<u>\$ 52,112</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2021		\$ 34,520
Increased by:		
Levy of 2022		
County Tax (Abstract)	\$ 25,373,778	
County Open Space Tax (Abstract)	1,051,034	
County Tax for Added and Omitted Taxes (54:4-63.1)	<u>68,160</u>	
		<u>26,492,972</u>
		26,527,492
Decreased by:		
Payments		<u>26,459,332</u>
Balance, December 31, 2022		<u>\$ 68,160</u>

STATEMENT OF LOCAL SCHOOL DISTRICT TAX PAYABLE

Balance, December 31, 2021		\$ 2
Increased by:		
2022 Levy		<u>84,804,279</u>
		84,804,281
Decreased by:		
Payments		<u>84,804,281</u>
Balance, December 31, 2022		<u>\$ -</u>

**BOROUGH OF PARAMUS
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2021	\$ 21,401
Increased by:	
Tax Overpayments Received	<u>1,135,499</u>
	1,156,900
Decreased by:	
Cash Disbursements	<u>1,957</u>
Balance, December 31, 2022	<u>\$ 1,154,943</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2021	\$ 868,602
Increased by:	
Collections	<u>967,814</u>
	1,836,416
Decreased by:	
Applied to 2022 Taxes Receivable	<u>868,602</u>
Balance, December 31, 2022	<u>\$ 967,814</u>

**STATEMENT OF GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND**

	Balance, December 31, <u>2021</u>	2022 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, December 31, <u>2022</u>
FEMA - COVID 19	\$ 66,295	\$ -	\$ 5,404	\$ 60,891
	<u>\$ 66,295</u>	<u>\$ -</u>	<u>\$ 5,404</u>	<u>\$ 60,891</u>
			Due from Current Fund \$ 4,131	
			Cash Receipts <u>1,273</u>	
			<u>\$ 5,404</u>	

**BOROUGH OF PARAMUS
STATEMENT OF APPROPRIATED RESERVES FOR GRANTS
FEDERAL AND STATE GRANT FUND**

<u>Grant</u>	Balance, December 31, <u>2021</u>	Transfer from 2022 <u>Budget</u>	<u>Expended</u>	Balance, December 31, <u>2022</u>
Assistance to Firefighters	\$ 1,990			\$ 1,990
Body Armor Replacement Fund-2020	14,216			14,216
Body Armor Replacement Fund-2019	8,690			8,690
Body Armor Replacement Fund- 2021		\$ 14,682		14,682
Clean Communities Program-2016	13,637		\$ 13,637	-
Clean Communities Program-2017	42,449		42,449	-
Clean Communities Program-2018	21,458		21,458	-
Clean Communities Program-2019	47,516		21,277	26,239
Clean Communities Program-2020	54,213			54,213
Clean Communities Program-2021		50,565		50,565
Drunk Driving Enforcement Fund	10,743			10,743
Drunk Driving Enforcement Fund-2017	5,336		2,800	2,536
Drunk Driving Enforcement Fund	17,277			17,277
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
Recycling Tonnage Grant	339,982		201,944	138,038
Recycling Tonnage Grant -2018	130,864			130,864
Recycling Tonnage Grant-2020	148,374			148,374
Recycling Tonnage Grant-2019	144,982			144,982
Recycling Tonnage Grant-2021		190,034		190,034
Safe and Secure Communities-2019	34,130		105	34,025
Safe and Secure Communities-2020	60,000			60,000
Safe and Secure Communities-2021		32,500		32,500
Alcohol Education and Rehabilitation	161			161
Alcohol Education and Rehabilitation-2020	1,500			1,500
Distracted Driving	5,500	11,520		17,020
Drive Sober or Get Pulled Over	5,500	5,100		10,600
Emergency Management Grant-2021		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
Municipal Alliance	6,249	5,273	2,770	8,752
Click it or Ticket		6,000		6,000
Sustainable New Jersey Grant	2,000	-	-	2,000
	<u>\$ 1,303,530</u>	<u>\$ 325,674</u>	<u>\$ 306,440</u>	<u>\$ 1,322,764</u>
			Encumbrances Payable \$ 56,560	
			Cash Disbursements 249,880	
			<u>\$ 306,440</u>	

**BOROUGH OF PARAMUS
STATEMENT OF ACCOUNTS PAYABLE**

Increased by:	
Transferred from 2021 Appropriation Reserves	\$ <u>21,708</u>
Balance, December 31, 2022	\$ <u>21,708</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
FEDERAL AND STATE GRANT FUND**

Balance, December 31, 2021	\$ 79,455
Increased by:	
Transferred from Appropriated Reserves for Grants	<u>56,560</u>
	136,015
Decreased by:	
Cash Disbursements	<u>79,455</u>
Balance, December 31, 2022	\$ <u>56,560</u>

**STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS
FEDERAL AND STATE GRANT FUND**

	Balance, December 31, <u>2021</u>	<u>Receipts</u>	Realized in 2022 <u>Budget</u>	Balance, December 31, <u>2022</u>
Clean Communities	\$ 50,565	\$ 50,348	\$ 50,565	\$ 50,348
Recycling Tonnage	190,034	211,838	190,034	211,838
Municipal Alliance	4,273		4,273	-
Distracted Driving	11,520	12,600	11,520	12,600
Drive Sober or Get Pulled Over	5,100	6,000	5,100	6,000
Emergency Management	10,000	10,000	10,000	10,000
Click It or Ticket	6,000	7,000	6,000	7,000
Strengthening Public Health Capacity	164,654	82,851		247,505
Body Armor Replacement Grant	14,683	5,871	14,682	5,872
Safe and Secure	32,500	41,320	32,500	41,320
Alcohol Education and Rehabilitation Grant		1,895		1,895
American Rescue Plan	<u>1,374,507</u>	<u>1,374,507</u>	<u>1,374,507</u>	<u>1,374,507</u>
	<u>\$ 1,863,836</u>	<u>\$ 1,804,230</u>	<u>\$ 1,699,181</u>	<u>\$ 1,968,885</u>
		Cash Receipts \$ 133,199		
		Due from Current Fund <u>1,671,031</u>		
		<u>\$ 1,804,230</u>		

**BOROUGH OF PARAMUS
STATEMENT OF DUE FROM CURRENT FUND
FEDERAL AND STATE GRANT FUND**

Balance, December 31, 2021		\$ 2,420,165
Increased by:		
Payments to Current Fund	\$ 6,730	
Unappropriated Reserves for Grants Deposited in Current Fund	1,671,031	
Appropriated Reserves for Grants - 2022 Budget	325,674	
Grants Receivable Receipts Deposited in Current Fund	<u>4,131</u>	
		<u>2,007,566</u>
		4,427,731
Decreased by:		
Interest Earned	8,770	
Anticipated as Revenue in Current Fund Budget - Unappropriated Reserves for Grants	<u>1,699,181</u>	
		<u>1,707,951</u>
Balance, December 31, 2022		<u>\$ 2,719,780</u>

STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND

Increased by:		
Cash Receipts	\$ 211,593	
Balance, December 31, 2022		<u>\$ 211,593</u>

TRUST FUND

**BOROUGH OF PARAMUS
STATEMENT OF CASH - TREASURER**

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Trust Fund</u>	<u>Self-Insurance Trust Fund</u>
Balance, December 31, 2021	\$ 16,681	\$ 10,785,814	\$ 46,816	\$ 70,508
Increased by:				
Animal Control Fees	\$ 3,899			
Animal Control - Other Revenues	758			
Miscellaneous Reserves and Deposits		\$ 6,633,548		
Employee Contributions - Unemployment Trust			\$ 53,610	
Workers Compensation				\$ 858,634
General Liability				300,269
Property Liability				
Due to the State of New Jersey	582			
Payroll Deposits Payable		49,985,472		
Interest Earned	261	36,122	1,024	1,658
	<u>5,500</u>	<u>56,655,142</u>	<u>54,634</u>	<u>1,160,561</u>
	22,181	67,440,956	101,450	1,231,069
Decreased by Disbursements:				
Payments to Current Fund		26,380	798	499
Payments for Current Fund		104,824		
Due to the State of New Jersey	602			
Payroll Deposits Payable		49,921,916		
Unemployment Claims			51,771	
Workers Compensation				856,467
General Liability				283,386
Property Liability				
Miscellaneous Reserves and Deposits	-	6,368,599	-	-
	<u>602</u>	<u>56,421,719</u>	<u>52,569</u>	<u>1,140,352</u>
Balance , December 31, 2022	<u>\$ 21,579</u>	<u>\$ 11,019,237</u>	<u>\$ 48,881</u>	<u>\$ 90,717</u>

**BOROUGH OF PARAMUS
STATEMENT OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2021		\$ 80
Increased by:		
State Fees Collected		582
		662
Decreased by:		
Cancelled	\$ 26	
Paid to State	602	
		628
Balance, December 31, 2022		\$ 34

**STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2021		\$ 8,389
Increased by:		
Interest Earned	\$ 261	
Statutory Excess	1,771	
		2,032
Balance, December 31, 2022		\$ 10,421

**BOROUGH OF PARAMUS
STATEMENT OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2021		\$	8,212
Increased by:			
Dog License Fees	\$	3,605	
Cat License Fees		294	
Other Revenues:			
Canceled Prior Year Due to State of New Jersey		26	
Prior Year Voided Checks		758	
			4,683
			12,895
Decreased by:			
Statutory Excess Due to Current Fund			1,771
Balance, December 31, 2022		\$	11,124

Animal License Fees Collected

	<u>Year</u>		
	2020	\$	2,754
	2021		8,370
Maximum Reserve		\$	11,124

BOROUGH OF PARAMUS
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND

	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2022</u>
Affordable Housing Expenditures	\$ 1,040,999	\$ 745,027	\$ 607,572	\$ 1,178,454
Affordable Housing Rehabilitation	365,797	78,490	72,913	371,374
COAH	253,375			253,375
Department of Justice - Federal Forfeiture	558,795	274,363	374,946	458,212
Developers Escrow (Valley) Soil, Demo, ect.	766,334	168,415	107,091	827,658
Donations N.J.S.A. 40A:5-29	47,406	26,444	40,764	33,086
Donations N.J.S.A. 40A:5-29-July 4th	34,604	49,524	83,797	331
Donations N.J.S.A. 40A:5-29-Cultural Arts	25,596	25,500	36,365	14,731
Donations N.J.S.A. 40A:5-29-Celebration-Winter Wonderla	15,070		11,738	3,332
Donations N.J.S.A. 40A:5-29-Celebration-Farmer's Market	40,796		3,098	37,698
Donations N.J.S.A. 40A:5-29-Adopt a Bench	6,336	2,000	3,011	5,325
Donations N.J.S.A. 40A:5-29-National Night	899	750		1,649
Donations N.J.S.A. 40A:5-29-Police Vests	23,008	57,233	27,790	52,451
Donations N.J.S.A. 40A:5-29-Shade Tree	244,242	85,358	97,081	232,519
Donations N.J.S.A. 40A:5-29-Veterans Memorial	16,077	160	215	16,022
Donations N.J.S.A. 40A:5-29-Volunteers	72,337	10,320		82,657
Donations N.J.S.A. 40A:5-29-Centennial Celebration		25,137	19,075	6,062
Donations N.J.S.A. 40A:5-29-Confiscated/Lost Funds		41,314		41,314
Escrow Reserves - Accutrack	2,969,254	575,945	602,828	2,942,371
FSA Expenditures	30,436	19,868	21,323	28,981
General Escrow Prior 2014	508,142	110,770		618,912
Lead Program	233,401	97,391	160,008	170,784
Outside Employment-Off Duty Municipal	1,213,268	3,315,381	2,874,259	1,654,390
POAA	12,965	1,684	925	13,724
Public Defender		7,600		7,600
Recreation	223,312	489,187	540,558	171,941
Recycling Program	121,037	94,353	71,912	143,478
Recycling Program - Leaf	31			31
Senior Citizens Recreation Activities	42,772	12,697	6,975	48,494
Shade Tree Escrow	1,175,462	185,266	91,254	1,269,474
Substance Abuse	2,109			2,109
TTL Premiums	824,900	130,471	511,271	444,100
Uniform Fire Safety	68,077	2,900	1,830	69,147
	<u>\$ 10,936,837</u>	<u>\$ 6,633,548</u>	<u>\$ 6,368,599</u>	<u>\$ 11,201,786</u>
Cash Receipts		\$ 6,633,548		
Cash Disbursements		-	\$ 6,368,599	
		<u>\$ 6,633,548</u>	<u>\$ 6,368,599</u>	

**BOROUGH OF PARAMUS
STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT TRUST FUND**

Increased by:		
Unemployment Claims	\$	62,251
Decreased by:		
Payments to State of New Jersey		<u>50,533</u>
Balance, December 31, 2022	\$	<u>11,718</u>

**STATEMENT OF OTHER ACCOUNTS RECEIVABLE
UNEMPLOYMENT TRUST FUND**

Increased by:		
Employee Share of Unemployment Deductions Withheld - 4th Quarter 2022	\$	<u>3,409</u>
Balance, December 31, 2022	\$	<u>3,409</u>

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

Balance, December 31, 2021		\$	151,023
Increased by:			
Payments to Current Fund	\$	26,380	
Payments for Current Fund Expenditures		<u>104,824</u>	
			<u>131,204</u>
			282,227
Decreased by:			
Interest Earned			<u>36,122</u>
Balance, December 31, 2022		\$	<u>246,105</u>

**BOROUGH OF PARAMUS
STATEMENT OF PAYROLL DEPOSITS PAYABLE
OTHER TRUST FUND**

Increased by:		
Cash Receipts		\$ 49,985,472
Decreased by:		
Cash Disbursements		<u>49,921,916</u>
Balance, December 31, 2022		<u>\$ 63,556</u>

**STATEMENT OF RESERVE FOR UNEMPLOYMENT EXPENDITURES
UNEMPLOYMENT TRUST FUND**

Balance, December 31, 2021		\$ 58,460
Increased by:		
Employee Contributions	\$ 53,610	
Employee Contributions Due from Payroll Provider	3,409	
Interest Earned	<u>1,024</u>	
		<u>58,043</u>
		116,503
Decreased by:		
Payments to Current Fund	798	
Unemployment Claims Paid	51,771	
Unemployment Claims Due to State of New Jersey	<u>11,718</u>	
		<u>64,287</u>
Balance, December 31, 2022		<u>\$ 52,216</u>

**STATEMENT OF DUE FROM CURRENT FUND
UNEMPLOYMENT TRUST FUND**

Balance, December 31, 2021		<u>\$ 11,644</u>
Balance, December 31, 2022		<u>\$ 11,644</u>

**BOROUGH OF PARAMUS
STATEMENT OF RESERVE FOR WORKERS COMPENSATION EXPENDITURES
INSURANCE TRUST FUND**

Balance, December 31, 2021	\$ 11,163
Increased by:	
Cash Receipts	<u>858,634</u>
	869,797
Decreased by:	
Cash Disbursements	<u>856,467</u>
Balance, December 31, 2022	<u>\$ 13,330</u>

**STATEMENT OF RESERVE FOR GENERAL LIABILITY EXPENDITURES
INSURANCE TRUST FUND**

Balance, December 31, 2021	\$ 5,787
Increased by:	
Cash Receipts	<u>300,269</u>
	306,056
Decreased by:	
Cash Disbursements	<u>283,386</u>
Balance, December 31, 2022	<u>\$ 22,670</u>

**STATEMENT OF RESERVE FOR PROPERTY LIABILITY EXPENDITURES
INSURANCE TRUST FUND**

Balance, December 31, 2021	\$ <u>53,558</u>
Balance, December 31, 2022	<u>\$ 53,558</u>

**STATEMENT OF DUE TO CURRENT FUND
INSURANCE TRUST FUND**

Increased by:	
Interest Earned	\$ 1,658
Decreased by:	
Payments to Current Fund	<u>499</u>
Balance, December 31, 2022	<u>\$ 1,159</u>

GENERAL CAPITAL FUND

**BOROUGH OF PARAMUS
STATEMENT OF CASH - TREASURER**

Balance, December 31, 2021		\$ 5,529,913
Increased by:		
Interest Earned	\$ 81,065	
Grant Receipts - Deferred Charges Unfunded	113,202	
Bond Anticipation Notes Issued	6,039,077	
Capital Improvement Fund - 2022 Budget Appropriation	<u>1,252,474</u>	
		<u>7,485,818</u>
		13,015,731
Decreased by:		
Improvement Authorizations	1,702,058	
Encumbrances Payable	2,188,703	
Payments on Behalf of Golf Course Utility Capital Fund	404	
Payments to Current Fund	<u>54,414</u>	
		<u>3,945,579</u>
Balance, December 31, 2022		<u>\$ 9,070,152</u>

**BOROUGH OF PARAMUS
ANALYSIS OF GENERAL CAPITAL CASH**

	Balance, December 31, <u>2022</u>
Fund Balance	\$ 314,959
Grants Receivable	(3,176,512)
Reserve for Payment of Debt	262,500
Reserve for Grants Receivable	610,000
Capital Improvement Fund	1,077,444
Reserve for Encumbrances	4,852,657
Due from Paramus Public Library	(626,750)
Due from Current Fund	(838,886)
Due from Golf Course Utility Capital Fund	(404)
Excess Note Proceeds	316,852

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>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	1,293,714
2019-12	Various Public Improvements	121,617
2020-25	Various Public Improvements	878,765
2021-33/2022-12	Various Capital Improvements	1,366,074
2021-42	New Additional or Replacement Equipment/Machinery and New Vehicle for EMS	54,750
2022-18	Various Public Improvements and Acq of Equipment & Vehicles	4,933,108
2022-25	Upgrades to Various Sanitary Sewer Pump Stations	<u>36,000</u>
		<u>\$ 9,070,152</u>

EXHIBIT C-4

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2021	\$ 23,500,000
Decreased by:	
Current Year Budget Appropriations:	
Serial Bonds	<u>2,900,000</u>
Balance, December 31, 2022	<u>\$ 20,600,000</u>

**BOROUGH OF PARAMUS
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Analysis of Balance December 31, 2022							
		Balance, December 31, 2021	2022 Authorizations	Notes Paid Budgeted	Grant Receipts	Balance, December 31, 2022	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
Prior		\$ 2,540,313				\$ 2,540,313		\$ 2,540,313	
2018-07	Various Public Improvements	5,342,853		\$ 128,000		5,214,853	\$ 5,214,853		
2019-12	Various Public Improvements	2,040,600		115,077	\$ 182,000	1,743,523	1,742,070		\$ 1,453
2020-25	Various Public Improvements	1,653,500			122,452	1,531,048	1,531,048		
2021-33/2022-12	Various Capital Improvements	6,460,000	\$ 7,600		500,000	5,967,600	5,967,600		
2021-42	New Additional or Replacement Equipment/ Machinery and New Vehicle for EMS	699,750				699,750	699,500		250
2022-18	Various Public Improvements and Acq of Equipment & Vehicles		6,040,000			6,040,000	6,039,077		923
2022-25	Upgrades to Various Sanitary Sewer Pump Stations	-	714,000	-	-	714,000	-	-	714,000
		<u>\$ 18,737,016</u>	<u>\$ 6,761,600</u>	<u>\$ 243,077</u>	<u>\$ 804,452</u>	<u>\$ 24,451,087</u>	<u>\$ 21,194,148</u>	<u>\$ 2,540,313</u>	<u>\$ 716,626</u>
				Due from Current Fund	\$ 191,250				
				Due from Paramus Public Library	500,000				
				Cash Receipts	113,202				
					<u>\$ 804,452</u>				
				Bond Anticipation Notes Issued	\$ 21,511,000				
				Less: Excess Note Proceeds					
					Ord 2019-12	182,000			
					Ord 2020-25	122,452			
					Ord 2021-33	12,400			
						<u>\$ 21,194,148</u>			
				Improvement Authorizations - Unfunded				\$ 9,364,654	
				Less: Unexpended Proceeds of Bond Anticipation Notes					
				Ordinance:					
					2018-07	\$ 1,293,714			
					2019-12	121,617			
					2020-25	878,765			
					21-33/22-12	1,366,074			
					2021-42	54,750			
					2022-18	4,933,108			
								<u>8,648,028</u>	
									<u>\$ 716,626</u>

**BOROUGH OF PARAMUS
STATEMENT OF GRANTS RECEIVABLE**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Awards</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>	<u>Balance Pledged to:</u> Improvement <u>Authorization</u>	Reserve for Grants <u>Receivable</u>
<u>County of Bergen</u>							
2020-25	Impvts. To Midland & Forest Ave. Intersection	\$ 397,121			\$ 397,121	\$ 397,121	
2022-18	Improvements to Trinity Court		\$ 105,000		105,000	105,000	
<u>FEMA</u>							
2022-18	Assistance to Firefighters - Emerg Radio Upgrades		363,636		363,636	363,636	
<u>NJ Department of Transportation</u>							
2020-25	Imprvts. To Midland & Forest Ave. Intersection	350,000			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	
2022-18	Imprvts. To Forest Ave & Spring Valley Intersection		231,000		231,000	231,000	
<u>Bergen County Open Space Trust Fund</u>							
2020-25	Upgrades at Petruska Park	127,000			127,000	127,000	
2022-18	Upgrades at Mele Park		207,505		207,505	207,505	
<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		\$ 126,750	380,250	380,250	
<u>County of Bergen Forfeiture Funds</u>							
2021-42	Body Worn Cameras	<u>345,060</u>	-	-	<u>345,060</u>	-	<u>345,060</u>
		<u>\$ 2,396,121</u>	<u>\$ 907,141</u>	<u>\$ 126,750</u>	<u>\$ 3,176,512</u>	<u>\$ 2,566,512</u>	<u>\$ 610,000</u>
				Due from Paramus Public Library	<u>\$ 126,750</u>		

EXHIBIT C-7

STATEMENT OF DUE TO/FROM CURRENT FUND

Balance, December 31, 2021	\$ 184,145
Increased by:	
Interest Earned	<u>81,065</u>
	265,210
Decreased by:	
Payments to Current Fund	\$ 54,414
Premium on Bond Anticipation Notes Issued	158,932
Bond Anticipation Note Deposited in Current Fund	699,500
Grant Receipts Deposited in Current Fund	<u>191,250</u>
	<u>1,104,096</u>
Balance, December 31, 2022	<u>\$ 838,886</u>

**BOROUGH OF PARAMUS
STATEMENT OF GENERAL SERIAL BONDS PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Decreased</u>	<u>Balance December 31, 2022</u>	
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	2/15/18	\$ 30,800,000	2/15/2023	\$ 2,900,000	2.25%				
			2/15/2024	2,900,000	2.50%				
			2/15/2025	2,900,000	2.50%				
			2/15/2026	2,900,000	3.00%				
			2/15/2027	3,000,000	3.00%				
			2/15/2028	3,000,000	3.00%				
			2/15/2029	3,000,000	3.00%	\$ 23,500,000	\$ 2,900,000	\$ 20,600,000	
					\$ 23,500,000	2,900,000	20,600,000		
								Budget Appropriations	\$ 2,900,000

**BOROUGH OF PARAMUS
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE**

Ord. No.	<u>Improvement Description</u>	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2022</u>
2018-07	Various Public Improvements	10/18/2018	10/15/2021 10/14/2022	10/14/2022 10/13/2023	1.50% 4.00%	\$ 5,342,853	\$ 5,214,853	\$ 5,342,853	\$ 5,214,853
2019-12	Various Public Improvements	10/18/2019	10/15/2021 10/14/2022	10/14/2022 10/13/2023	1.50% 4.00%	2,039,147	1,924,070	2,039,147	1,924,070
2021-33	Various Public Improvements	10/15/2021	10/15/2021 10/14/2022	10/14/2022 10/13/2023	1.50% 4.00%	5,980,000	5,980,000	5,980,000	5,980,000
2020-25	Various Public Improvements	6/18/2021	6/18/2021 6/17/2022	6/17/2022 6/15/2023	0.34% 2.20%	1,653,500	1,653,500	1,653,500	1,653,500
2021-42	Acq of Various Equip and Vehicles	6/17/2022	6/17/2022	6/15/2023	2.20%		699,500		699,500
2022-18	Various Public Improvements	10/14/2022	10/14/2022	10/13/2023	4.00%	<u>-</u>	<u>6,039,077</u>	<u>-</u>	<u>6,039,077</u>
						<u>\$ 15,015,500</u>	<u>\$ 21,511,000</u>	<u>\$ 15,015,500</u>	<u>\$ 21,511,000</u>
							\$ 6,039,077		
							699,500		
								\$ 243,077	
							<u>14,772,423</u>	<u>14,772,423</u>	
							<u>\$ 21,511,000</u>	<u>\$ 15,015,500</u>	

**BOROUGH OF PARAMUS
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

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<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2021</u>		<u>Deferred Charges Unfunded</u>	<u>Grants Receivable</u>	<u>Capital Improvement Fund</u>	<u>Paid or Charged</u>	<u>Balance, December 31, 2022</u>	
		<u>Funded</u>	<u>Unfunded</u>					<u>Funded</u>	<u>Unfunded</u>
	<u>General Improvements</u>								
2014-07	Various Public Improvements	\$ 1,540						\$ 1,540	
2014-27	Various Public Improvements	40,857						40,857	
2015-22	Various Public Improvements	1,576						1,576	
2016-23	Various Public Improvements	35,024						35,024	
2017-06	Supplement to #15-19	41,631						41,631	
2017-10	Various Public Improvements	1,362						1,362	
2017-24	Supplement to #16-13	12,587						12,587	
2018-07	Various Public Improvements		\$ 1,432,625				\$ 138,911		\$ 1,293,714
2019-12	Various Public Improvements		147,161				24,091		123,070
2020-25	Various Public Improvements		1,131,173				252,408		878,765
2021-33/2022-12	Various Capital Improvements		5,111,410	\$ 7,600		\$ 400	3,753,336		1,366,074
2021-42	New Additional or Replacement Equipment/Machinery and New Vehicle for EMS		125,000				70,000		55,000
2022-18	Various Public Improvements and Acq of Equipment & Vehicles			6,040,000	\$ 907,141	302,859	2,315,969		4,934,031
2022-25	Upgrades to Various Sanitary Sewer Pump Stations	-	-	714,000	-	36,000	-	36,000	714,000
		<u>\$ 134,577</u>	<u>\$ 7,947,369</u>	<u>\$ 6,761,600</u>	<u>\$ 907,141</u>	<u>\$ 339,259</u>	<u>\$ 6,554,715</u>	<u>\$ 170,577</u>	<u>\$ 9,364,654</u>
							Cash Disbursements \$ 1,702,058		
							Encumbrances Payable 4,852,657		
							<u>\$ 6,554,715</u>		

**BOROUGH OF PARAMUS
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2021	\$ 164,229
Increased by:	
2022 Budget Appropriation	<u>1,252,474</u>
	1,416,703
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>339,259</u>
Balance, December 31, 2022	<u>\$ 1,077,444</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2021	<u>\$ 262,500</u>
Balance, December 31, 2022	<u>\$ 262,500</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2021	\$ 2,188,703
Increased by:	
Charges to Improvement Authorizations	<u>4,852,657</u>
	7,041,360
Decreased by:	
Cash Disbursed	<u>2,188,703</u>
Balance, December 31, 2022	<u>\$ 4,852,657</u>

**BOROUGH OF PARAMUS
STATEMENT OF DUE FROM PARAMUS PUBLIC LIBRARY**

Increased by:

Grants Receivable - Ord 2021-33 Renovations to Children's Library	\$ 126,750	
Deferred Charges Unfunded - Ord 2021-33	<u>500,000</u>	
		<u>\$ 626,750</u>

Balance, December 31, 2022		<u>\$ 626,750</u>
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**BOROUGH OF PARAMUS
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Grant Proceeds <u>Received</u>	BANS <u>Issued</u>	Balance, December 31, <u>2022</u>
Prior Year	Unknown	\$ 2,540,313				\$ 2,540,313
2019-12	Various Capital Improvements	1,453				1,453
2021-33	Various Capital Improvements	480,000	\$ 7,600	\$ 487,600		
2021-42	New Additional or Replacement Equipment/Machinery and New Vehicle for EMS	699,750			\$ 699,500	250
2022-18	Various Public Improvements and Acq of Equipment & Vehicles		6,040,000		6,039,077	923
2022-25	Upgrades to Various Sanitary Sewer Pump Stations	-	714,000	-	-	714,000
		<u>\$ 3,721,516</u>	<u>\$ 6,761,600</u>	<u>\$ 487,600</u>	<u>\$ 6,738,577</u>	<u>\$ 3,256,939</u>

GOLF COURSE UTILITY FUND

**BOROUGH OF PARAMUS
GOLF COURSE UTILITY FUND
STATEMENT OF CASH - TREASURER**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2021	\$ 946,753	\$ 2,401,898
Increased by:		
Anticipated Revenue	\$ 3,058,733	
Bond Anticipation Notes		\$ 1,317,000
Interest Earned	<u>18,785</u>	<u>29,356</u>
	<u>3,077,518</u>	<u>1,346,356</u>
	4,024,271	3,748,254
Decreased by:		
2022 Budget Appropriations	2,267,890	
2021 Appropriation Reserves	17,392	
Encumbrances Payable	6,596	
Accrued Interest on Bonds	95,552	
Payments to Current Fund	300,000	
Bond Anticipation Notes		1,317,000
Improvement Authorizations	<u>-</u>	<u>61,766</u>
	<u>2,687,430</u>	<u>1,378,766</u>
Balance, December 31, 2022	<u>\$ 1,336,841</u>	<u>\$ 2,369,488</u>

**BOROUGH OF PARAMUS
GOLF COURSE UTILITY CAPITAL FUND
ANALYSIS OF CASH**

Balance,
December 31,
2022

Fund Balance	\$ 20,109
Capital Improvement Fund	6,098
Due from Current Fund	(20,109)
Due to Golf Course Utility Operating Fund	30,630
Due to General Capital Fund	404

Improvement Authorizations:

Ord. <u>No.</u>	<u>General Improvements</u>	
99-31	Acquisition of Land	11,596
07-06	Construction/Renovation to Parkway School Field	176,820
16-18	Supplemental to #15-37 - Golf Course Improvements	60,712
16-24	Golf Course Improvements	3,073
17-28	Golf Course Improvements-Concession Stand	997,683
19-13	Golf Course Improvements	16,199
2021-34	Golf Course Improvements	<u>1,066,273</u>
		<u>\$ 2,369,488</u>

**BOROUGH OF PARAMUS
STATEMENT OF DUE TO GOLF COURSE UTILITY OPERATING FUND
GOLF COURSE UTILITY CAPITAL FUND**

Balance, December 31, 2021	\$	1,274
Increased by:		
Interest Earned		<u>29,356</u>
Balance, December 31, 2022	\$	<u>30,630</u>

**STATEMENT OF DUE TO CURRENT FUND
GOLF COURSE UTILITY OPERATING FUND**

Balance, December 31, 2021	\$	5,806
Increased by:		
Golf Course Utility Operating Expenditures Paid by Current Fund	\$	16,577
Anticipated Revenue in Current Fund - Golf Course Utility Surplus		300,000
Anticipated Revenue in Current Fund - Group Insurance Reimbursement		<u>75,000</u>
		<u>391,577</u>
		397,383
Decreased by:		
Payments to Current Fund		<u>300,000</u>
Balance, December 31, 2022	\$	<u>97,383</u>

**BOROUGH OF PARAMUS
STATEMENT OF DEFERRED CHARGES
GOLF COURSE UTILITY OPERATING FUND**

<u>Description</u>	Balance, December 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2022</u>
Overexpenditure of Appropriations	\$ -	5,901	-	\$ 5,901
	<u>\$ -</u>	<u>\$ 5,901</u>	<u>\$ -</u>	<u>\$ 5,901</u>

**STATEMENT OF FIXED CAPITAL
GOLF COURSE UTILITY CAPITAL FUND**

	Balance, December 31, <u>2021</u>	Additions by: Budget <u>Capital Outlay</u>	Balance, December 31, <u>2022</u>
Unallocated	\$ 12,961,822		\$ 12,961,822
Golf Course Improvements	1,805,302	\$ 24,320	1,829,622
Acquisition of Vehicles and Equipment		171,661	171,661
Acquisition of Property	220,000	-	220,000
	<u>\$ 14,987,124</u>	<u>\$ 195,981</u>	<u>\$ 15,183,105</u>

**BOROUGH OF PARAMUS
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
GOLF COURSE UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</u>
99-14	Golf Course Improvements	\$ 14,500	\$ 14,500
99-31	Acquisition of Land	11,250	11,250
07-06	Construction/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
19-13	Golf Course Improvements	50,000	50,000
21-34	Golf Course Improvements	<u>1,047,000</u>	<u>1,047,000</u>
		<u>\$ 4,448,060</u>	<u>\$ 4,448,060</u>

EXHIBIT D-12

**STATEMENT OF DUE FROM CURRENT FUND
GOLF COURSE UTILITY CAPITAL FUND**

Balance, December 31, 2021	\$ 11,744
Increased by:	
Premium on Bond Anticipation Notes Issued	<u>8,365</u>
Balance, December 31, 2022	<u>\$ 20,109</u>

**BOROUGH OF PARAMUS
STATEMENT OF DUE TO GENERAL CAPITAL FUND
GOLF COURSE UTILITY CAPITAL FUND**

Balance, December 31, 2021	\$ -
Increased by:	
Golf Course Utility Capital Expenditures Paid by General Capital Fund	<u>404</u>
Balance, December 31, 2022	<u>\$ 404</u>

STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, 2021	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Operating				
Salaries and Wages	\$ 4,757	\$ 4,757		\$ 4,757
Other Expenses	<u>46,614</u>	<u>46,614</u>	\$ 17,392	<u>29,222</u>
 Total Operating	 <u>\$ 51,371</u>	 <u>\$ 51,371</u>	 <u>\$ 17,392</u>	 <u>\$ 33,979</u>

Cash Disbursements: \$ 17,392

**BOROUGH OF PARAMUS
STATEMENT OF ENCUMBRANCES PAYABLE
GOLF COURSE UTILITY OPERATING FUND**

Balance, December 31, 2021		\$ 25,343
Increased by:		
Transferred from Budget		<u>224,501</u>
		249,844
Decreased by:		
Cash Disbursements	\$ 6,596	
Cancelled to Operations	<u>18,747</u>	
		<u>25,343</u>
Balance, December 31, 2022		<u><u>\$ 224,501</u></u>

**STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES
GOLF COURSE UTILITY OPERATING FUND**

Balance, December 31, 2021		\$ 31,078
Increased by:		
Budget Appropriation		<u>104,951</u>
		136,029
Decreased by:		
Cash Disbursements		<u>95,552</u>
Balance, December 31, 2022		<u><u>\$ 40,477</u></u>

**BOROUGH OF PARAMUS
STATEMENT OF UTILITY SERIAL BONDS
GOLF COURSE UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2022</u>			<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	2/15/18	\$ 4,280,000	2/15/2023	\$ 390,000		2.25%			
			2/15/2024	390,000		2.50%			
			2/15/2025	390,000		3.00%			
			2/15/2026	390,000		3.00%			
			2/15/2027	390,000		3.00%			
			2/15/2028	390,000		3.00%			
			2/15/2029	390,000		3.00%			
						\$ 3,120,000	\$ 390,000	\$ 2,730,000	
						<u>\$ 3,120,000</u>	<u>\$ 390,000</u>	<u>\$ 2,730,000</u>	
							<u>\$ 390,000</u>		

Paid by Budget Appropriation

**BOROUGH OF PARAMUS
STATEMENT OF BOND ANTICIPATION NOTES
GOLF COURSE UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2021	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, 2022
2019-13	Golf Course Improvements	6/18/2021	6/18/2021	6/17/2022	0.34 %	\$ 50,000		\$ 50,000	
			6/17/2022	6/15/2023	2.20		\$ 50,000		\$ 50,000
2020-26	Acquisition of Real Property	6/18/2021	6/18/2021	6/17/2022	0.34	220,000		220,000	
			6/17/2022	6/15/2023	2.20		220,000		220,000
2021-34	Golf Course Improvements	10/15/2021	10/15/2021	10/14/2022	1.50	1,047,000		1,047,000	
			10/14/2022	10/13/2023	4.00	-	1,047,000	-	1,047,000
						<u>\$ 1,317,000</u>	<u>\$ 1,317,000</u>	<u>\$ 1,317,000</u>	<u>\$ 1,317,000</u>
						Renewals	<u>\$ 1,317,000</u>	<u>\$ 1,317,000</u>	

**BOROUGH OF PARAMUS
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
GOLF COURSE UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, <u>December 31, 2021</u>		<u>Expended</u>	Balance, <u>December 31, 2022</u>	
		<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
99-31	Acquisition of Land	\$ 11,596			\$ 11,596	
07-06	Construction/Renovation to Parkway School Field	176,820			176,820	
16-18	Supplemental to #15-37 - Golf Course Improvements	63,482		\$ 2,770	60,712	
16-24	Golf Course Improvements	3,073			3,073	
17-28	Golf Course Improvements-Concession Stand	997,683			997,683	
19-13	Golf Course Improvements		\$ 41,872	25,673		\$ 16,199
21-34	Golf Course Improvements	<u>53,000</u>	<u>1,047,000</u>	<u>33,727</u>	<u>19,273</u>	<u>1,047,000</u>
		<u>\$ 1,305,654</u>	<u>\$ 1,088,872</u>	<u>\$ 62,170</u>	<u>\$ 1,269,157</u>	<u>\$ 1,063,199</u>
				Cash Disbursements \$ 61,766		
				Due to General Capital Fund <u>404</u>		
				<u>\$ 62,170</u>		

**BOROUGH OF PARAMUS
STATEMENT OF CAPITAL IMPROVEMENT FUND
GOLF COURSE UTILITY CAPITAL FUND**

Balance, December 31, 2021	\$ <u>6,098</u>
Balance, December 31, 2022	\$ <u>6,098</u>

**STATEMENT OF RESERVE FOR AMORTIZATION
GOLF COURSE UTILITY CAPITAL FUND**

Balance, December 31, 2021	\$ 14,835,053
Increased by:	
2022 Budget Appropriation - Payment of Bond Principal Golf Course Utility Operating Fund	\$ 390,000
2022 Budget Appropriation - Capital Outlay	<u>195,981</u>
	<u>585,981</u>
Balance, December 31, 2022	\$ <u>15,421,034</u>

**BOROUGH OF PARAMUS
STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
GOLF COURSE UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</u>
99-14	Golf Course Improvements	\$ 14,500	\$ 14,500
99-31	Acquisition of Land	11,250	11,250
07-06	Construction/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>

SWIM POOL UTILITY FUND

**BOROUGH OF PARAMUS
STATEMENT OF SWIMMING POOL UTILITY CASH - TREASURER**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2021	\$ 235,634	\$ 8,540
Increased by Receipts:		
Anticipated Revenue	\$ 567,437	
Miscellaneous Revenue Not Anticipated	72,913	
Interest Earned	<u>3,517</u>	\$ 92
	<u>643,867</u>	<u>92</u>
	879,501	8,632
Decreased by Disbursements:		
2022 Budget Appropriations	639,065	
2021 Budget Appropriation Reserves	386	
Encumbrances Payable	2,414	
Accrued Interest on Bonds	17,213	
Improvement Authorizations	<u>-</u>	<u>4,450</u>
	<u>659,078</u>	<u>4,450</u>
Balance, December 31, 2022	\$ <u>220,423</u>	\$ <u>4,182</u>

ANALYSIS OF SWIMMING POOL UTILITY CAPITAL FUND - CASH

	Balance, December 31, <u>2022</u>
Fund Balance	\$ 14
Due to Swim Pool Utility Operating Fund	115
Improvement Authorizations:	
Ordinance	
<u>Number</u> <u>General Improvements</u>	
80-19 Improvements to Filtration System	146
14-28 Pool Improvements	<u>3,907</u>
	\$ <u>4,182</u>

BOROUGH OF PARAMUS
STATEMENT OF DEFERRED CHARGES N.J.S.A. 40A:4-53 - SPECIAL EMERGENCY

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Amount</u> <u>Raised</u> <u>in 2022</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
12/1/2020	COVID-19 Revenue Losses	\$ 335,186	\$ 67,037	\$ 335,186	\$ 67,038	\$ 268,148
				<u>\$ 335,186</u>	<u>\$ 67,038</u>	<u>\$ 268,148</u>

EXHIBIT E-8

STATEMENT OF DUE TO SWIM POOL UTILITY OPERATING FUND
SWIMMING POOL UTILITY CAPITAL FUND

Balance, December 31, 2021	\$ 23
Increased by:	
Interest Earned	<u>92</u>
Balance, December 31, 2022	<u>\$ 115</u>

EXHIBIT E-9

STATEMENT OF DUE TO CURRENT FUND
SWIMMING POOL UTILITY OPERATING FUND

Balance, December 31, 2021	\$ 12,546
Increased by:	
Swim Pool Utility Operating Expenditures Paid by Current Fund	\$ 37,454
Special Emergency Note Paid by Current Fund	<u>340,000</u>
	<u>377,454</u>
	390,000
Decreased by:	
Special Emergency Note Deposited in Current Fund	<u>268,148</u>
Balance, December 31, 2022	<u>\$ 121,852</u>

**BOROUGH OF PARAMUS
STATEMENT OF FIXED CAPITAL
SWIMMING POOL UTILITY CAPITAL FUND**

<u>Improvement Description</u>	Balance, December 31, 2021	Balance, December 31, 2022
Swim Pool Improvements	\$ 3,372,780	\$ 3,372,780
	<u>\$ 3,372,780</u>	<u>\$ 3,372,780</u>

EXHIBIT E-11

**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SWIMMING POOL UTILITY CAPITAL FUND**

<u>Ord No.</u>	<u>Improvement Description</u>	Balance, December 31, 2021	2022 <u>Authorizations</u> Deferred Charges to Future Revenue	Balance, December 31, 2022
2022-26	Pool Improvements	\$ -	\$ 250,000	\$ 250,000
		<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

EXHIBIT E-12

**STATEMENT OF 2021 APPROPRIATION RESERVES
SWIMMING POOL UTILITY OPERATING FUND**

	Balance, December 31, 2021	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Operating				
Salaries and Wages	\$ 205	\$ 205		\$ 205
Other Expenses	79,930	79,930	702	79,228
Total Operating	<u>80,135</u>	<u>80,135</u>	<u>702</u>	<u>79,433</u>
Statutory Expenditures				
Social Security System (O.A.S.I.)	<u>2,971</u>	<u>2,971</u>	<u>-</u>	<u>2,971</u>
Total Statutory Expenditures	<u>2,971</u>	<u>2,971</u>	<u>-</u>	<u>2,971</u>
	<u>\$ 83,106</u>	<u>\$ 83,106</u>	<u>\$ 702</u>	<u>\$ 82,404</u>
			Cash Disbursed \$ 386	
			Transferred to Accounts Payable <u>316</u>	
			<u>\$ 702</u>	

**BOROUGH OF PARAMUS
STATEMENT OF ENCUMBRANCES PAYABLE
SWIMMING POOL UTILITY OPERATING FUND**

Balance, December 31, 2021	\$ 2,414
Increased by:	
Transferred from 2022 Budget	209
	2,623
Decreased by:	
Cash Disbursements	2,414
Balance, December 31, 2022	\$ 209

**STATEMENT OF ACCOUNTS PAYABLE
SWIMMING POOL UTILITY OPERATING FUND**

Increased by:	
Transferred from 2021 Appropriation Reserves	\$ 316
Balance, December 31, 2022	\$ 316

**BOROUGH OF PARAMUS
STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE
SWIMMING POOL UTILITY OPERATING FUND**

<u>Original Note</u>	<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance, December 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2022</u>
2020-33	COVID-19 Revenue Shortfall	12/15/2021	12/14/2022	0.40%	\$ 340,000		\$ 340,000	
		12/15/2022	12/15/2023	3.97%	<u>-</u>	\$ 268,148	<u>-</u>	\$ 268,148
					<u>\$ 340,000</u>	<u>\$ 268,148</u>	<u>\$ 340,000</u>	<u>\$ 268,148</u>
						Deposited in Current Fund \$ 268,148		
						Paid by Current Fund	<u>\$ 340,000</u>	

**STATEMENT OF DEFERRED CHARGES
SWIMMING POOL UTILITY OPERATING FUND**

<u>Description</u>	Balance, December 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2022</u>
Overexpenditure of Appropriations	\$ -	67,785	-	\$ 67,785
	<u>\$ -</u>	<u>\$ 67,785</u>	<u>\$ -</u>	<u>\$ 67,785</u>

**BOROUGH OF PARAMUS
STATEMENT OF ACCRUED INTEREST ON BONDS
SWIMMING POOL UTILITY OPERATING FUND**

Balance, December 31, 2021	\$ 6,773
Increased by:	
Budget Appropriation	<u>16,576</u>
	23,349
Decreased by:	
Cash Disbursements	<u>17,213</u>
Balance, December 31, 2022	<u>\$ 6,136</u>

**BOROUGH OF PARAMUS
STATEMENT OF SWIMMING POOL UTILITY SERIAL BONDS
SWIMMING POOL UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds	2/15/2018	\$ 920,000	02/15/2023	\$ 85,000	2.50%			
			02/15/2024	85,000	2.50%			
			02/15/2025	85,000	2.50%			
			02/15/2026	85,000	3.00%			
			02/15/2027	85,000	3.00%			
			02/15/2028	85,000	3.00%			
			02/16/2029	85,000	3.00%			
						\$ 680,000	\$ 85,000	\$ 595,000
						<u>\$ 680,000</u>	<u>\$ 85,000</u>	<u>\$ 595,000</u>

**STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SWIMMING POOL UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2021</u>		<u>2022 Authorizations</u>	<u>Paid or Charged</u>	<u>Balance, December 31, 2022</u>	
		<u>Funded</u>	<u>Unfunded</u>	<u>Deferred Charges to Future Revenue</u>		<u>Funded</u>	<u>Unfunded</u>
80-19	Improvements to Filtration System	\$ 146				\$ 146	
14-28	Pool Improvements	8,357			\$ 4,450	3,907	
22-26	Pool Improvements	-	-	\$ 250,000	-	-	\$ 250,000
		<u>\$ 8,503</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 4,450</u>	<u>\$ 4,053</u>	<u>\$ 250,000</u>
				Cash Disbursements	<u>\$ 4,450</u>		

**STATEMENT OF RESERVE FOR AMORTIZATION
SWIMMING POOL UTILITY CAPITAL FUND**

Balance, December 31, 2021	\$ 2,692,780
Increased by:	
Budget Appropriation:	
Bond Principal Payments	85,000
Balance, December 31, 2022	\$ 2,777,780

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUESD
SWIMMING POOL UTILITY CAPITAL FUND**

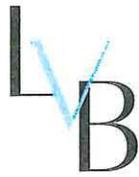
Ordinance Number	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Balance, December 31, <u>2022</u>
22-26	Pool Improvements	\$ -	\$ 250,000	\$ 250,000
		\$ -	\$ 250,000	\$ 250,000

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

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2022



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Paramus, as of and for the year ended December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 15, 2023. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Paramus's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Paramus's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

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

Borough of Paramus's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Borough of Paramus's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Borough of Paramus's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

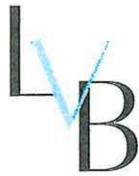
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of 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 control and compliance. Accordingly, this communication is not suitable for any other purpose.


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


Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
June 15, 2023



LERCH, VINCI & BLISS, LLP

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Borough of Paramus's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Paramus's major federal and state programs for the year ended December 31, 2022. The Borough of Paramus's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Paramus complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Borough of Paramus's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Borough of Paramus's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Paramus's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Paramus's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Borough of Paramus's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Paramus's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Paramus's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements - regulatory basis of the Borough of Paramus as of and for the year ended December 31, 2022, and the related notes to the financial statements and have issued our report thereon dated June 15, 2023, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
June 15, 2023

**BOROUGH OF PARAMUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Federal Programs</u>	<u>AL Number</u>	<u>Grant Year</u>	<u>Award Amount</u>	<u>2022 Grant Receipts</u>	<u>Balance December 31, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance December 31, 2022</u>	<u>Cumulative Expended</u>
National Highway Traffic Safety Administration									
Impaired Driving Countermeasurers									
Driver Sober or Get Pulled Over	20.616	2020	\$ 5,500		\$ 5,500			\$ 5,500	
Driver Sober or Get Pulled Over	20.616	2021	5,100			\$ 5,100		5,100	
Driver Sober or Get Pulled Over	20.616	2022	6,000	\$ 6,000					
Distracted Driver	20.616	2020	5,500		5,500			5,500	
Distracted Driver	20.616	2021	11,520			11,520		11,520	
Distracted Driver	20.616	2022	12,600	12,600				-	
U.S. Dept. of Homeland Security									
Emergency Management Performance Grant (EMAA)									
	97.042	2020	10,000		10,000			10,000	
Emergency Management Performance Grant (EMAA)	97.042	2021	10,000			10,000		10,000	
Emergency Management Performance Grant (EMAA)	97.042	2022	10,000	10,000				-	
U.S. Dept. of Transportation									
(Passed through the State Dept. of Transportation)									
Click It or Ticket-Traffic Safety	20.600	2021	6,000			6,000		6,000	
Click It or Ticket-Traffic Safety	20.600	2022	7,000	7,000					
U.S. Dept. of Treasury									
(Passed through State Dept. of Community Affairs)									
American Rescue Plan Fiscal Recovery Funds	21.027	2022	2,749,014	1,374,507	1,374,507	1,374,507	\$ 1,374,507	1,374,507	\$ 1,374,507
U.S. Dept. of Health and Human Services									
Strengthening Public Health Capacity Program									
Public Health Crisis Response	93.323	2022	247,505	82,851					
	93.354	2022	29,602	29,602		29,602	29,602		29,602
U.S. Dept. of Homeland Security									
(Disaster Grants - Public Assistance (Presidentially Declared Disasters))									
Coronavirus Pandemic	97.036	2022	218,091	218,091		218,091	218,091		218,091
Hurricane Ida	97.036	2022	173,622	173,622		173,622	173,622		173,622
Tropical Storm Isaias	97.036	2022	461,543	461,543		461,543	461,543		461,543
U.S. Dept of FEMA									
Assistance to Firefighters - Emerg Radio Upgrade - Ord 2022-18	N/A	2022	363,636			363,636		363,636	
U.S. Dept. of Law and Public Safety									
Edward Byrne Memorial Justice Assistance Grant	16.738	2022	7,644	7,644	-	7,644	7,644	-	7,644
					<u>\$ 1,395,507</u>	<u>\$ 2,661,265</u>	<u>\$ 2,265,009</u>	<u>\$ 1,791,763</u>	

The above schedule is subject to a single audit as defined by Uniform Guidance.

See Accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

BOROUGH OF PARAMUS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>State Grant Program</u>	<u>State Programs Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2022 Grant Receipts</u>	<u>Balance, December 31, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2022</u>	<u>Cumulative Expended</u>	
Safe and Secure Communities Grant	066-1020-100-232	2019	\$ 34,130		\$ 34,130		\$ 105	\$ 34,025	\$ 105	
		2020	60,000		60,000			60,000	-	
		2021	32,500			\$ 32,500		32,500	-	
		2022	41,320	\$ 41,320						
Body Armor Replacement Fund	066-1020-718-001	2019	8,690		8,690			8,690	-	
		2020	14,216		14,216			14,216	-	
		2021	14,682			14,682		14,682	-	
		2022	5,872	5,872				-	-	
Alcohol Education and Rehabilitation	098-9735-760-001	Prior	161		161			161	-	
		2020	1,500		1,500			1,500	-	
		2022	1,895	1,895					-	
Drunk Driving Enforcement Fund	066-1110-100-XXX	Prior	5,336		5,336		2,800	2,536	2,800	
		Prior	17,277		17,277			17,277	-	
		Prior	10,743		10,743			10,743	-	
Assistance to Firefighters	N/A	Prior	1,990		1,990			1,990		
<u>Passed through County of Bergen:</u>										
Municipal Alliance	N/A	Prior	14,955		6,249		2,770	3,479	11,476	
Municipal Alliance	N/A	2021	4,273			4,273		4,273	-	
Municipal Alliance - Local Match	N/A	2021	1,000			1,000		1,000	-	
Clean Communities Act	042-4900-765-004	2016	13,637		13,637				13,637	
		2017	42,449		42,449				42,449	
		2018	21,458		21,458				21,458	
		2019	47,516		47,516			21,277	26,239	21,277
		2020	54,213		54,213				54,213	-
		2021	50,565			50,565			50,565	-
		2022	50,348	50,348					-	-

BOROUGH OF PARAMUS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>State Grant Program</u>	<u>State Programs Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2022 Grant Receipts</u>	<u>Balance, December 31, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2022</u>	<u>Cumulative Expended</u>
Recycling Tonnage Grant	042-4910-100-224	Prior	\$ 339,982		\$ 339,982		\$ 201,944	\$ 138,038	\$ 201,944
		2018	130,864		130,864			130,864	-
		2019	144,982		144,982			144,982	-
		2020	148,374		148,374			148,374	-
		2021	190,034			\$ 190,034		190,034	-
		2022	211,838	\$ 211,838					-
<u>New Jersey Forest Services</u>									
Green Communities Grant	N/A	2016	20,000		2,125			2,125	17,875
Green Communities Grant	N/A	2017	20,000		20,000			20,000	-
No Net Loss Grant	N/A	2017	108,900		108,900			108,900	-
No Net Loss Grant	N/A	2018	135,900		665			665	135,235
<u>U.S. Department of Transportation</u>									
Intersection-Memorial School Safety									
Impvts-Ord. 2020-25	N/A	2020	350,000		350,000			350,000	-
Midland Avenue, Section 2-Ord. 2021-33	N/A	2021	205,000		205,000			205,000	-
Midland Avenue, Section 2-Ord. 2021-33	N/A	2021	200,000		200,000			200,000	-
Impvts to Forest Ave & Spring Valley Intersection - Ord 2022-18	N/A	2022	231,000			231,000		231,000	-
<u>U.S. Department of Law and Public Safety</u>									
Body Worn Cameras-Ord. 2021-42	BFY21-100-066-1020-495	2021	264,940		264,940		264,940		264,940
<u>State Division of Library</u>									
Improvements to Library - Ord. 2021-33	074-2541-495-006	2022	500,000	500,000		500,000	500,000		500,000
Improvements to Library - Ord. 2021-33	074-2541-587-001	2021	507,000	126,750	507,000	-	126,750	380,250	126,750
					<u>\$ 2,762,397</u>	<u>\$ 1,024,054</u>	<u>\$ 1,198,130</u>	<u>\$ 2,588,321</u>	

The above schedule is subject to a single audit as defined by New Jersey OMB Circular 15-08.

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

**BOROUGH OF PARAMUS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022**

NOTE 1 REPORTING ENTITY

The Borough of Paramus (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 2,297,629	\$ 293,054	\$ 2,590,683
General Capital Fund	<u>363,636</u>	<u>731,000</u>	<u>1,094,636</u>
Total Financial Awards	<u>\$ 2,661,265</u>	<u>\$ 1,024,054</u>	<u>\$ 3,685,319</u>

**BOROUGH OF PARAMUS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements	Unmodified - Regulatory Basis
Internal control over financial reporting:	
1) Material weakness(es) identified	<u> X </u> yes <u> </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	<u> </u> yes <u> X </u> no
Noncompliance material to the financial statements noted?	<u> X </u> yes <u> </u> no

State Awards Section

Dollar threshold used to determine Type A programs:	\$ 750,000
Auditee qualified as low-risk auditee?	<u> </u> yes <u> X </u> no
Type of auditors' report on compliance for major programs:	Unmodified
Internal Control over compliance:	
1) Significant Deficiencies identified?	<u> </u> yes <u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	<u> </u> yes <u> X </u> no
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08?	<u> </u> yes <u> X </u> no

Identification of major programs:

<u>State Number</u>	<u>Name of State Program</u>
074-2541-495-006	New Jersey Construction Library Bond Act
074-2541-587-001	New Jersey Construction Library Bond Act

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2022-001 – Our audit of the general ledger accounting system maintained for the various funds revealed the following:

- General ledger control account balances were not reconciled to the revenue, appropriation and reserve accounts subsidiary reports and other supporting records on a monthly basis.
- Numerous cash transactions were either misposted or not posted to the general ledger and subsidiary records during the year.
- Numerous interfund transactions were not posted to the respective fund’s general ledger and subsidiary records during the year.
- Bank accounts were not being reconciled in a timely manner.

Criteria or Specific Requirement – Maintaining General Ledger Accounting System – N.J.A.C. 5:30-5.7.

Condition – The general ledger account balances were not reviewed and reconciled with the subsidiary revenue, appropriation and reserve account reports, bank reconciliation balances and other records on timely basis. Cash transactions related to receipt and disbursement activities of the various funds were misposted or not posted to the respective fund’s accounting records. In addition, numerous interfund transactions between funds were not recorded in the accounting records of the reciprocal fund.

Context – General ledger account balances for the Current, Golf Course and Swimming Pool Operating Funds were not reconciled to the subsidiary revenue and appropriation status reports and monthly bank reconciliation balances. In addition Other Trust Funds reserve balances were not reconciled to the detail trial balances or monthly bank reconciliation balances for each reserve account. Also, General Capital and Utility Capital Funds were not reviewed and reconciled to improvement authorization account status subsidiary reports and monthly bank reconciliation balances.

Effect – General ledger balances may not be in agreement with balances per the subsidiary supporting reports and records.

Cause – General ledger account balances were not reviewed and reconciled in a timely manner with account balances reported in the subsidiary revenue, appropriation and reserve account reports and other supporting records.

Recommendation – Internal control procedures over the general ledger accounting system be reviewed and revised to ensure general ledger account balances are reconciled on a monthly basis to the respective fund’s subsidiary reports and supporting records and that transactions are accurately recorded during the year.

View of Responsible Official and Planned Corrective Action – Management has reviewed this finding and has indicated corrective action will be developed and implemented to address this finding.

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

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

CURRENT YEAR STATE AWARDS

There are none.

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

This section identifies the status of prior-year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

**BOROUGH OF PARAMUS
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,000,000	0.52%	\$ 2,055,420	1.12%
Miscellaneous - From Other Than Local				
Property Tax Levies	17,683,374	9.31%	14,222,298	7.77%
Collection of Delinquent Taxes and Tax Title Liens	1,104,361	0.58%	1,260,992	0.69%
Collection of Current Tax Levy	169,806,978	89.37%	163,734,662	89.45%
Other Credits	<u>413,724</u>	<u>0.22%</u>	<u>1,781,859</u>	<u>0.97%</u>
Total Income	<u>190,008,437</u>	100.00%	<u>183,055,231</u>	100.00%
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	75,512,633	40.09%	74,439,787	40.60%
County Taxes	26,492,972	14.06%	25,114,790	13.70%
Local School Taxes	84,804,279	45.02%	83,261,834	45.41%
Other Expenditures	<u>1,556,859</u>	<u>0.83%</u>	<u>527,130</u>	<u>0.29%</u>
Total Expenditures	188,366,743	100.00%	183,343,541	100.00%
Less: Expenditures to be Raised by Future Revenue	<u>1,470,810</u>		<u>780,000</u>	
Total Adjusted Expenditures	<u>186,895,933</u>		<u>182,563,541</u>	
Excess in Revenue	3,112,504		491,690	
Fund Balance, January 1	<u>943,538</u>		<u>2,507,268</u>	
	4,056,042		2,998,958	
Less Utilization as Anticipated Revenue	<u>1,000,000</u>		<u>2,055,420</u>	
Fund Balance, December 31	<u>\$ 3,056,042</u>		<u>\$ 943,538</u>	

**BOROUGH OF PARAMUS
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
GOLF COURSE UTILITY OPERATING FUND**

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 136,000	4.13%	\$ 120,000	3.75%
Registration Fees	155,501	4.72%	138,607	4.33%
Golf Cart Rental	442,145	13.41%	425,460	13.29%
Green Fees	1,840,866	55.86%	1,637,466	51.15%
Snack Bar Rental		0.00%	7,000	0.22%
Miscellaneous	668,362	20.28%	733,990	22.93%
Other Credits	<u>52,726</u>	<u>1.60%</u>	<u>138,539</u>	<u>4.33%</u>
Total Income	<u>3,295,600</u>	100.00%	<u>3,201,062</u>	100.00%
EXPENDITURES				
Operating				
Salaries and Wages	1,292,300	43.59%	1,206,900	48.41%
Other Expenses	892,000	30.09%	728,200	29.21%
Capital Improvements	200,000	6.75%		
Debt Service	494,951	16.70%	473,850	19.01%
Deferred Charges and Statutory Expenditures	<u>85,000</u>	<u>2.87%</u>	<u>84,000</u>	<u>3.37%</u>
Total Expenditures	2,964,251	100.00%	2,492,950	100.00%
Less: Expenditures to be Raised by Future Revenue	<u>5,901</u>		<u>-</u>	
Total Adjusted Expenditures	<u>2,958,350</u>		<u>2,492,950</u>	
Excess in Revenue	337,250		708,112	
Fund Balance, January 1	<u>834,429</u>		<u>246,317</u>	
	1,171,679		954,429	
Less:				
Anticipated as Current Fund Revenue	300,000			
Utilization as Anticipated Revenue	<u>136,000</u>		<u>120,000</u>	
Fund Balance, December 31	<u>\$ 735,679</u>		<u>\$ 834,429</u>	

**BOROUGH OF PARAMUS
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
SWIMMING POOL UTILITY OPERATING FUND**

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 125,000	14.68%	\$ 150,000	18.00%
Membership Fees	401,919	47.21%	391,819	47.03%
Guest Fees	78,265	9.19%	80,160	9.62%
Miscellaneous	24,425	2.87%	30,660	3.68%
Concession Stand	62,828	7.38%	69,282	8.32%
Other Credits	<u>158,926</u>	<u>18.67%</u>	<u>111,264</u>	<u>13.35%</u>
Total Income	<u>851,363</u>	100.00%	<u>833,185</u>	100.00%
EXPENDITURES				
Operating				
Salaries and Wages	304,181	39.96%	285,000	39.80%
Other Expenses	264,353	34.73%	307,600	42.95%
Debt Service	101,576	13.35%	98,500	13.76%
Deferred Charges and Statutory Expenditures	<u>91,038</u>	<u>11.96%</u>	<u>25,000</u>	<u>3.49%</u>
Total Expenditures	761,148	100.00%	716,100	100.00%
Less: Expenditures to be Raised by Future Revenue	<u>67,785</u>		<u>-</u>	
Total Adjusted Expenditures	<u>693,363</u>		<u>716,100</u>	
Excess in Revenue	158,000		117,085	
Fund Balance, January 1	<u>126,004</u>		<u>158,919</u>	
	284,004		276,004	
Less:				
Utilization as Anticipated Revenue	<u>125,000</u>		<u>150,000</u>	
Fund Balance, December 31	<u>\$ 159,004</u>		<u>\$ 126,004</u>	

**BOROUGH OF PARAMUS
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	<u>\$1.552</u>	<u>\$1.654</u>	<u>\$1.595</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.506	.535	.491
Library	.033	.032	.035
County	.231	.242	.245
County – Open Space	.010	.011	.010
Local District School	.772	.834	.814

Assessed Valuation

2022	<u>\$10,987,007,811</u>	
2021		<u>\$9,987,679,666</u>
2020		<u>\$10,038,375,524</u>

Comparison of Tax Levies and Collection

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2022	\$ 170,957,614	\$ 169,806,978	99.33%
2021	165,325,148	163,734,662	99.04%
2020	160,355,523	158,881,343	99.08%

**BOROUGH OF PARAMUS
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 7,030	\$ 986,838	\$ 993,868	0.58%
2021	6,006	1,104,873	1,110,879	0.67%
2020	5,548	1,262,600	1,268,148	0.79%

Property Acquired by Tax Title Lien Liquidation

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>
2022	\$23,978
2021	23,978
2020	23,978

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2022	\$3,056,042	\$2,500,000
	2021	943,538	1,000,000
	2020	2,507,268	2,055,420
	2019	644,537	-0-
	2018	644,537	-0-
Golf Course Utility Fund	2022	\$735,679	\$302,000
	2021	834,429	136,000
	2020	246,317	120,000
	2019	124,725	120,000
	2018	518,478	419,500
Swimming Pool Operating Fund	2022	\$159,004	\$91,000
	2021	126,004	125,000
	2020	158,919	150,000
	2019	98,754	96,718
	2018	208,182	134,000

**BOROUGH OF PARAMUS
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>
Richard LaBarbiera	Mayor
Maria Elena Bellinger	Councilwoman
Ace Antonio	Councilman
Christopher DiPiazza	Councilman
Robert Kaiser	Councilman
Jorge Quintana	Councilman
Jeanne T. Weber	Councilwoman
Hector Olmo	Borough Administrator (3/9/22-12/31/2022)
Joseph DeArco	Borough Administrator (1/1/2022-1/31/2022)
AnneMarie Krusznis	Borough Clerk
Sheryl Luna	Chief Financial Officer/Tax Collector
Giblin & Gannaio, LLC	Borough Attorney
Alaimo Group	Borough Engineer
Guy Picone	Emergency Management Coordinator
Kenneth R. Ehrenburg	Police Chief
Gino De Gennaro	Fire Chief
John Pecoraro	Rescue Squad Chief
Michael O'Connell	Construction Code Official
James Anzevino	Tax Assessor
Hassan Brown	Director of Public Works
Joseph L. Mecca Jr.	Magistrate
Anthony N. Gallina	Magistrate
Cynthia Holmes	Court Administrator
Madeline Caminiti	Library Treasurer

There is a statutory bond limit in the Municipal Excess Liability Joint Insurance Fund that covers the Library Treasurer, Tax Collector, Magistrates, Court Administrators and Court Clerk up to \$1,000,000 with a member deductible of \$1,000. All other employees are covered for up to \$50,000 under the Municipal Joint Insurance Fund and up to \$950,000 under the Municipal Excess Liability Joint Insurance Fund.

**BOROUGH OF PARAMUS
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Prior Year Findings Unresolved

Finance

- **Finding** – Our audit of the Other Trust Fund revealed that dedication by riders were not obtained for certain Trust Fund reserves.
Recommendation – All Trust Fund reserves be reviewed and approval be obtained from the Division of Local Government Services to expend dedicated trust funds.

- **Finding** – Our audit revealed certain General Capital Fund ordinances over five years old had unfinanced cash deficit balances at year end.
Recommendation – General Capital Fund ordinances greater than five years old with unfinanced cash deficits be funded accordingly.

- **Finding** – Our audit indicated there are various inactive appropriated grant reserve balances that remain unexpended.
Recommendation – Inactive appropriated grant reserves be expended or cancelled.

- **Finding** – Our audit revealed that the budgetary subsidiary records for certain funds are not in agreement with audited account balances.
Recommendation – All budgetary subsidiary records be updated to reflect audited balances.

- **Finding** – Our audit noted instances where purchase orders were not created until the goods or services were rendered or an invoice was received from the vendors.
Recommendation – Purchase orders be encumbered when contracts are awarded and prior to the ordering of goods or services.

- **Finding** – Our audit indicated that old reconciling items and outstanding checks exist on certain bank reconciliations.
Recommendation – Old reconciling items and outstanding checks on bank reconciliations be reviewed and cleared of record.

- **Finding** – Our Audit revealed the Uniform Construction Code report submitted to the State of New Jersey includes unsupported expenditures as other expenses.
Recommendation – The annual Uniform Construction code report accurately reflects building department’s other expenses.

**BOROUGH OF PARAMUS
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Finance

- **Finding** – Our audit revealed that certain budgetary line items in the 2022 appropriations for the Golf Course Utility, Swimming Pool Utility Operating Funds, Current Fund and 2021 appropriation reserves for Current Fund were overexpended at December 31, 2022. In addition, there was an expenditure without an Appropriations in Current Fund.

Recommendation – Internal procedures be reviewed to ensure that sufficient budget appropriations are available prior to the expenditure of funds.

- **Finding** – Our audit of the Affordable Housing Trust revealed the annual finalized report was not updated and made available for the year ended December 31, 2022.

Recommendation – The annual financial report for the Affordable Housing Trust be updated and made available for audit.

- **Finding** – Our audit indicated the fixed asset inventory report was not updated for additions and deletions in 2022.

Recommendation – The fixed asset inventory report be updated for additions and deletions on an annual basis at year end.

- **Finding** – Our audit revealed a detailed listing was not maintained for developer, general escrow and shade tree deposits reported in the Other Trust Fund at December 31, 2022. Additionally, old inactive deposits be reviewed and cleared of record.

Recommendation – A detailed listing be maintained for all developer, general escrow and shade tree deposits reported in the Other Trust Fund and any old inactive deposits be reviewed and cleared of record.

- **Finding** – Our audit indicated that the detailed tax title lien premium ledger was not in agreement with general ledger balance at year end.

Recommendation – The detailed tax title lien premium ledger be reconciled and in agreement with the general ledger at year end.

- **Finding** – The Borough contracts with a third party administrator for the processing of their worker's compensation and general liability claims. The Borough's service provider did not submit a report on internal controls (SSAE No. 16) to the Borough for 2022.

Recommendation – Consideration be given to obtain from their required service provider a current report on internal controls (SSAE No. 16).

**BOROUGH OF PARAMUS
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

Current Year Findings (Continued)

Finance (Continued)

- **Finding** – Our audit of purchases noted two vendor’s aggregate invoices paid exceeded the Borough’s bid threshold without public bids being sought.

Recommendation – All contract awards and purchases be made in accordance with the Local Public Contracts Law.

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500. The Borough has adopted a resolution increasing the threshold to \$44,000 and has appointed a qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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 Attorney’s opinion should be sought before a commitment is made.

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

Fire Training Building Software Upgrades & Repairs	2022 Road Resurfacing
Collection of Grass, Leaves and Brush	Sanitary Sewer Lining
Addition to Children’s Library	Janitorial Services
Acquisition of DPW Vehicles	

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

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

**BOROUGH OF PARAMUS
LETTER OF COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS (Continued)
Collection of Interest of Delinquent Taxes**

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

The Governing Body on January 2, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes, water and electric utility accounts:

"BE IT RESOLVED, by the Borough Council of the Borough of Paramus that the Tax Collector is hereby authorized and directed to charge interest on delinquent taxes, water and electric utility accounts as follows:

First 10 Days of Tax Payments	No Penalty
Thereafter, from the Due Date of Tax Payments for the 1st \$1,500	8%
Thereafter, the Balance in Excess of \$1,500	18%

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 15, 2022 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 Lien</u>
December 31, 2022	1
December 31, 2021	4
December 31, 2020	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.

Suggestions to Management

- Improvement authorizations in the General Capital, Golf Course Utility Capital and Swimming Pool Utility Capital Funds be reviewed and old and inactive account balances be cleared of records.
- Interfund balances between all funds be liquidated at year end.
- A formal written policy be approved for all store cards utilized by the Borough.

APPRECIATION

We desire to express our appreciation to the Administrator, Chief Financial Officer/Tax Collector, and the other Borough staff who assisted us during the course of our audit.

**BOROUGH OF PARAMUS
LETTER OF COMMENTS AND RECOMMENDATIONS**

RECOMMENDATIONS

Finance

It is recommended that:

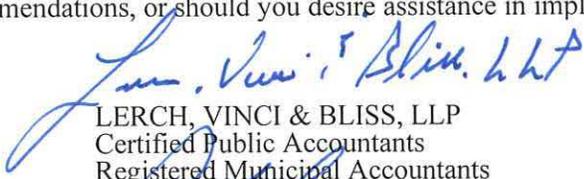
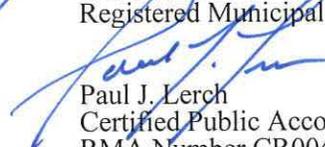
- * 1. All Trust Fund reserves be reviewed and approval be obtained from the Division of Local Government Serviced to expend dedicated trust funds.
- * 2. General Capital Fund ordinances greater than five years old with unfinanced cash deficits be funded accordingly.
- * 3. Inactive appropriated grant reserves be expended or cancelled.
- * 4. All budgetary subsidiary records be updated to reflect audited balances.
- * 5. Purchase orders be encumbered when contracts are awarded and prior to the ordering of goods or services.
- * 6. Old reconciling items and outstanding checks on bank reconciliations be reviewed and cleared of record.
- * 7. Internal control procedures over the general ledger accounting system be reviewed and revised to ensure general ledger account balances are reconciled on a monthly basis to the respective fund's subsidiary reports and supporting records and that transactions are accurately recorded during the year.
- * 8. The annual Uniform Construction Code report accurately reflects building department other expenses.
- 9. Internal procedures be reviewed to ensure that sufficient budget appropriations are available prior to the expenditure of funds.
- 10. The annual financial report for the Affordable Housing Trust be updated and made available for audit.
- 11. The fixed asset inventory report be updated for additions and deletions on an annual basis at year end.
- 12. A detailed listing be maintained for all developer, general escrow and shade tree deposits reported in the Other Trust Fund and any old inactive deposits be reviewed and cleared of record.
- 13. The detailed tax title lien premium ledger be reconciled and in agreement with the general ledger at year end.
- 14. Consideration be given to obtain from their required service provider a current report on internal controls (SSAE No. 16).
- 15. All contract awards and purchases be made in accordance with the Local Public Contracts Law.

* * * * *

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

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

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


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

Paul J. Lerch
Certified Public Accountant
RMA Number CR00457