

**BOROUGH OF PARAMUS**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2023**

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

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2023**

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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, 2023 and 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 December 31, 2023 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, 2023 and 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 December 31, 2023 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, 2023 and 2022, or changes in financial position, or, where applicable, cash flows for the year then ended December 31, 2023.

### ***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.

### ***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.

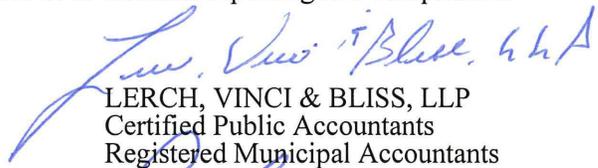
***Other Information***

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.

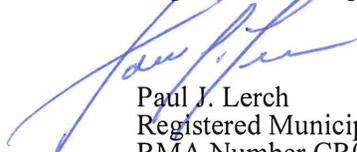
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based 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 13, 2024 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 CR000457

Fair Lawn, New Jersey  
 June 13, 2024

**BOROUGH OF PARAMUS**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**

ASSETS	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Cash	A-4	\$ 25,798,924	\$ 25,290,859
Cash - Change Fund	A-6	<u>450</u>	<u>450</u>
		<u>25,799,374</u>	<u>25,291,309</u>
Receivables and Other Assets with Full Reserves			
Delinquent Taxes Receivable	A-8	1,211,124	986,838
Tax Title Liens	A-9	7,826	7,030
Property Acquired for Taxes - Assessed Valuation	A-10	23,978	23,978
Revenue Accounts Receivable	A-11	33,954	31,522
Due from Animal Control Trust Fund	B-3	2,405	10,421
Due from Insurance Trust Fund	B-15	5	1,159
Due from Golf Course Utility Operating Fund	D-8		97,383
Due from Swim Pool Utility Operating Fund	E-9	<u>-</u>	<u>121,852</u>
		<u>1,279,292</u>	<u>1,280,183</u>
Deferred Charges			
Emergency Authorization	A-3, A-16		1,013,871
Overexpenditure of Appropriations	A-3,A-16		210,418
Overexpenditure of Appropriation Reserves	A-16,A-17	234,749	194,468
Expenditure Without Appropriation	A-16		52,053
Special Emergency Appropriation	A-15	<u>1,345,577</u>	<u>847,436</u>
		<u>1,580,326</u>	<u>2,318,246</u>
		<u>28,658,992</u>	<u>28,889,738</u>
Federal and State Grant Fund			
Cash - Federal and State Grant Fund	A-5	1,495,508	567,538
Grants Receivable	A-25	51,012	60,891
Due from Current Fund	A-30	<u>246,971</u>	<u>2,719,780</u>
		<u>1,793,491</u>	<u>3,348,209</u>
		<u>\$ 30,452,483</u>	<u>\$ 32,237,947</u>

**BOROUGH OF PARAMUS**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Appropriation Reserves	A-3,A-17	\$ 4,751,169	\$ 1,100,373
Encumbrances Payable	A-18	1,161,008	678,497
Accounts Payable	A-27	7,118	21,708
Tax Anticipation Note Payable	A-12	12,000,000	15,000,000
Special Emergency Note Payable	A-13	1,345,577	847,436
Emergency Note Payable	A-14		600,000
Due to Federal and State Grant Fund	A-30	246,971	2,719,780
Due to Other Trust Fund	B-8	6,715	246,105
Due to Unemployment Trust Fund	B-11	20,174	11,644
Due to Golf Course Utility Capital Fund	D-12		20,109
Due to General Capital Fund	C-7	600,353	838,886
Reserve for Municipal Relief Fund	A-31	423,096	211,593
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	19,778	14,028
Marriage License Fees Payable	A-19	900	325
DCA Fees Payable	A-20	49,361	52,112
County Taxes Payable	A-21	68,917	68,160
School Taxes Payable	A-22	8,998	
Tax Overpayments	A-23	115,006	1,154,943
Prepaid Taxes	A-24	<u>1,043,196</u>	<u>967,814</u>
		21,868,337	24,553,513
Reserve for Receivables	A	1,279,292	1,280,183
Fund Balance	A-1	<u>5,511,363</u>	<u>3,056,042</u>
		<u>28,658,992</u>	<u>28,889,738</u>
Federal and State Grant Fund:			
Appropriated Reserves for Grants	A-26	1,311,186	1,322,764
Encumbrances Payable	A-28	183,382	56,560
Unappropriated Reserves for Grants	A-29	<u>298,923</u>	<u>1,968,885</u>
		<u>1,793,491</u>	<u>3,348,209</u>
		<u>\$ 30,452,483</u>	<u>\$ 32,237,947</u>

**BOROUGH OF PARAMUS**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 2,185,000	\$ 1,000,000
Miscellaneous Revenue Anticipated	A-2	19,503,579	15,780,370
Receipts from Delinquent Taxes	A-2	984,459	1,104,361
Receipts from Current Taxes	A-2	180,036,789	169,806,978
Non-Budget Revenue	A-2	687,006	1,903,004
Other Credits to Income			
Unexpended Balance of Appropriated Reserves	A-17	538,552	200,028
Statutory Excess - Animal Control Trust Fund	B-4	1,452	1,771
Cancel Prior Year Accounts Payable	A-27	10,238	
Interfunds Returned	A	<u>230,815</u>	<u>211,925</u>
 Total Revenues and Other Income		 <u>204,177,890</u>	 <u>190,008,437</u>
 <b>EXPENDITURES</b>			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	35,661,300	32,998,816
Other Expenses	A-3	31,231,117	27,503,145
Capital Improvements	A-3	-	1,252,474
Municipal Debt Service	A-3	4,831,729	4,141,954
Deferred Charges and Statutory Expenditures - Municipal	A-3	11,328,448	9,616,244
Local District School Tax	A-22	86,471,219	84,804,279
County Taxes Including Added Taxes	A-21	29,537,316	26,492,972
Interfunds Advanced	A	2,410	230,815
Overexpenditure of Appropriation Reserves	A-16, A-17	234,749	194,468
Expenditure Without Appropriation	A-16		52,053
Tax Appeals Refunds	A-4	1,024,749	1,024,099
Refund of Prior Year Revenue	A-4	<u>159,281</u>	<u>55,424</u>
 Total Expenditures		 <u>200,482,318</u>	 <u>188,366,743</u>
 Excess in Revenue		 3,695,572	 1,641,694
 Adjustment to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-16	<u>944,749</u>	<u>1,470,810</u>
 Statutory Excess to Fund Balance		 4,640,321	 3,112,504
 Fund Balance, January 1	A	 <u>3,056,042</u>	 <u>943,538</u>
		7,696,363	4,056,042
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-1,A-2	<u>2,185,000</u>	<u>1,000,000</u>
 Fund Balance, December 31,	A	 <u>\$ 5,511,363</u>	 <u>\$ 3,056,042</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, 2023**

	Reference	Budget	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 2,185,000	-	\$ 2,185,000	-
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-11	40,000		82,315	\$ 42,315
Other	A-2	1,000,000		974,684	(25,316)
Fees and Permits					
Other	A-2	700,000		665,508	(34,492)
Fines and Costs					
Municipal Court	A-11	300,000		425,837	125,837
Interest and Costs on Taxes	A-11	250,000		268,813	18,813
Interest on Investments	A-2	400,000		1,739,115	1,339,115
Off Duty Police Administrative Fees	A-11	459,000		459,000	
Energy Receipts Taxes	A-11	4,084,348		4,084,348	
Reserve for Municipal Relief Fund Aid	A-31	211,593		211,593	
Uniform Construction Code Fees	A-11	1,800,000		2,237,424	437,424
Maywood Borough- Municipal Court	A-11	104,446		104,446	
Oradell Borough- Municipal Court	A-11	100,260		124,834	24,574
911 Services	A-11	36,000			(36,000)
Vehicle Maintenance	A-11	450,000		685,798	235,798
Sale of Gasoline	A-11	75,000		122,096	47,096
Street Sweeping and Snow Plowing	A-11	75,000		84,879	9,879
Maywood Borough - CFO Services	A-11	78,000		69,360	(8,640)
S. Hackensack- Supt. Of Dept. of Public Works	A-11	33,000		45,234	12,234
Lyndhurst Township- Tax Assessor	A-11	30,000		67,500	37,500
Palisades Park Borough - COAH Officer	A-11	30,000		51,860	21,860
State and Federal Grants Offset with Appropriations-					
Body Armor Fund	A-29	5,872		5,872	
Clean Communities'	A-29	50,348		50,348	
Safe and Secure	A-29	41,320		41,320	
Distracted Driving	A-29	12,600		12,600	
Click It or Ticket	A-29	7,000		7,000	
Drive Sober or get Pulled Over	A-29	6,000		6,000	
Emergency Management	A-29	10,000		10,000	
Recycling Tonnage Grant	A-29	211,838		211,838	
Alcohol Education Rehabilitation	A-29	1,895		1,895	
Strengthening Public Health Capacity	A-29	247,505		247,505	
Stormwater Assistance Grant	A-25		\$ 15,000	15,000	
Uniform Fire Safety Act	A-11	172,000		175,184	3,184
Cable TV Franchise Fee	A-11	340,000		329,614	(10,386)
Hotel Occupancy Fee (P.L. 2003, c.114)	A-11	450,000		540,273	90,273
Sewer User Charges	A-11	940,000		1,212,277	272,277
Sanitary Sewer Tie-In (River Edge)	A-11	160,000		241,849	81,849
Sanitary Sewer Tie-In (Maywood Borough)	A-11	45,000		97,215	52,215
Sanitary Sewer Tie-In (Washington Township)	A-11	29,000		25,195	(3,805)
Sanitary Sewer Tie-In (Oradell Borough)	A-11	10,000		6,799	(3,201)
Ambulance Fees	A-11	900,000		1,503,683	603,683
Library PERS Reimbursement	A-11	280,000		324,882	44,882
Golf Course Utility Surplus	A-11	100,000		100,000	
American Rescue Plan	A-29	1,374,507		1,374,507	
Medical Cannabis	A-11	256,000		152,314	(103,686)
PSE&G Easement Agreement	A-11	25,000		30,202	5,202
Payment in Lieu of Taxes - State of NJ	A-11	50,000		57,600	7,600
Recycling Revenue	A-11	150,000		217,963	67,963
Total Miscellaneous Revenues	A-1	16,132,532	15,000	19,503,579	3,356,047

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, 2023**

	<u>Reference</u>	<u>Budget</u>	<u>N.J.S.A 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	\$ 985,000	-	\$ 984,459	\$ (541)
AMOUNT TO BE RAISED BY TAXATION:					
Local Tax for Municipal Purposes		60,762,999		61,616,091	853,092
Minimum Library Tax		<u>4,262,163</u>	-	<u>4,262,163</u>	-
Total Amount to be Raised by Taxation	A-2	<u>65,025,162</u>	-	<u>65,878,254</u>	<u>853,092</u>
Total General Revenues		<u>\$ 84,327,694</u>	<u>\$ 15,000</u>	<u>\$ 88,551,292</u>	<u>\$ 4,208,598</u>
Non-Budget Revenues	A-1,A-2			<u>687,006</u>	
				<u>\$ 89,238,298</u>	

**BOROUGH OF PARAMUS**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(Continued)**

<b>ANALYSIS OF REALIZED REVENUES</b>	<u>Reference</u>	
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 180,036,789
Less: Allocated to School, County and Open Space Taxes	A-21, A-22	<u>116,008,535</u>
		64,028,254
Balance for Support of Municipal Budget		64,028,254
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,850,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 65,878,254</u>
Licenses - Other		
Borough Clerk	A-11	\$ 753,635
Board of Health	A-11	<u>221,049</u>
	A-2	<u>\$ 974,684</u>
Fees and Permits - Other		
Police Department	A-11	\$ 57,113
Zoning Board of Adjustment	A-11	116,268
Planning Board	A-11	156,925
Board of Health	A-11	67,869
Fire Prevention	A-11	<u>267,333</u>
	A-2	<u>\$ 665,508</u>
Interest on Investments and Deposits		
Treasurer	A-11	\$ 1,163,658
Due from Federal and State Grant Fund	A-30	64,673
Due from General Capital Fund	C-7	352,128
Due from Animal Control Fund	B-3	953
Due from Insurance Trust fund	B-15	2,898
Due from Other Trust Fund	B-8	<u>154,805</u>
	A-2	<u>\$ 1,739,115</u>

**BOROUGH OF PARAMUS**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(Continued)**

**ANALYSIS OF NON-BUDGET REVENUE**

Life Safety Revenues	\$ 89,408
Credit Card Fees	686
Outside Vehicle Revenues	4,400
Sewer Fees	17,642
Maywood Recycling	15,000
Traffic Light Repairs	14,307
Rochelle Park Court Interlocal Agreement	17,775
Closter COAH Interlocal Agreement	10,640
Dumping Fees - Board of Education	504
FEMA Reimbursements (Tropical Storm ISAIAS & Tropical Storm IDA)	26,581
Cell Tower Lease	27,500
Xerox Copies	2,199
Premium on Tax Anticipation Note	36,367
Sale of Municipal Assets	19,504
National Opioids Settlement	21,548
DMW Inspection Fees	700
Miscellaneous	133,619
Prior Year Budget Reimbursements	242,264
Bounced Check Fee	1,175
Sr. Cit 2% Admin Fees	2,769
Fire Inspection Reports	37
Reversal of Bank Service Charges	<u>2,381</u>
	<u>\$ 687,006</u>
Reference	A-1

**BOROUGH OF PARAMUS**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	
<b>OPERATIONS - WITHIN "CAPS"</b>				
<b>GENERAL GOVERNMENT</b>				
General Administration				
Salaries and Wages	\$ 260,000	\$ 275,000	\$ 274,880	\$ 120
Other Expenses	37,100	37,100	20,480	16,620
Other Expenses - Grant Writer - Millennium Strategies	50,000	50,000	44,000	6,000
Mayor and Council				
Salaries and Wages	75,000	75,000	74,300	700
Other Expenses	1,300	1,300	903	397
Municipal Clerk				
Salaries and Wages	340,000	320,000	318,283	1,717
Other Expenses	127,000	117,000	102,732	14,268
Information Technology Services				
Salaries and Wages	386,000	386,000	385,999	1
Other Expenses	502,250	502,250	498,095	4,155
Audit Services				
Other Expenses	100,000	100,000	100,000	-
Financial Administration				
Salaries and Wages	500,000	518,000	518,000	-
Other Expenses	126,700	198,700	197,070	1,630
Revenue Administration				
Salaries and Wages	195,000	199,000	197,095	1,905
Other Expenses	23,450	26,950	26,865	85
Tax Assessment Administration				
Salaries and Wages	235,000	238,000	236,619	1,381
Other Expenses	7,350	4,350	496	3,854
Legal Services & Costs				
Other Expenses	1,066,000	1,066,000	817,163	248,837
Engineering Services & Costs				
Other Expenses	75,000	75,000	62,999	12,001
<b>LAND USE ADMINISTRATION</b>				
Planning Board				
Salaries and Wages	110,000	120,500	120,313	187
Other Expenses	34,400	34,400	32,176	2,224
Board of Adjustment				
Salaries and Wages	51,000	31,500	31,452	48

**BOROUGH OF PARAMUS  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
INSURANCE					
Liability Insurance (JIF)	\$ 625,000	\$ 625,000	\$ 515,876	\$ 109,124	
Other Insurance Premiums	15,000	15,000	2,093	12,907	
Vision (Self)	80,000	80,000	65,629	14,371	
Worker's Compensation Insurance (JIF)	205,000	205,000	203,222	1,778	
Worker's Compensation Insurance (Self)	673,715	783,715	775,967	7,748	
Liability Insurance (Self)	300,000	250,000	250,000	-	
Employee Group Insurance	8,667,296	8,490,396	7,684,541	805,855	
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	17,841,180	18,551,180	17,361,813	1,189,367	
Other Expenses	195,033	240,033	230,775	9,258	
Police Dispatch					
Salaries and Wages	1,070,000	1,090,000	1,090,000	-	
Other Expenses	86,766	113,766	111,592	2,174	
Office of Emergency Management					
Salaries and Wages	268,000	243,000	241,419	1,581	
Other Expenses	82,650	70,650	66,627	4,023	
Rescue Squad					
Salaries and Wages	135,000	147,200	147,100	100	
Other Expenses	37,200	37,200	35,878	1,322	
Fire Department					
Salaries and Wages	950,000	820,000	812,600	7,400	
Other Expenses	423,750	423,750	423,482	268	
Fire Inspection					
Salaries and Wages	550,000	510,000	509,953	47	
Other Expenses	14,800	14,800	14,586	214	
Emergency Medical Services					
Salaries and Wages	1,230,000	1,295,000	1,236,687	58,313	
Other Expenses	118,600	118,600	117,542	1,058	
PUBLIC WORKS					
Streets and Roads Maintenance					
Salaries and Wages	1,815,500	1,615,500	1,615,489	11	
Other Expenses	198,000	198,000	166,122	31,878	
Shade Tree Commission					
Salaries and Wages	1,707,000	1,707,000	1,500,644	206,356	
Other Expenses	196,320	196,320	88,017	108,303	

**BOROUGH OF PARAMUS  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>	<u>Reserved</u>	Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>		
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (Continued)					
PUBLIC SAFETY (Continued)					
Solid Waste Collection					
Salaries and Wages	\$ 1,756,000	\$ 1,756,000	\$ 1,713,960	\$ 42,040	
Other Expenses	33,500	33,500	17,355	16,145	
Building and Grounds					
Salaries and Wages	781,100	781,100	775,130	5,970	
Other Expenses	404,550	404,550	312,734	91,816	
Vehicle Maintenance					
Salaries and Wages	1,744,000	1,744,000	1,537,432	206,568	
Other Expenses	1,243,500	1,243,500	1,228,699	14,801	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	577,495	619,495	619,444	51	
Other Expenses	37,200	37,200	(14,229)	51,429	
Animal Control					
Other Expenses	35,500	35,500	30,640	4,860	
Administration of Public Assistance					
Salaries and Wages	20,000	20,000	10,000	10,000	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	535,000	535,000	468,322	66,678	
Other Expenses	124,100	124,100	37,291	86,809	
Senior Citizens Center					
Salaries and Wages	216,000	225,000	221,103	3,897	
Other Expenses	37,150	37,150	31,886	5,264	
RECYCLING AND LANDFILL					
Landfill/Solid Waste Disposal Cost					
Other Expenses	562,814	642,814	632,117	10,697	
Other Expenses - Vegetative Waste	500,000	500,000	208,176	291,824	
MUNICIPAL COURT					
Salaries and Wages	585,000	645,000	644,976	24	
Other Expenses	39,900	39,900	31,852	8,048	

**BOROUGH OF PARAMUS  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>	<u>Balance</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Cancelled</u>
	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Cancelled</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	\$ 675,000	\$ 665,000	\$ 664,917	\$ 83
Other Expenses	10,625	10,625	6,347	4,278
UNCLASSIFIED				
Electricity	550,000	550,000	418,067	131,933
Street Lighting	550,000	575,000	561,367	13,633
Fire Hydrants	450,000	450,000	448,935	1,065
Telephone	330,000	330,000	303,674	26,326
Water	75,000	75,000	61,073	13,927
Gasoline	411,412	411,412	298,526	112,886
Diesel Fuel	411,413	411,413	220,216	191,197
	<u>54,484,619</u>	<u>55,119,419</u>	<u>50,817,584</u>	<u>4,301,835</u>
Total Operations Within "CAPS"				-
Contingent	-	-	-	-
	<u>54,484,619</u>	<u>55,119,419</u>	<u>50,817,584</u>	<u>4,301,835</u>
Total Operations Including Contingent Within "CAPS"				-
Detail:				
Salaries and Wages	34,608,275	35,132,475	33,327,930	1,804,545
Other Expenses (Including Contingent)	19,876,344	19,986,944	17,489,654	2,497,290
	<u>54,484,619</u>	<u>55,119,419</u>	<u>50,817,584</u>	<u>4,301,835</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES-				
MUNICIPAL WITHIN "CAPS"				
DEFERRED CHARGES				
Deficit in Swim Pool Utility Operating Fund	177,812	177,812	177,812	
Overexpenditure Without Appropriation	52,053	52,153	52,053	\$ 100
Overexpenditure of Appropriations	210,418	210,418	210,418	
Overexpenditure of Appropriation Reserves	194,468	194,468	194,468	
STATUTORY EXPENDITURES				
Contribution to:				
Defined Contribution Retirement Plan	35,000	65,000	57,597	7,403
Social Security Syst. (O.A.S.I.)	1,650,000	1,650,000	1,587,968	62,032
Police and Fireman's Retirement System	4,770,444	4,770,444	4,770,444	-
Unemployment Compensation Insurance	20,000	20,000	20,000	-
Public Employees Retirement System	2,462,523	2,462,523	2,462,523	-
	<u>9,572,718</u>	<u>9,602,818</u>	<u>9,533,283</u>	<u>69,435</u>
Total Deferred Charges and Statutory Expenditures -				
Municipal Within "CAPS"				100
	<u>64,057,337</u>	<u>64,722,237</u>	<u>60,350,867</u>	<u>4,371,270</u>
Total General Appropriations for Municipal Purposes				100
Within "CAPS"				
OPERATIONS - EXCLUDED FROM "CAPS"				
EDUCATIONAL FUNCTIONS				
Maintenance of Free Public Library	4,262,163	4,262,163	3,972,822	289,341

**BOROUGH OF PARAMUS  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>	<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	
<b>OPERATIONS - EXCLUDED FROM "CAPS" (Continued)</b>				
Employee Group Insurance	\$ 1,463,704	\$ 1,463,704	\$ 1,463,704	
Police and Firemen's Retirement System	524,745	524,745	524,745	
Public Employees' Retirement System	11,770	11,770	11,770	
Gasoline/Diesel Fuel	117,175	117,175	117,175	
Workmen's Compensation Insurance	26,285	26,285	26,285	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>				
Sewerage Processing and Disposal - BCUA				
Other Expenses - Operation and Maintenance	3,327,482	3,327,582	3,327,482	\$ 100
Other Expenses - Debt Service	820,196	820,196	820,196	
<b>INTERLOCAL</b>				
Municipal Court - Maywood				
Salaries and Wages	15,000	60,000	55,798	4,202
Municipal Court - Oradell				
Salaries and Wages	15,000	15,000	15,000	
Mechanical Maintenance				
Salaries and Wages	100,000	100,000	100,000	
Other Expenses	250,000	250,000	163,744	86,256
Superintendent of DPW - South Hackensack				
Salaries and Wages	10,000	10,000	10,000	
Tax Assessor - Lyndhurst				
Salaries and Wages	15,000	15,000	15,000	
CFO Services - Maywood				
Salaries and Wages	30,000	30,000	30,000	
Street Sweeping/Plowing - Various Municipalities				
Other Expenses	60,000	60,000	60,000	
Gasoline/Diesel - Paramus Board of Education				
Other Expenses	60,000	60,000	60,000	
COAH Officer - Palisades Park				
Salaries and Wages	10,000	10,000	10,000	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>				
Alcohol Education Rehabilitation	1,895	1,895	1,895	
Office of Emergency Management	10,000	10,000	10,000	
Safe and Secure	41,320	41,320	41,320	
Body Armour Grant	5,872	5,872	5,872	
Distracted Driving Grant	12,600	12,600	12,600	
Drive Sober or Get Pulled Over	6,000	6,000	6,000	
Click It or Ticket	7,000	7,000	7,000	
Recycling Tonnage Grant	211,838	211,838	211,838	
Strengthening Public Health Capacity Grant	247,505	247,505	247,505	
Clean Communities	50,348	50,348	50,348	
Stormwater Grant	-	15,000	15,000	
<b>Total Operations - Excluded from "CAPS"</b>	<b>11,712,898</b>	<b>11,772,998</b>	<b>11,393,099</b>	<b>379,899</b>
<b>Detail:</b>				
Salaries and Wages	483,825	528,825	524,623	4,202
Other Expenses	11,229,073	11,244,173	10,868,476	375,697
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>				
Payment of Bond Principal	2,900,000	2,900,000	2,900,000	
Payment of Bond Anticipation Notes and Capital Notes	241,776	241,776	241,776	
Interest on Bonds	534,625	534,625	534,625	
Interest on Notes	1,155,328	1,155,328	1,155,328	
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>4,831,729</b>	<b>4,831,729</b>	<b>4,831,729</b>	<b>-</b>

**BOROUGH OF PARAMUS  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Cancelled</u>
			<u>Reserved</u>	
<b>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</b>				
Emergency Authorizations	\$ 1,013,871	\$ 1,013,871	\$ 1,013,871	
Special Emergency Authorization - 5 Years	211,859	211,859	211,859	
Deferred Charges Unfunded - General Capital Ordinances	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	-
<b>Total Deferred Charges-Municipal Excluded from "CAPS"</b>	<u>1,725,730</u>	<u>1,725,730</u>	<u>1,725,730</u>	-
Judgments (N.J.S.A. 40A:4-45.3cc)	<u>150,000</u>	<u>150,000</u>	-	\$ 150,000
<b>Total General Appropriations Excluded from "CAPS"</b>	<u>18,420,357</u>	<u>18,480,457</u>	<u>17,950,558</u>	<u>\$ 379,899</u>
<b>Total General Appropriations</b>	<u>82,477,694</u>	<u>83,202,694</u>	<u>78,301,425</u>	<u>4,751,169</u>
Reserve for Uncollected Taxes	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	-
<b>Total General Appropriations</b>	<u>\$ 84,327,694</u>	<u>\$ 85,052,694</u>	<u>\$ 80,151,425</u>	<u>\$ 4,751,169</u>
	<u>Reference</u>	A-2	A-1	A, A-1
Adopted Budget	A-2	\$84,327,694		
Special Emergency Authorization	A-15	710,000		
Appropriation by 40A:4-87	A-2	<u>15,000</u>		
		<u>\$ 85,052,694</u>		
Cash Disbursed	A-4		\$ 74,828,196	
Encumbrances Payable	A-18		1,161,008	
Deferred Charges	A-15,A-16		1,682,669	
Appropriated Reserves for Grants	A-26		609,378	
Due to Unemployment Trust Fund	B-11		<u>20,174</u>	
Reserve for Uncollected Taxes	A-3		<u>1,850,000</u>	
			<u>\$ 80,151,425</u>	

**BOROUGH OF PARAMUS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-1	\$ 14,463	\$ 21,579
		<u>14,463</u>	<u>21,579</u>
<b>OTHER TRUST FUNDS</b>			
Cash	B-1	11,778,109	11,019,237
Due from Current Fund	B-8	<u>6,715</u>	<u>246,105</u>
		<u>11,784,824</u>	<u>11,265,342</u>
<b>UNEMPLOYMENT TRUST FUND</b>			
Cash	B-1	8,632	48,881
Due from Current Fund	B-11	20,174	11,644
Other Accounts Receivable	B-7	<u>3,837</u>	<u>3,409</u>
		<u>32,643</u>	<u>63,934</u>
<b>INSURANCE TRUST FUND</b>			
Cash	B-1	<u>95,148</u>	<u>90,717</u>
		<u>95,148</u>	<u>90,717</u>
		<u>\$ 11,927,078</u>	<u>\$ 11,441,572</u>

**BOROUGH OF PARAMUS**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2023 AND 2022**  
**(Continued)**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Due to State of New Jersey	B-2	\$ 83	\$ 34
Due to Current Fund	B-3	2,405	10,421
Reserve for Animal Control Trust Fund Expenditures	B-4	<u>11,975</u>	<u>11,124</u>
		14,463	21,579
<b>OTHER TRUST FUND</b>			
Payroll Deposits Payable	B-9	58,632	63,556
Miscellaneous Reserves and Deposits	B-5	<u>11,726,192</u>	<u>11,201,786</u>
		11,784,824	11,265,342
<b>UNEMPLOYMENT TRUST FUND</b>			
Due to State of New Jersey	B-6	69,770	11,718
Reserve for Unemployment Expenditures (Deficit)	B-10	<u>(37,127)</u>	<u>52,216</u>
		32,643	63,934
<b>INSURANCE TRUST FUND</b>			
Due to Current Fund	B-15	5	1,159
Reserve for Workers Compensation Expenditures	B-12	29,349	13,330
Reserve for General Liability Expenditures	B-13	12,236	22,670
Reserve for Property Liability Expenditures	B-14	<u>53,558</u>	<u>53,558</u>
		95,148	90,717
		<u>\$ 11,927,078</u>	<u>\$ 11,441,572</u>

**BOROUGH OF PARAMUS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2023 AND 2022**

ASSETS	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Cash	C-2,C-3	\$ 7,496,090	\$ 9,070,152
Deferred Charges to Future Taxation			
Funded	C-4	17,700,000	20,600,000
Unfunded	C-5	29,361,404	24,451,087
Due from Paramus Public Library	C-14		626,750
Due from Current Fund	C-7	600,353	838,886
Due from Golf Course Utility Operating Fund	D-13		404
Grants Receivable	C-6	<u>1,924,656</u>	<u>3,176,512</u>
		<u>\$ 57,082,503</u>	<u>\$ 58,763,791</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-8	17,700,000	20,600,000
Bond Anticipation Notes Payable	C-9	21,786,000	21,511,000
Improvement Authorizations			
Funded	C-10	134,577	170,577
Unfunded	C-10	11,072,751	9,364,654
Capital Improvements Fund	C-11	774,939	1,077,444
Encumbrances Payable	C-13	4,442,393	4,852,657
Reserve for:			
Payment of Debt	C-12	68,100	262,500
Grants Receivable	C-6	610,000	610,000
Fund Balance	C-1	<u>493,743</u>	<u>314,959</u>
		<u>\$ 57,082,503</u>	<u>\$ 58,763,791</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2023 and 2022 of \$8,082,387 and \$3,256,935 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, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Balance, January 1	C	\$ 314,959	\$ 156,027
Increased by:			
Premium From Sale of Bond Anticipation Notes	C-2	<u>178,784</u>	<u>158,932</u>
Balance, December 31	C	<u>\$ 493,743</u>	<u>\$ 314,959</u>

**BOROUGH OF PARAMUS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GOLF COURSE UTILITY FUND  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	D-5	\$ 1,426,823	\$ 1,336,841
Due from Golf Course Utility Capital Fund	D-7	<u>120,019</u>	<u>30,630</u>
		<u>1,546,842</u>	<u>1,367,471</u>
Deferred Charges:			
Overexpenditure of Appropriations	D-9	<u>-</u>	<u>5,901</u>
		<u>-</u>	<u>5,901</u>
Total Operating Fund		<u>1,546,842</u>	<u>1,373,372</u>
<b>CAPITAL FUND</b>			
Cash	D-5, D-6	2,476,642	2,369,488
Fixed Capital	D-10	15,262,858	15,183,105
Fixed Capital Authorized and Uncompleted	D-11	5,033,560	4,448,060
Due from Current Fund	D-12	<u>-</u>	<u>20,109</u>
Total Capital Fund		<u>22,773,060</u>	<u>22,020,762</u>
		<u>\$ 24,319,902</u>	<u>\$ 23,394,134</u>

**BOROUGH OF PARAMUS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GOLF COURSE UTILITY FUND  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4, D-14	\$ 210,790	\$ 275,332
Due to Current Fund	D-8		97,383
Encumbrances Payable	D-15	62,958	224,501
Accounts Payable	D-22	58,788	
Accrued Interest on Bonds and Notes	D-16	<u>42,526</u>	<u>40,477</u>
		375,062	637,693
Fund Balance	D-1	<u>1,171,780</u>	<u>735,679</u>
Total Operating Fund		<u>1,546,842</u>	<u>1,373,372</u>
CAPITAL FUND			
Due to Golf Course Utility Operating Fund	D-7	120,019	30,630
Due to General Capital Fund	D-13		404
Serial Bonds Payable	D-17	2,340,000	2,730,000
Bond Anticipation Notes Payable	D-18	1,317,000	1,317,000
Improvement Authorizations:			
Funded	D-19	1,267,670	1,269,157
Unfunded	D-19	1,653,114	1,063,199
Capital Improvement Fund	D-20	6,098	6,098
Reserve for Amortization	D-21	15,890,787	15,421,034
Deferred Reserve for Amortization	D-23	148,631	163,131
Fund Balance	D-2	<u>29,741</u>	<u>20,109</u>
Total Capital Fund		<u>22,773,060</u>	<u>22,020,762</u>
		<u>\$ 24,319,902</u>	<u>\$ 23,394,134</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2023 and 2022 of \$600,000 and \$-0- respectively. (See Exhibit D-24)

**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, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	D-3	\$ 302,000	\$ 136,000
Registration Fees	D-3	158,727	155,501
Golf Cart Rental	D-3	485,661	442,145
Green Fees	D-3	2,058,858	1,840,866
Miscellaneous	D-3	872,816	668,362
Other			
Prior Year Encumbrances Payable Cancelled	D-1		18,747
Unexpended Balance of Appropriation Reserves	D-14	<u>254,709</u>	<u>33,979</u>
 Total Income		 <u>4,132,771</u>	 <u>3,295,600</u>
 <b>EXPENDITURES</b>			
Operating			
Salaries and Wages	D-4	1,436,811	1,292,300
Other Expenses	D-4	1,081,047	892,000
Capital Improvements	D-4	100,000	200,000
Debt Service	D-4	510,407	494,951
Deferred Charges and Statutory Expenditures	D-4	<u>166,405</u>	<u>85,000</u>
 Total Expenditures		 <u>3,294,670</u>	 <u>2,964,251</u>
<hr/>			
Excess in Revenue		838,101	331,349
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>-</u>	<u>5,901</u>
Statutory Excess to Fund Balance		838,101	337,250
Fund Balance, January 1	D	<u>735,679</u>	<u>834,429</u>
		1,573,780	1,171,679
Decreased by:			
Anticipated as Current Fund Revenue	A-2,D-8	100,000	300,000
Fund Balance Utilized	D-1	<u>302,000</u>	<u>136,000</u>
Fund Balance, December 31	D	<u>\$ 1,171,780</u>	<u>\$ 735,679</u>

**BOROUGH OF PARAMUS**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GOLF COURSE UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Fund Balance, January 1	D	\$ 20,109	\$ 11,744
Increased by:			
Premium on Sale of Bond Anticipation Notes	D-5	<u>9,632</u>	<u>8,365</u>
Fund Balance, December 31	D	<u>\$ 29,741</u>	<u>\$ 20,109</u>

**BOROUGH OF PARAMUS  
STATEMENT OF REVENUES - REGULATORY BASIS  
GOLF COURSE UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Utilized	D-1	\$ 302,000	\$ 302,000	
Registration Fees	D-1	125,000	158,727	\$ 33,727
Golf Cart Rental	D-1	400,000	485,661	85,661
Green Fees	D-1	1,817,670	2,058,858	241,188
Miscellaneous	D-1	<u>650,000</u>	<u>872,816</u>	<u>222,816</u>
 Budget Revenues	 D-4	 <u>\$ 3,294,670</u>	 <u>\$ 3,878,062</u>	 <u>\$ 583,392</u>

Analysis of Miscellaneous Revenues

Interest on Deposits		\$ 196,495
Miniature Golf		144,475
Gift Certificates		21,455
Golf Lessons		114,593
Pro Shop Sales		40,504
Push Cart Rental		6,784
Lottery Fee		179,560
League Fees		75,220
Snack Bar Concession		54,078
Handicap Fees		12,648
Range Balls		22,083
Miscellaneous		<u>4,921</u>
		<u>\$ 872,816</u>
	Due from Golf Course Utility Capital Fund	\$ 120,019
	Cash Receipts	<u>752,797</u>
		<u>\$ 872,816</u>

**BOROUGH OF PARAMUS**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**GOLF COURSE UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 1,490,000	\$ 1,436,811	\$ 1,264,787	\$ 172,024
Other Expenses	825,000	867,047	867,047	
Employee Group Insurance	214,000	214,000	214,000	-
	<u>2,529,000</u>	<u>2,517,858</u>	<u>2,345,834</u>	<u>172,024</u>
<b>CAPITAL IMPROVEMENTS</b>				
Capital Outlay	100,000	100,000	61,234	38,766
	<u>100,000</u>	<u>100,000</u>	<u>61,234</u>	<u>38,766</u>
<b>DEBT SERVICE</b>				
Bond Principal	390,000	390,000	390,000	
Interest on Bonds	67,398	67,398	67,398	
Interest on Notes	50,371	53,009	53,009	-
	<u>507,769</u>	<u>510,407</u>	<u>510,407</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>				
Deferred Charges				
Overexpenditure of Appropriations	5,901	5,901	5,901	
Statutory Expenditures				
Contribution to				
Public Employee's Retirement System	67,000	67,000	67,000	
Social Security System (O.A.S.I.)	85,000	93,504	93,504	-
	<u>157,901</u>	<u>166,405</u>	<u>166,405</u>	<u>-</u>
	<u>\$ 3,294,670</u>	<u>\$ 3,294,670</u>	<u>\$ 3,083,880</u>	<u>\$ 210,790</u>

	<u>Reference</u>	D-3	D-4	D-1	D,D-1
Cash Disbursed	D-5			\$ 2,894,614	
Encumbrances Payable	D-15			62,958	
Accrued Interest on Bonds	D-16			120,407	
Deferred Charges	D-9			5,901	
				<u>\$ 3,083,880</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF PARAMUS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SWIMMING POOL UTILITY FUND  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	E-5	\$ 64,416	\$ 220,423
Due from Swim Pool Utility Capital Fund	E-8	<u>4,761</u>	<u>115</u>
		<u>69,177</u>	<u>220,538</u>
Deferred Charges			
Special Emergency	E-7	201,111	268,148
Operating Deficit	E-1,E-16	93,863	
Overexpenditure of Appropriations	E-4,E-16	381	67,785
Overexpenditure of Appropriation Reserves	E-13,E-16	<u>1,945</u>	<u>-</u>
		<u>297,300</u>	<u>335,933</u>
Total Operating Fund		<u>366,477</u>	<u>556,471</u>
<b>CAPITAL FUND</b>			
Cash	E-5,E-6	231,981	4,182
Fixed Capital	E-10	3,372,780	3,372,780
Fixed Capital Authorized and Uncompleted	E-11	<u>250,000</u>	<u>250,000</u>
Total Capital Fund		<u>3,854,761</u>	<u>3,626,962</u>
		<u>\$ 4,221,238</u>	<u>\$ 4,183,433</u>

**BOROUGH OF PARAMUS**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SWIMMING POOL UTILITY FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	E-4,E-12	\$ 73,103	\$ 806
Encumbrances Payable	E-13	13,003	209
Due to Current Fund	E-9		121,852
Accrued Interest on Bonds	E-17	5,419	6,136
Accrued Interest on Notes	E-18	5,837	
Accounts Payable	E-14		316
Special Emergency Note Payable	E-15	<u>201,111</u>	<u>268,148</u>
		298,473	397,467
Fund Balance	E-1	<u>68,004</u>	<u>159,004</u>
Total Operating Fund		<u>366,477</u>	<u>556,471</u>
CAPITAL FUND			
Serial Bonds Payable	E-20	510,000	595,000
Bond Anticipation Notes Payable	E-22	250,000	
Encumbrances Payable	E-19	43,000	
Improvement Authorizations:			
Funded	E-21	4,053	4,053
Unfunded	E-21	180,153	250,000
Due to Swim Pool Utility Operating Fund	E-8	4,761	115
Reserve for Amortization	E-23	2,862,780	2,777,780
Fund Balance	E-2	<u>14</u>	<u>14</u>
Total Capital Fund		<u>3,854,761</u>	<u>3,626,962</u>
		<u>\$ 4,221,238</u>	<u>\$ 4,183,433</u>

There were bonds and notes authorized but not issued on December 31, 2023 and 2022 of \$0 and \$250,000 respectively. (Exhibit E-24)

**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, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	E-3	\$ 91,000	\$ 125,000
Membership Fees	E-3	346,950	401,919
Guest Fees	E-3	24,313	78,265
Miscellaneous	E-3	56,340	24,425
Concession Stand	E-3	12,800	62,828
Non-Budget Revenue	E-3	39,411	76,522
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	E-12	806	82,404
Accounts Payable Cancelled	E-14	<u>316</u>	<u>-</u>
Total Revenue and Other Income		<u>571,936</u>	<u>851,363</u>
EXPENDITURES			
Operating			
Salaries and Wages	E-4	325,000	304,181
Other Expenses	E-4	243,000	264,353
Debt Service	E-4	116,170	101,576
Deferred Charges and Statutory Expenditures	E-4	159,822	91,038
Overexpenditures of Appropriation Reserves	E-12	<u>1,945</u>	<u>-</u>
Total Expenditures		<u>845,937</u>	<u>761,148</u>
Excess in Revenue			90,215
Deficit in Revenue		274,001	
Adjustments to Income before Fund Balance:			
Realized from General Budget for Anticipated Deficit	E-3	177,812	-
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	E-16	<u>2,326</u>	<u>67,785</u>
Operating Deficit to be Raised in Budget of Succeeding Year	E	<u>\$ 93,863</u>	
Statutory Excess to Fund Balance			158,000
Fund Balance, January 1	E	\$ 159,004	<u>126,004</u>
		159,004	284,004
Decreased by:			
Anticipated as Operating Fund Revenue	E-3	<u>91,000</u>	<u>125,000</u>
Fund Balance, December 31	E	<u>\$ 68,004</u>	<u>\$ 159,004</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, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</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, 2023**

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Utilized	E-1	\$ 91,000	\$ 91,000	
Membership Fees	E-1	460,000	346,950	\$ (113,050)
Guest Fees	E-1	78,000	56,340	(21,660)
Miscellaneous	E-1	24,000	24,313	313
Concession Stand	E-1	12,800	12,800	-
Deficit (General Budget)	E-1	<u>177,812</u>	<u>177,812</u>	<u>-</u>
 Budget Revenues	 E-4	 <u>\$ 843,612</u>	 \$ 709,215	 <u>\$ (134,397)</u>
 Non-Budget Revenues			 <u>39,411</u>	
			 <u>\$ 748,626</u>	
 <u>Analysis of Miscellaneous Revenue Not Anticipated</u>				
Interest on Deposits			\$ 9,674	
Interest on Deposits - Due from Swim Pool Utility Capital Fund			4,761	
Other - Miscellaneous			<u>24,976</u>	
			 <u>\$ 39,411</u>	

**BOROUGH OF PARAMUS**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
<b>OPERATING</b>						
Salaries and Wages	\$ 325,000	\$ 325,000	\$ 303,574	\$ 21,426		
Other Expenses	230,000	230,000	180,258	49,742		
Employee Group Health Insurance	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating	<u>568,000</u>	<u>568,000</u>	<u>496,832</u>	<u>71,168</u>	<u>-</u>	<u>-</u>
<b>DEBT SERVICE</b>						
Bond Principal	85,000	85,000	85,000			
Interest on Bonds	14,689	14,689	14,689			
Interest on Notes	<u>16,100</u>	<u>16,100</u>	<u>16,481</u>	<u>-</u>	<u>\$ 381</u>	<u>-</u>
Total Debt Service	<u>115,789</u>	<u>115,789</u>	<u>116,170</u>	<u>-</u>	<u>381</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>						
<b>Deferred Charges</b>						
Special Emergency - COVID 5 Years	67,038	67,038	67,037			\$ 1
Overexpenditure of Appropriations	67,785	67,785	67,785			
<b>Statutory Expenditures</b>						
Contribution to Social Security System (O.A.S.I.)	<u>25,000</u>	<u>25,000</u>	<u>23,065</u>	<u>1,935</u>	<u>-</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures	<u>159,823</u>	<u>159,823</u>	<u>157,887</u>	<u>1,935</u>	<u>-</u>	<u>1</u>
	<u>\$ 843,612</u>	<u>\$ 843,612</u>	<u>\$ 770,889</u>	<u>\$ 73,103</u>	<u>\$ 381</u>	<u>\$ 1</u>

	<u>Reference</u>	E-3	E-4	E-1	E,E-1	E-16	E-1
Cash Disbursed	E-5			\$ 591,894			
Encumbrances Payable	E-13			13,003			
Accrued Interest on Bonds	E-17, E-18			31,170			
Deferred Charges	E-7, E-16			<u>134,822</u>			
				<u>\$ 770,889</u>			

**BOROUGH OF PARAMUS  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Land and Land Improvements	\$ 118,685,338	\$ 118,685,338
Buildings and Building Improvements	13,517,478	12,617,478
Machinery and Equipment	<u>33,804,566</u>	<u>31,604,079</u>
	<u>\$ 166,007,382</u>	<u>\$ 162,906,895</u>
Investment in Fixed Assets	<u>\$ 166,007,382</u>	<u>\$ 162,906,895</u>

**NOTES TO FINANCIAL STATEMENTS**

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**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 AND 2022**

**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, 2023 AND 2022**

**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, 2022 balances to conform to the December 31, 2023 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, 2023 AND 2022**

**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 11<sup>th</sup> 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, 2023 AND 2022**

**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 proprietary funds and 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.

**Operating Deficits** – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

**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.

**Financing Agreements** – Capital financing and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the Borough by the end of the agreement and do not contain termination options. The Borough appropriates in its annual budget the amounts required to repay these agreements which are recorded when paid in accordance with the terms of the financings agreement. GAAP requires financing agreements to be reported as other financing sources in the governmental funds and long-term liabilities in the proprietary funds and government-wide financial statements.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**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 it’s share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of 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. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

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, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), 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 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, 2023 AND 2022**

**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 Current Fund appropriations (with certain exceptions) by 2.5% or the “cost of living adjustment” (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

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 2023 and 2022 the Borough Council increased the original budget by \$725,000 and \$1,013,871. The 2023 increase was attributable to a special emergency for terminal pay and additional and allotted to the Borough. The 2022 increase was attributable to emergency resolutions for Police – Salary And Wages and Tax Appeals. In addition, the governing body approved several budget transfers during 2023 and 2022.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>2023</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<b><u>Current Fund</u></b>			
2022 Appropriation Reserves:			
Vehicle Maintenance			
Other Expenses	\$ (51,500)	\$ 55,055	\$ 106,555
Employee Group Insurance	891	92,190	91,299
Utilities - Gasoline		36,895	36,895

**Swimming Pool Utility Operating Fund**

2023 Appropriations			
Operating			
Debt Service			
Interest on Notes	16,100	16,481	381
2022 Appropriation Reserves:			
Operating			
Other Expenses		1,945	1,945

<u>2022</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<b><u>Current Fund</u></b>			
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

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Excess Expenditures Over Appropriations (Continued)**

**Golf Course Utility Operating Fund**

Debt Service			
Interest on Notes	23,000	28,901	5,901

**Swimming Pool Utility Operating Fund**

Operating			
Salaries and Wages	277,962	304,181	26,219
Other Expenses	222,787	264,353	41,566

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

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Borough's deposits were \$50,887,186 and \$50,040,347 and bank and brokerage firm balances of the Borough's deposits amounted to \$52,037,925 and \$51,123,296, 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>2023</u>	<u>2022</u>
Insured	\$ 45,273,070	\$ 44,864,624
Uninsured and Collateralized	<u>6,764,855</u>	<u>6,258,672</u>
	<u>\$ 52,037,925</u>	<u>\$ 51,123,296</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**A. Cash Deposits (Continued)**

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, 2023 and 2022, the Borough’s bank balances of \$6,764,855 and \$6,258,672 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 6,764,855	\$ 6,258,672
	<u>\$ 6,764,855</u>	<u>\$ 6,258,672</u>

**B. Investments**

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

As of December 31, 2023 and 2022 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, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Property Taxes	\$ 1,211,124	\$ 986,838
Tax Title Liens	<u>7,826</u>	<u>7,030</u>
	<u>\$ 1,218,950</u>	<u>\$ 993,868</u>

In 2023 and 2022, the Borough collected \$984,459 and \$1,104,361 from delinquent taxes, which represented 99.05% and 99.41%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
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**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>2023</u>		<u>2022</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	\$ 2,410	\$ 874,213	\$ 230,815	\$ 3,836,524
Grant	246,971		2,719,780	
Trust Fund:				
Animal Control		2,405		10,421
Other Trust	6,715		246,105	
Unemployment Trust	20,174		11,644	
Insurance Trust		5		1,159
General Capital Fund	600,353		839,290	
Golf Course Utility Fund:				
Operating	120,019		30,630	97,383
Capital		120,019	20,109	31,034
Swimming Pool Utility Fund:				
Operating	4,761		115	121,852
Capital	-	4,761	-	115
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 1,001,403</u>	<u>\$ 1,001,403</u>	<u>\$ 4,098,488</u>	<u>\$ 4,098,488</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  
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YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>
<b><u>2023</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 1,345,577	\$ 353,859	\$ 991,718
Overexpenditure of Appropriation Reserves	234,749	234,749	
Swimming Pool Utility Operating Fund			
Operating Deficit	93,863	93,863	
Overexpenditure of Appropriations	381	381	
Overexpenditure of Appropriation Reserves	1,945	1,945	
Special Emergency Authorizations (40A:4-55)	201,111	67,037	134,074

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2022</u></b>			
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	67,037	201,111

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>2023</u>			<u>2022</u>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget		Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund					
Cash Surplus	\$ 5,276,614	\$ 3,850,000	(A)	\$ 2,185,232	\$ 2,185,000
Non-Cash Surplus	<u>234,749</u>	<u>-</u>		<u>870,810</u>	<u>-</u>
	<u>\$ 5,511,363</u>	<u>\$ 3,850,000</u>		<u>\$ 3,056,042</u>	<u>\$ 2,185,000</u>
Golf Course Utility Operating Fund					
Cash Surplus	\$ 1,171,780	\$ 367,000	(A)	\$ 729,778	\$ 302,000
Non-Cash Surplus	<u>-</u>	<u>-</u>		<u>5,901</u>	<u>-</u>
	<u>\$ 1,171,780</u>	<u>\$ 367,000</u>		<u>\$ 735,679</u>	<u>\$ 302,000</u>
Swimming Pool Utility Operating Fund					
Cash Surplus	\$ (28,185)	\$ -	(A)	\$ 91,219	\$ 91,000
Non-Cash Surplus	<u>96,189</u>	<u>-</u>		<u>67,785</u>	<u>-</u>
	<u>\$ 68,004</u>	<u>\$ -</u>		<u>\$ 159,004</u>	<u>\$ 91,000</u>

(A) The above fund balance amounts appropriated represents the surplus anticipated in the 2024 introduced municipal budget. The 2024 municipal budget has not been legally adopted as of the date of audit.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022.

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>				
Land	\$ 118,685,338			\$ 118,685,338
Buildings and Building Improvements	12,617,478	\$ 900,000		13,517,478
Machinery and Equipment	31,604,079	2,200,487	-	33,804,566
	<u>\$ 162,906,895</u>	<u>\$ 3,100,487</u>	<u>\$ -</u>	<u>\$ 166,007,382</u>
	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<b><u>2022</u></b>				
Land	\$ 118,685,338			\$ 118,685,338
Buildings and Building Improvements	12,091,900	\$ 525,578		12,617,478
Machinery and Equipment	29,692,794	1,911,285	-	31,604,079
	<u>\$ 160,470,032</u>	<u>\$ 2,436,863</u>	<u>\$ -</u>	<u>\$ 162,906,895</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022.

<u>Golf Course Utility Fund</u>	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Fixed Capital				
Unallocated	\$ 12,961,822			\$ 12,961,822
Golf Course Improvements	1,829,622	\$ 71,753		1,901,375
Acquisition of Vehicles and Equipment	171,661	8,000		179,661
Acquisition of Property	<u>220,000</u>	<u>-</u>	<u>-</u>	<u>220,000</u>
	<u>\$ 15,183,105</u>	<u>\$ 79,753</u>	<u>\$ -</u>	<u>\$ 15,262,858</u>

<u>Golf Course Utility Fund</u>	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<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	<u>220,000</u>	<u>-</u>	<u>-</u>	<u>220,000</u>
	<u>\$ 14,987,124</u>	<u>\$ 195,981</u>	<u>\$ -</u>	<u>\$ 15,183,105</u>

**C. Swimming Pool Utility Fund Fixed Assets**

<u>Swimming Pool Utility Fund</u>	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</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>

<u>Swimming Pool Utility Fund</u>	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<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>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>2023</u>	<u>2022</u>
Issued		
General		
Bonds and Notes	\$ 39,486,000	\$ 42,111,000
Golf Course Utility		
Bonds and Notes	3,657,000	4,047,000
Swimming Pool Utility		
Bonds	<u>760,000</u>	<u>595,000</u>
	43,903,000	46,753,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>575,083</u>	<u>579,352</u>
Net Debt Issued	43,327,917	46,173,648
Authorized But Not Issued		
General		
Bonds and Notes	8,082,387	3,256,939
Golf Course Utility		
Bonds and Notes	600,000	
Swimming Pool Utility		
Bonds and Notes	<u>-</u>	<u>250,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 52,010,304</u>	<u>\$ 49,680,587</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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 .394% and .402% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2023</u></b>			
General Debt	\$ 47,568,387	\$ 575,083	\$ 46,993,304
School Debt	6,825,000	6,825,000	-
Utility Debt	<u>5,017,000</u>	<u>4,545,580</u>	<u>471,420</u>
Total	<u>\$ 59,410,387</u>	<u>\$ 11,945,663</u>	<u>\$ 47,464,724</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2022</u></b>			
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>

**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>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 423,213,213	\$ 389,897,574
Less: Net Debt	<u>47,464,724</u>	<u>44,788,587</u>
Remaining Borrowing Power	<u>\$ 375,748,489</u>	<u>\$ 345,108,987</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>2023</u>	<u>2022</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 2.50% - 3.00%	\$ 17,700,000	\$ 20,600,000

**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>2023</u>	<u>2022</u>
\$4,280,000, 2018 General Improvement Bonds, due in annual installments of \$390,000 through February 15, 2029, interest at 2.50% - 3.00%	\$ 2,340,000	\$ 2,730,000

**Swimming Pool Utility**

	<u>2023</u>	<u>2022</u>
\$920,000, 2018 General Improvement Bonds, due in annual installments of \$85,000 through February 15, 2029, interest at 2.50% - 3.00%	\$ 510,000	\$ 595,000

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 is as follows:

Calendar Year	General		Golf Course Utility		Swimming Pool Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
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	3,000,000	135,000	390,000	17,550	85,000	3,825	3,631,375
2029	<u>3,000,000</u>	<u>45,000</u>	<u>390,000</u>	<u>5,850</u>	<u>85,000</u>	<u>1,275</u>	<u>3,527,125</u>
Total	<u>\$ 17,700,000</u>	<u>\$ 1,577,500</u>	<u>\$ 2,340,000</u>	<u>\$ 206,700</u>	<u>\$ 510,000</u>	<u>\$ 45,051</u>	<u>\$ 22,379,251</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<b><u>2023</u></b>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 20,600,000	\$ -	\$ 2,900,000	\$ 17,700,000	\$ 2,900,000
General Capital Fund Long-Term Liabilities	<u>\$ 20,600,000</u>	<u>\$ -</u>	<u>\$ 2,900,000</u>	<u>\$ 17,700,000</u>	<u>\$ 2,900,000</u>
<u>Golf Course Utility Capital Fund</u>					
Bonds Payable	\$ 2,730,000	\$ -	\$ 390,000	\$ 2,340,000	\$ 390,000
Golf Course Utility Capital Fund Long-Term Liabilities	<u>\$ 2,730,000</u>	<u>\$ -</u>	<u>\$ 390,000</u>	<u>\$ 2,340,000</u>	<u>\$ 390,000</u>
<u>Swimming Pool Utility Capital Fund</u>					
Bonds Payable	\$ 595,000	\$ -	\$ 85,000	\$ 510,000	\$ 85,000
Swimming Pool Utility Capital Fund Long-Term Liabilities	<u>\$ 595,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 510,000</u>	<u>\$ 85,000</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<b><u>2022</u></b>					
<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	<u>\$ 23,500,000</u>	<u>\$ -</u>	<u>\$ 2,900,000</u>	<u>\$ 20,600,000</u>	<u>\$ 2,900,000</u>
<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	<u>\$ 3,120,000</u>	<u>\$ -</u>	<u>\$ 390,000</u>	<u>\$ 2,730,000</u>	<u>\$ 390,000</u>
<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	<u>\$ 680,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 595,000</u>	<u>\$ 85,000</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2023 and 2022 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2022</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2023</u>
<b><u>2023</u></b>						
<u>General Capital Fund</u>						
Various Public Improvements	4.30 %	6/14/2024	\$ 1,653,500	\$ 1,653,500	\$ 1,653,500	\$ 1,653,500
Various Public Improvements	5.00	10/11/2024	19,158,000	19,433,000	19,158,000	19,433,000
Acquisition of Various Equipment and Vehicles	4.30	6/14/2024	<u>699,500</u>	<u>699,500</u>	<u>699,500</u>	<u>699,500</u>
Total General Capital Fund			<u>\$ 21,511,000</u>	<u>\$ 21,786,000</u>	<u>\$ 21,511,000</u>	<u>\$ 21,786,000</u>
<u>Golf Course Utility Capital Fund</u>						
Golf Course Improvements	4.30 %	6/14/2024	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Golf Course Improvements	5.00	10/11/2024	1,047,000	1,047,000	1,047,000	1,047,000
Acquisition of Property	4.30	6/14/2024	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>
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>
<u>Swimming Pool Utility Capital Fund</u>						
Pool Improvements	4.30 %	6/14/2024	\$ -	\$ 250,000	\$ -	\$ 250,000
Total Swimming Pool Utility Capital Fund			<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2021</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2022</u>
<b><u>2022</u></b>						
<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>

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 and Swimming Pool utility activities are accounted for in the Golf Course and Swimming Pool Utility Capital Funds.

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

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 2023 and 2022 as follows:

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2023</u>
<b><u>Current Fund</u></b>						
<b><u>2023</u></b>						
Police - Salaries & Wages	4.00 %	12/15/2023	\$ 600,000		\$ 600,000	
Tax Appeals	4.20	12/15/2023	-	\$ 413,871	413,871	-
			<u>\$ 600,000</u>	<u>\$ 413,871</u>	<u>\$ 1,013,871</u>	<u>\$ -</u>

<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>
<b><u>Current Fund</u></b>						
<b><u>2022</u></b>						
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	-
			<u>\$ 780,000</u>	<u>\$ 600,000</u>	<u>\$ 780,000</u>	<u>\$ 600,000</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2023</u>
<b><u>Current Fund</u></b>						
<b><u>2023</u></b>						
COVID-19 Revenue Shortfall	4.30 %	12/13/2024	\$ 847,436	\$ 635,577	\$ 847,436	\$ 635,577
Terminal Pay	4.20	5/17/2024	-	710,000	-	710,000
Total Special Emergency Notes			<u>\$ 847,436</u>	<u>\$ 1,345,577</u>	<u>\$ 847,436</u>	<u>\$ 1,345,577</u>

**Swim Pool Utility Operating Fund**  
**2023**

COVID-19 Revenue Shortfall	4.30 %	12/13/2024	\$ 268,148	\$ 201,111	\$ 268,148	\$ 201,111
Total Special Emergency Notes			<u>\$ 268,148</u>	<u>\$ 201,111</u>	<u>\$ 268,148</u>	<u>\$ 201,111</u>

<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>
<b><u>Current Fund</u></b>						
<b><u>2022</u></b>						

COVID-19 Revenue Shortfall	3.97 %	12/15/2023	\$ 2,000,000	\$ 847,436	\$ 2,000,000	\$ 847,436
Total Special Emergency Notes			<u>\$ 2,000,000</u>	<u>\$ 847,436</u>	<u>\$ 2,000,000</u>	<u>\$ 847,436</u>

**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			<u>\$ 340,000</u>	<u>\$ 268,148</u>	<u>\$ 340,000</u>	<u>\$ 268,148</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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>2022</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>						
Tax Anticipation	4.50 %	2/15/2024	\$ 15,000,000	\$ 12,000,000	\$ 15,000,000	\$ 12,000,000
Total Tax Anticipation Notes			\$ 15,000,000	\$ 12,000,000	\$ 15,000,000	\$ 12,000,000
<b><u>2022</u></b>						
Tax Anticipation	3.12 %	2/8/2023	\$ 20,000,000	\$ 15,000,000	\$ 20,000,000	\$ 15,000,000
Total Tax Anticipation Notes			\$ 20,000,000	\$ 15,000,000	\$ 20,000,000	\$ 15,000,000

**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>
<b><u>2023</u></b>		
Fuel Pump Station Upgrades	\$481,406	2024
Intersection Improvements to First Ave. and Spring Valley Road	1,116,623	2024
<b><u>2022</u></b>		
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>
<b><u>2022</u></b>	
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, 2023 AND 2022**

**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 \$2,942,267 and \$2,322,784 at December 31, 2023 and 2022, respectively. These amounts which 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>2023</u>	<u>2022</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%	\$ 365,014	\$ 540,551
\$516,491, 2023 Agreement for the acquisition of golf carts for a term of 5 years due in annual principal installments of \$84,695 to \$156,996 through March 1, 2027 interest at 6.00%	<u>427,044</u>	<u>-</u>
Total	<u>\$ 792,058</u>	<u>\$ 540,551</u>

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest as of December 31, 2023 is as follows:

**Governmental Activities:**

Calendar Year	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 264,839	\$ 31,537	\$ 296,376
2025	274,778	21,598	296,376
2026	95,445	11,209	106,654
2027	<u>156,996</u>	<u>2,364</u>	<u>159,360</u>
Total	<u>\$ 792,058</u>	<u>\$ 66,708</u>	<u>\$ 858,766</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023 and 2022 is \$135,516 and \$368,872, respectively.

During the years ended December 31, 2023, 2022 and 2021 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>
2023	\$ 64,808	\$ 182,105
2022	67,359	189,253
2021	66,045	185,773

**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, 2023 and 2022 were as follows:

	<u>Balance,</u> <u>December 31,</u> <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2023</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b><u>2023</u></b>					
Compensated Absences	\$ 2,322,784	\$ 619,483		\$ 2,942,267	
Deferred Pension Obligation	368,872	13,197	\$ 246,913	135,156	\$ 135,156
Net Pension Liability - PERS (1)	29,636,911			29,636,911	
Net Pension Liability - PFRS (1)	45,000,976			45,000,976	
Net OPEB Liability (1)	<u>81,618,440</u>	<u>-</u>	<u>-</u>	<u>81,618,440</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 158,947,983</u>	<u>\$ 632,680</u>	<u>\$ 246,913</u>	<u>\$ 159,333,750</u>	<u>\$ 135,156</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, 2023 AND 2022**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**C. Deferred Pension Obligation (Continued)**

**Changes in Other Long-Term Liabilities (Continued)**

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<b><u>2022</u></b>					
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	23,386,067	8,562,734	2,311,890	29,636,911	
Net Pension Liability - PFRS	27,667,653	21,745,006	4,411,683	45,000,976	
Net OPEB Liability	<u>89,872,188</u>	<u>-</u>	<u>8,253,748</u>	<u>81,618,440</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 144,525,463</u>	<u>\$ 30,501,646</u>	<u>\$ 16,079,126</u>	<u>\$ 158,947,983</u>	<u>\$ 246,913</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](http://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, 2023 AND 2022**

**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](http://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 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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 PERS 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, 2023 AND 2022**

**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](http://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](http://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, 2023 was not available and for June 30, 2022 is \$13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is 15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Actuarial Methods and Assumptions**

In the July 1, 2021 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 2023 and 2022 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, 2023 and 2022 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 2023, 2022 and 2021 were equal to the required contributions.

During the years ended December 31, 2023, 2022 and 2021, 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>
2023	\$ 5,113,083	\$ 2,476,485	\$ 57,597
2022	4,411,683	2,311,890	35,875
2021	4,172,199	2,128,034	5,911

**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, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS)**

At December 31, 2022, the Borough reported a liability of \$29,636,911, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the Borough's proportionate share was .19638 percent, which was a decrease of .00103 percent from its proportionate share measured as of June 30, 2021 of .19741 percent.

For the year ended December 31, 2022, the pension system has determined the Borough's pension expense (benefit) to be \$(804,974), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$2,311,890. At December 31, 2022, 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 213,906	\$ 188,634
Changes of Assumptions	91,825	4,437,819
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,226,645	-
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,634,348</u>	<u>156,435</u>
Total	<u>\$ 3,166,724</u>	<u>\$ 4,782,888</u>

At December 31, 2022 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>
2023	\$ (1,054,078)
2024	(1,054,078)
2025	(1,054,079)
2026	1,536,782
2027	9,289
Thereafter	<u>-</u>
	<u>\$ (1,616,164)</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

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

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

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***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, 2023 AND 2022**

**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, 2022 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>2022</u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>38,074,749</u>	\$ <u>29,636,911</u>	\$ <u>22,455,971</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2022. 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](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2022, the Borough reported a liability of \$45,000,976, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the Borough’s proportionate share was .39315 percent, which was an increase of .01462 percent from its proportionate share measured as of June 30, 2021 of .37853 percent.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

For the year ended December 31, 2022, the pension system has determined the Borough pension expense (benefit) to be \$1,154,303 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$4,411,683. At December 31, 2022, 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,036,864	\$ 2,756,922
Changes of Assumptions	123,330	5,664,734
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,120,767	-
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>4,547,816</u>	<u>-</u>
Total	<u>\$ 10,828,777</u>	<u>\$ 8,421,656</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (311,363)
2024	(311,363)
2025	(311,362)
2026	2,636,159
2027	535,784
Thereafter	<u>169,266</u>
	<u>\$ 2,407,121</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

Employee mortality rates were based on the 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. 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.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

*Sensitivity of Net Pension Liability*

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2022 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>2022</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	<u>\$ 61,746,199</u>	<u>\$ 45,000,976</u>	<u>\$ 31,060,496</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2022. 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, 2022, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$8,008,854. For the year ended December 31, 2022, 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 \$924,010, which is less than the actual contribution the State made on behalf of the Borough of \$997,063. At December 31, 2022 (measurement date June 30, 2022) the State’s share of the PFRS net pension liability attributable to the Borough was .39315 percent, which was an increase of .01462 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .37853 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, 2023 AND 2022**

**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](http://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](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Plan Membership and Contributing Employers**

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

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
Contributing Nonemployers	1

**Measurement Focus and Basis of Accounting**

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

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the July 1, 2021 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, 2023 AND 2022**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution (Continued)**

The employers participating in the OPEB plan made contributions of \$389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed \$45.8 million for fiscal year 2022.

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, 2023, 2022 and 2021 were \$3,518,390, \$3,031,033 and \$2,202,381, 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, 2023, 2022 and 2021 were \$325,818, \$226,895 and \$272,765, 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, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2022, the Borough reported a liability of \$81,618,440 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2022. As of the measurement date of June 30, 2022 the Borough's proportionate share was .50539 percent, which was an increase of .00609 percent from its proportionate share measured as of June 30, 2021 of .49930 percent.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2022, the Plan has determined the Borough's OPEB expense to be \$2,048,976, based on the actuarial valuation which is less than the actual contributions reported in the Borough's financial statements of \$3,518,390. At December 31, 2022, 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 4,214,863	\$ 15,128,590
Changes of Assumptions	10,892,319	27,854,801
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	21,487	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	20,196,437	9,277,514
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 35,325,106</u>	<u>\$ 52,260,905</u>

At December 31, 2022 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>
2023	\$ (2,667,591)
2024	(2,667,591)
2025	(2,667,591)
2026	(2,678,332)
2027	(2,675,648)
Thereafter	<u>(3,579,046)</u>
	<u>\$ (16,935,799)</u>

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

*Actuarial Assumptions*

The Borough’s total OPEB liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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>2022</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

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

*Mortality Rates*

Pre-retirement and 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 6.25 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. For post-65 medical benefits PPO, the trend is initially -1.89 percent in Fiscal Year 2023, increasing to 15.04 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. The HMO trend is initially -1.99 percent in Fiscal Year 2023, increasing to 15.18 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate in fiscal year 2030.

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

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

**Discount Rate**

The discount rate for June 30, 2022 measurement date was 3.54%. 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, 2023 AND 2022**

**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, 2022 calculated using the discount rate of 3.54% as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.54% or 1-percentage-point higher 4.54% than the current rate:

<u>2022</u>	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 94,612,203	\$ 81,618,440	\$ 71,163,742

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. 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, 2022 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>2022</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 69,239,380	\$ 81,618,440	\$ 97,472,530

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. 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, 2023 AND 2022**

**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.

The non-employer special funding allocation percentages presented as the State's proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$615,653. For the year ended December 31, 2022 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 \$(100,980). At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the Borough was .01825 percent, which was a decrease of .00021 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .01846 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](http://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, 2023 AND 2022**

**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, 2023 and 2022 are \$29,349 and \$13,330, respectively. The reserve balances in the Insurance Fund for general liability at December 31, 2022 and 2021 are \$12,236 and \$22,670, respectively. The reserve balances in the Insurance Fund for property liability at December 31, 2023 and 2022 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>
2023	\$ 20,000	\$ 53,195	\$ 2,263	\$ 162,538	\$ (37,127)
2022		57,019	1,024	63,489	52,216
2021	12,149	59,275		1,315	58,460

**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, 2023 and 2022. 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, 2023 and 2022, 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, 2023 AND 2022**

**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, 2023 and 2022, 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, 2023 and 2022, 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.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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.

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.

**BOROUGH OF PARAMUS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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.

**NOTE 18 SUBSEQUENT EVENTS**

**Special Emergency Notes**

On May 17, 2024 the Borough issued special emergency notes in the amount of \$568,000 to finance terminal pay for retired employees. The Borough awarded the sale of said notes to Amboy Bank at an interest rate of 5.00%. These notes dated May 17, 2024 will mature on May 16, 2025.

**CURRENT FUND**

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

Balance, December 31, 2022		\$	25,290,859
Increased by Receipts:			
Taxes Receivable	\$ 178,739,158		
Revenue Accounts Receivable	16,632,531		
Non Budget Revenue	687,006		
Special Emergency Note Payable	1,345,577		
Emergency Note Payable	413,871		
Tax Anticipation Note Payable	12,000,000		
Due from State - Senior Citizen and Veteran Deductions	138,453		
Marriage License/Domestic Partnership Fees Payable	1,425		
DCA Fees Payable	265,992		
Tax Overpayments	220,255		
Prepaid Taxes	1,043,196		
Reserve for Municipal Relief Fund	423,096		
Receipts from Federal and State Grant Fund	1,660,759		
Receipts for Federal and State Grant Fund	25,392		
Receipts from Animal Control Trust Fund	10,421		
Receipts from Other Trust Fund	163,089		
Receipts from Insurance Trust Fund	4,165		
Receipts from General Capital Fund	372,595		
Receipts for General Capital Fund	579,886		
Receipts from Golf Course Utility Operating Fund	197,383		
Receipts from Swim Pool Utility Operating Fund	<u>121,852</u>		
			<u>215,046,102</u>
			240,336,961
Decreased by Disbursements:			
2023 Budget Appropriations	74,828,196		
2022 Appropriation Reserves	814,865		
Tax Anticipation Note Payable	15,000,000		
Special Emergency Note Payable	847,436		
Emergency Note Payable	1,013,871		
Encumbrances Payable	653,084		
Accounts Payable	11,470		
Tax Overpayments	78,619		
Marriage License/Domestic Partnership Fees Payable	850		
DCA Fees Payable	268,743		
Local School District Taxes Payable	86,462,221		
County Taxes Payable	29,536,559		
Payments to Other Trust Fund	247,674		
Payments to Unemployment Trust Fund	11,644		
Payments to General Capital Fund	838,886		
Payments to Federal and State Grant Fund	2,719,780		
Payments to Golf Course Utility Capital Fund	20,109		
Tax Appeals	1,024,749		
Refund of Prior Year Revenue	<u>159,281</u>		
			<u>214,538,037</u>
Balance, December 31, 2023		\$	<u>25,798,924</u>

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

Balance, December 31, 2022		\$ 567,538
Increased by Receipts:		
Grants Receivable	\$ 24,879	
Unappropriated Reserves for Grants	273,531	
Receipts from Current Fund	2,719,780	
Interest Earned	<u>64,673</u>	
		<u>3,082,863</u>
		3,650,401
Decreased by Disbursements:		
Encumbrances Payable	56,560	
Appropriated Reserves for Grants	437,574	
Payments to Current Fund	<u>1,660,759</u>	
		<u>2,154,893</u>
Balance, December 31, 2023		<u>\$ 1,495,508</u>

**BOROUGH OF PARAMUS  
STATEMENT OF CHANGE FUNDS**

<u>Title</u>	Balance, December 31, <u>2022</u>	Balance, December 31, <u>2023</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>

EXHIBIT A-7

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

Balance, December 31, 2022		\$ 14,028
Increased by:		
State Share of Senior Citizens' and Veterans' Deductions Received in Cash	\$ 138,453	
Senior Citizens' and Veterans' Disallowed - 2023	<u>5,047</u>	
		<u>143,500</u>
		157,528
Decreased by:		
Senior Citizens' Deductions Per Tax Billing	12,000	
Veterans' Deductions Per Tax Billing	124,250	
Senior Citizens and Veteran's Allowed - 2023	<u>1,500</u>	
		<u>137,750</u>
Balance, December 31, 2023		<u>\$ 19,778</u>

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

Year	Balance, December 31,	2023 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Collections		Senior Citizens' and Veterans' Deductions Allowed	Tax Overpayments Applied	Cancelled	Transferred to Tax Title Liens	Balance, December 31,
	2022			2022	2023	2022	2023	2022	2023		
2022	\$ 986,838	-	-	-	-	\$ 984,459	-	-	-	-	\$ 2,379
	986,838	-	-	-	-	984,459	-	-	-	-	2,379
2023	-	\$ 181,061,308	\$ 421,447	\$ 5,047	\$ 967,814	177,754,699	\$ 137,750	\$ 1,181,573	\$ 236,425	\$ 796	1,208,745
	\$ 986,838	\$ 181,061,308	\$ 421,447	\$ 5,047	\$ 967,814	\$ 178,739,158	\$ 137,750	\$ 1,181,573	\$ 236,425	\$ 796	\$ 1,211,124

Analysis of 2023 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 181,061,308
Added Taxes (RS 54:4-36.1 et seq.)	421,447
	<u>\$ 181,482,755</u>
Tax Levy	
Local District School Taxes	86,471,219
County Taxes	
County Tax	\$ 28,229,560
Open Space Tax	1,238,839
Due County for Added and Omitted Taxes	<u>68,917</u>
	29,537,316
Local Tax for Municipal Purposes	65,025,162
Add: Additional Taxes Levied	<u>449,058</u>
	<u>65,474,220</u>
	<u>\$ 181,482,755</u>

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

Balance, December 31, 2022	\$ 7,030
Increased by:	
Transfers from Taxes Receivable:	
2023 Taxes	<u>796</u>
Balance, December 31, 2023	<u>\$ 7,826</u>

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

Balance, December 31, 2022	<u>\$ 23,978</u>
Balance, December 31, 2023	<u>\$ 23,978</u>

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

	Balance, December 31, <u>2022</u>	Accrued <u>In 2023</u>	<u>Collected</u>	Balance, December 31, <u>2023</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 82,315	\$ 82,315	
Other		753,635	753,635	
Board of Health				
Licenses		221,049	221,049	
Fees and Permits		67,869	67,869	
Police Department				
Fees and Permits		57,113	57,113	
Zoning Board of Adjustment				
Fees and Permits		116,268	116,268	
Planning Board				
Fees and Permits		156,925	156,925	
Fire Prevention				
Fees and Permits		267,333	267,333	
Municipal Court				
Fines and Costs	\$ 31,522	428,269	425,837	\$ 33,954
Interest and Costs on Taxes		268,813	268,813	
Interest on Investments and Deposits		1,162,705	1,163,658	
Off Duty Police Administrative Fees		459,000	459,000	
Energy Receipts Tax		4,084,348	4,084,348	
Uniform Construction Code Fees		2,237,424	2,237,424	
Interlocal Service Agreements:				
Maywood Borough - Municipal Court		104,446	104,446	
Oradell Borough - Municipal Court		124,834	124,834	
Vehicle Maintenance		685,798	685,798	
Sale of Gasoline		122,096	122,096	
Maywood Borough - CFO Services		69,360	69,360	
Street Sweeping and Snow Plowing		84,879	84,879	
South Hackensack - DPW Superintendent		45,234	45,234	
Lyndhurst- Tax Assessor		67,500	67,500	
Palisades Park Borough - COAH Officer		51,860	51,860	
Uniform Fire Safety Act		175,184	175,184	
Sewer User Fees		1,212,277	1,212,277	
Sanitary Sewer Tie-in (River Edge Borough)		241,849	241,849	
Sanitary Sewer Tie-in (Maywood Borough)		97,215	97,215	
Sanitary Sewer Tie-in (Washington Township)		25,195	25,195	
Sanitary Sewer Tie-in (Oradell Borough)		6,799	6,799	
Hotel Occupancy Tax		540,273	540,273	
Ambulance Fees		1,503,683	1,503,683	
Cable TV Franchise Fees		329,614	329,614	
Golf Course Utility Surplus		100,000	100,000	
Medical Cannabis		152,314	152,314	
Library PERS Reimbursement		324,882	324,882	
PSE&G Easement Agreement		30,202	30,202	
PILOT-State of New Jersey		57,600	57,600	
Recycling Revenue	-	217,963	217,963	-
	<u>\$ 31,522</u>	<u>\$ 16,734,123</u>	<u>\$ 16,732,644</u>	<u>\$ 33,954</u>
		Cash Receipts	\$ 16,632,531	
		Due from Golf Course Utility Operating Fund	100,000	
		Due from Insurance Trust Fund	113	
			<u>\$ 16,732,644</u>	

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

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance, December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
July 8, 2022	February 8, 2023	3.12%	\$ 15,000,000		\$ 15,000,000	
June 15, 2023	February 15, 2024	4.50%	-	\$ 12,000,000	-	\$ 12,000,000
			<u>\$ 15,000,000</u>	<u>\$ 12,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 12,000,000</u>

**STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance, December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
December 15, 2022	December 15, 2023	3.97%	\$ 847,436		\$ 847,436	
December 15, 2023	December 13, 2024	4.30%		\$ 635,577		\$ 635,577
May 19, 2023	May 17, 2024	4.20%	-	710,000	-	710,000
			<u>\$ 847,436</u>	<u>\$ 1,345,577</u>	<u>\$ 847,436</u>	<u>\$ 1,345,577</u>

**STATEMENT OF EMERGENCY NOTE PAYABLE**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance, December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
December 29, 2022	December 15, 2023	4.00%	\$ 600,000		\$ 600,000	
May 19, 2023	December 15, 2023	4.20%	-	\$ 413,871	413,871	-
			<u>\$ 600,000</u>	<u>\$ 413,871</u>	<u>\$ 1,013,871</u>	<u>\$ -</u>

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

Date <u>Authorized</u>	<u>Purpose</u>	Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, December 31, <u>2022</u>	Amount Resulting in <u>2023</u>	Amount Raised in <u>2023</u>	Balance, December 31, <u>2023</u>
December 31, 2020	COVID-19 Revenue Shortfall	\$ 1,059,250	\$ 211,859	\$ 847,436		\$ 211,859	\$ 635,577
February 28, 2023	Terminal Pay	710,000	142,000	-	\$ 710,000	-	710,000
				<u>\$ 847,436</u>	<u>\$ 710,000</u>	<u>\$ 211,859</u>	<u>\$ 1,345,577</u>

**STATEMENT OF DEFERRED CHARGES**

	Balance, December 31, <u>2022</u>	<u>Increased</u>	Amount Raised in <u>2023</u>	Balance, December 31, <u>2023</u>
Overexpenditure of Appropriation Reserves	\$ 194,468	\$ 234,749	\$ 194,468	\$ 234,749
Overexpenditure of Appropriations	210,418		210,418	-
Expenditure Without Appropriation	52,053		52,053	-
Emergency Appropriations:				
Police - Salaries & Wages	600,000		600,000	-
Refunding Tax Appeals	413,871	-	413,871	-
	<u>\$ 1,470,810</u>	<u>\$ 234,749</u>	<u>\$ 1,470,810</u>	<u>\$ 234,749</u>

**BOROUGH OF PARAMUS**  
**STATEMENT OF 2022 APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	<u>Transfers</u>	Encumbrances <u>Cancelled</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	Amount <u>Lapsed</u>	Over- <u>Expended</u>
<b>GENERAL GOVERNMENT</b>							
General Administration							
Salaries and Wages	\$ 617			\$ 617		\$ 617	
Other Expenses	10,217			10,217	\$ 4,518	5,699	
Other Expenses - Grant Writer - Millennium Strategies	11,750			11,750	10,500	1,250	
Mayor & Council							
Salaries and Wages	404			404		404	
Other Expenses	165			165	30	135	
Municipal Clerk							
Salaries and Wages	945			945		945	
Other Expenses	254	\$ 2,200		2,454	2,411	43	
Information Technology Services							
Salaries and Wages	337			337		337	
Other Expenses	15,078			15,078	11,389	3,689	
Audit Services							
Other Expenses	35,000	(30,000)		5,000	650	4,350	
Financial Administration							
Salaries and Wages	165			165		165	
Other Expenses	1,478	15,000		16,478	16,276	202	
Revenue Administration							
Salaries and Wages	17			17		17	
Other Expenses	90	500		590	420	170	
Tax Assessment Administration							
Salaries and Wages	74			74		74	
Other Expenses	93	400		493	193	300	
Legal Services							
Other Expenses	49,234	53,000		102,234	98,682	3,552	
Engineering Services							
Other Expenses	4,180	5,800		9,980	9,898	82	
Land Use Administration							
Planning Board							
Salaries and Wages	1,607			1,607		1,607	
Other Expenses	7,645			7,645	64	7,581	
Zoning Board of Adjustment							
Salaries and Wages	1			1		1	
<b>PUBLIC SAFETY FUNCTIONS</b>							
Police Department							
Salaries and Wages	42			42		42	
Other Expenses	2,024			2,024	290	1,734	
Police Dispatchers							
Salaries and Wages	9			9		9	
Other Expenses	4,905			4,905	144	4,761	
Office of Emergency Management							
Salaries and Wages	257			257		257	
Other Expenses	2,106			2,106	1,900	206	
Rescue Squad							
Other Expenses	390		\$ 76	466		466	
Fire Department							
Salaries & Wages	400			400		400	
Other Expenses	28,097	(22,000)		6,097	4,350	1,747	
Uniform Fire Safety							
Salaries & Wages	55			55		55	
Other Expenses	5,367			5,367	6	5,361	

**BOROUGH OF PARAMUS  
STATEMENT OF 2022 APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	<u>Transfers</u>	<u>Encumbrances Cancelled</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Amount Lapsed</u>	<u>Over- Expended</u>
<b>PUBLIC SAFETY FUNCTIONS (Continued)</b>							
Ambulance Corps							
Salaries & Wages	\$ 2,452			\$ 2,452		\$ 2,452	
Other Expenses	5,050	\$ 11,800		16,850	\$ 16,270	580	
Fire Hydrant Service	4			4		4	
<b>PUBLIC WORKS FUNCTIONS</b>							
Streets and Roads Maintenance							
Salaries and Wages	99			99		99	
Other Expenses	48,312	(43,000)		5,312	\$ 3,186	2,126	
Shade Tree Commission							
Salaries and Wages	684			684		684	
Other Expenses	4,399			4,399	2,570	1,829	
Solid Waste Collection							
Salaries and Wages	1,385			1,385		1,385	
Other Expenses	9,300			9,300	3,234	6,066	
Buildings and Grounds							
Other Expenses	11,600	(25,000)	\$ 23,996	10,596		10,596	
Vehicle Maintenance							
Salaries and Wages	6,244			6,244		6,244	
Other Expenses	-	(51,500)		(51,500)	55,055	-	\$ 106,555
<b>HEALTH AND HUMAN SERVICES</b>							
Board of Health							
Salaries and Wages	5,365			5,365		5,365	
Other Expenses	3,318	4,500		7,818	7,637	181	
Animal Control Services							
Other Expenses	320	2,500		2,820	2,760	60	
Administration of Public Assistance							
Salaries and Wages	22			22		22	
Other Expenses	844			844		844	
<b>PARK AND RECREATION FUNCTIONS</b>							
Recreation Services and Programs							
Salaries and Wages	6,146			6,146		6,146	
Other Expenses	26,997			26,997		26,997	
Senior Citizens Center							
Other Expenses	3,332			3,332		3,332	

**BOROUGH OF PARAMUS**  
**STATEMENT OF 2022 APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	<u>Transfers</u>	<u>Encumbrances Cancelled</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Amount Lapsed</u>	<u>Over- Expended</u>
<b>RECYCLING AND LANDFILL</b>							
Landfill/Solid Waste Disposal Cost							
Other Expenses	\$ 14,080	\$ 51,500		\$ 65,580	\$ 65,114	\$ 466	
Other Expenses - Vegetative Waste	80,823	38,000		118,823	118,821	2	
<b>MUNICIPAL COURT</b>							
Salaries and Wages	12,909			12,909		12,909	
Other Expenses	11,578			11,578	43	11,535	
<b>CODE ENFORCEMENT &amp; ADMINISTRATION</b>							
Construction Officials							
Salaries and Wages	5,704			5,704		5,704	
Other Expenses	328		\$ 1,341	1,669	1,341	328	
<b>INSURANCE</b>							
Vision (Self)	1,421	6,300		7,721	7,676	45	
Workers Compensation Insurance (JIF)	555			555	555	-	
Workers Compensation Insurance (Self)	62	13,800		13,862	13,790	72	
Unemployment	70,000			70,000		70,000	
Employee Group Insurance	58,891	(58,000)		891	92,190	-	\$ 91,299
<b>UTILITY EXPENSES &amp; BULK PURCHASES</b>							
Electricity and Natural Gas	154,521			154,521	68,888	85,633	
Street Lighting	15,501			15,501		15,501	
Telephone	6,848	13,500		20,348	19,955	393	
Water	8,501	200		8,701	8,700	1	
Gasoline				-	36,895	-	36,895
Diesel Fuel	7,914	10,500		18,414	17,940	474	
Outside Fuel Agreements	19,970			19,970		19,970	
<b>DEFERRED CHARGES AND STATUTORY</b>							
<b>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>							
Statutory Charges							
DCRP Pension	125			125		125	
Social Security System (O.A.S.I.)	12,770			12,770		12,770	
Police and Fireman's Retirement System	11			11		11	
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>							
<b>EDUCATION FUNCTIONS</b>							
Maintenance of Free Public Library	219,995			219,995	111,328	108,667	

**BOROUGH OF PARAMUS**  
**STATEMENT OF 2022 APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	<u>Transfers</u>	Encumbrances <u>Cancelled</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	Amount <u>Lapsed</u>	Over- <u>Expended</u>
<b>INTERLOCAL SERVICE AGREEMENTS</b>							
Landfill/Solid Waste Disposal - Board of Education	\$ 25,000			\$ 25,000		\$ 25,000	
Municipal Court - Oradell Salaries and Wages	1,058			1,058		1,058	
Mechanical Maintenance Salaries and Wages	2,500			2,500		2,500	
Other Expenses	<u>50,255</u>	<u>-</u>	<u>-</u>	<u>50,255</u>	<u>\$ 6,314</u>	<u>43,941</u>	<u>-</u>
	<u>\$ 1,100,373</u>	<u>\$ -</u>	<u>\$ 25,413</u>	<u>\$ 1,125,786</u>	<u>\$ 821,983</u>	<u>\$ 538,552</u>	<u>\$ 234,749</u>
					Cash Disbursements \$ 814,865		
					Accounts Payable <u>7,118</u>		
					<u>\$ 821,983</u>		

**BOROUGH OF PARAMUS  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022		\$ 678,497
Increased by:		
Transferred from 2023 Budget		<u>1,161,008</u>
		1,839,505
Decreased by:		
Cancelled to Appropriation Reserves	\$ 25,413	
Cash Disbursements	<u>653,084</u>	
		<u>678,497</u>
Balance, December 31, 2023		<u>\$ 1,161,008</u>

**STATEMENT OF MARRIAGE LICENSE/DOMESTIC PARTNERSHIP FEES PAYABLE**

Balance, December 31, 2022		\$ 325
Increased by:		
Cash Receipts		<u>1,425</u>
		1,750
Decreased by:		
Cash Disbursements		<u>850</u>
Balance, December 31, 2023		<u>\$ 900</u>

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

Balance, December 31, 2022		\$ 52,112
Increased by:		
Cash Receipts		<u>265,992</u>
		318,104
Decreased by:		
Cash Disbursements		<u>268,743</u>
Balance, December 31, 2023		<u>\$ 49,361</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2022		\$ 68,160
Increased by:		
Levy of 2023		
County Tax (Abstract)	\$ 28,229,560	
County Open Space Tax (Abstract)	1,238,839	
County Tax for Added and Omitted Taxes (54:4-63.1)	<u>68,917</u>	
		<u>29,537,316</u>
		29,605,476
Decreased by:		
Payments		<u>29,536,559</u>
Balance, December 31, 2023		<u>\$ 68,917</u>

**STATEMENT OF LOCAL SCHOOL DISTRICT TAX PAYABLE**

Increased by:		
2023 Levy		\$ 86,471,219
Decreased by:		
Payments		<u>86,462,221</u>
Balance, December 31, 2023		<u>\$ 8,998</u>

**BOROUGH OF PARAMUS  
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2022		\$ 1,154,943
Increased by:		
Tax Overpayments Received		<u>220,255</u>
		1,375,198
Decreased by:		
Applied to 2023 Taxes Receivable	\$ 1,181,573	
Cash Disbursements	<u>78,619</u>	
		<u>1,260,192</u>
Balance, December 31, 2023		<u>\$ 115,006</u>

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2022		\$ 967,814
Increased by:		
Collections		<u>1,043,196</u>
		2,011,010
Decreased by:		
Applied to 2023 Taxes Receivable		<u>967,814</u>
Balance, December 31, 2023		<u>\$ 1,043,196</u>

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

	Balance, December 31, <u>2022</u>	2023 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, December 31, <u>2023</u>
Stormwater Assistance Grant		\$ 15,000	\$ 15,000	
FEMA - COVID 19	<u>\$ 60,891</u>	<u>-</u>	<u>9,879</u>	<u>\$ 51,012</u>
	<u>\$ 60,891</u>	<u>\$ 15,000</u>	<u>\$ 24,879</u>	<u>\$ 51,012</u>
		Cash Receipts	<u>24,879</u>	
			<u>\$ 24,879</u>	

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

<u>Grant</u>	Balance, December 31, <u>2022</u>	Transfer from 2023 <u>Budget</u>	<u>Expended</u>	Balance, December 31, <u>2023</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
Body Armor Replacement Fund- 2022		\$ 5,872		5,872
Clean Communities Program-2019	26,239		\$ 26,239	-
Clean Communities Program-2020	54,213		54,213	-
Clean Communities Program-2021	50,565		23,662	26,903
Clean Communities Program-2022		50,348		50,348
Drunk Driving Enforcement Fund	10,743			10,743
Drunk Driving Enforcement Fund-2017	2,536		2,536	-
Drunk Driving Enforcement Fund	17,277		1,664	15,613
Solid Waste Admin. - Public Space Recycling	3,962			3,962
State Forestry Services-No Net Loss Grant-2017	108,900		36,000	72,900
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	138,038		138,038	-
Recycling Tonnage Grant -2018	130,864		130,864	-
Recycling Tonnage Grant-2020	148,374		108,664	39,710
Recycling Tonnage Grant-2019	144,982			144,982
Recycling Tonnage Grant-2021	190,034			190,034
Recycling Tonnage Grant-2022		211,838		211,838
Safe and Secure Communities-2019	34,025			34,025
Safe and Secure Communities-2020	60,000			60,000
Safe and Secure Communities-2021	32,500			32,500
Safe and Secure Communities-2022		41,320		41,320
Alcohol Education and Rehabilitation	161			161
Alcohol Education and Rehabilitation-2020	1,500			1,500
Alcohol Education and Rehabilitation-2022		1,895		1,895
Distracted Driving	17,020		17,020	-
Distracted Driving-2022		12,600	11,575	1,025
Drive Sober or Get Pulled Over	10,600			10,600
Drive Sober or Get Pulled Over-2022		6,000		6,000
Emergency Management Grant-2020	10,000		1,000	9,000
Emergency Management Grant-2021	10,000			10,000
Emergency Management Grant-2022		10,000		10,000
BCUA Grant	569		569	-
BCUA Grant	3,000		3,000	-
BCUA Grant	37,542		37,542	-
Municipal Alliance	8,752		5,850	2,902
Click it or Ticket	6,000		2,520	3,480
Click it or Ticket-2022		7,000		7,000
Stormwater Assistance Grant-2023		15,000		15,000
Strengthening Public Health Capacity		247,505		247,505
Sustainable New Jersey Grant	2,000	-	-	2,000
	<u>\$ 1,322,764</u>	<u>\$ 609,378</u>	<u>\$ 620,956</u>	<u>\$ 1,311,186</u>
		Encumbrances Payable	\$ 183,382	
		Cash Disbursements	<u>437,574</u>	
			<u>\$ 620,956</u>	

**BOROUGH OF PARAMUS  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2022		\$ 21,708
Increased by:		
Transferred from 2022 Appropriation Reserves		<u>7,118</u>
		28,826
Decreased by:		
Cash Disbursements	\$ 11,470	
Cancelled to Operations	<u>10,238</u>	
		<u>21,708</u>
Balance, December 31, 2023		<u><u>\$ 7,118</u></u>

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

Balance, December 31, 2022		\$ 56,560
Increased by:		
Transferred from Appropriated Reserves for Grants		<u>183,382</u>
		239,942
Decreased by:		
Cash Disbursements		<u>56,560</u>
Balance, December 31, 2023		<u><u>\$ 183,382</u></u>

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

	Balance, December 31, <u>2022</u>	<u>Receipts</u>	Realized in 2023 <u>Budget</u>	Balance, December 31, <u>2023</u>
Clean Communities	\$ 50,348	\$ 56,471	\$ 50,348	\$ 56,471
Recycling Tonnage	211,838	126,836	211,838	126,836
Highway Pedestrian Grant		8,223		8,223
Distracted Driving	12,600	12,250	12,600	12,250
Drive Sober or Get Pulled Over	6,000		6,000	-
Emergency Management	10,000	10,000	10,000	10,000
Click It or Ticket	7,000	6,720	7,000	6,720
Impaired Driving Grant		7,000		7,000
Strengthening Public Health Capacity	247,505		247,505	-
Body Armor Replacement Grant	5,872	26,755	5,872	26,755
Safe and Secure	41,320	44,408	41,320	44,408
Alcohol Education and Rehabilitation Grant	1,895	260	1,895	260
American Rescue Plan	<u>1,374,507</u>	<u>-</u>	<u>1,374,507</u>	<u>-</u>
	<u>\$ 1,968,885</u>	<u>\$ 298,923</u>	<u>\$ 1,968,885</u>	<u>\$ 298,923</u>
		Cash Receipts \$ 273,531	\$ 1,374,507	Cash Disbursements
		Due from Current Fund <u>25,392</u>	<u>594,378</u>	Due to Current Fund
		<u>\$ 298,923</u>	<u>\$ 1,968,885</u>	

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

Balance, December 31, 2022		\$ 2,719,780
Increased by:		
Payments to Current Fund	\$ 1,660,759	
Unappropriated Reserves for Grants Deposited in Current Fund	25,392	
Appropriated Reserves for Grants - 2023 Budget	<u>594,378</u>	
		<u>2,280,529</u>
		5,000,309
Decreased by:		
Interest Earned	64,673	
Receipts from Current Fund	2,719,780	
Anticipated as Revenue in Current Fund Budget - Unappropriated Reserves for Grants	<u>1,968,885</u>	
		<u>4,753,338</u>
Balance, December 31, 2023		<u>\$ 246,971</u>

**STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND**

Balance, December 31, 2022		\$ 211,593
Increased by:		
Cash Receipts		<u>423,096</u>
		634,689
Decreased by:		
Anticipated Revenue in Current Fund Budget		<u>211,593</u>
Balance, December 31, 2023		<u>\$ 423,096</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>Insurance Trust Fund</u>
Balance, December 31, 2022	\$ 21,579	\$ 11,019,237	\$ 48,881	\$ 90,717
Increased by:				
Animal Control Fees	\$ 2,379			
Miscellaneous Reserves and Deposits		\$ 5,558,541		
Employee Contributions - Unemployment Trust			\$ 52,767	
Workers Compensation				\$ 892,969
General Liability				250,995
Due to the State of New Jersey	791			
Receipts from Current Fund		247,674	11,644	
Receipts for Current Fund				113
Payroll Deposits Payable		49,926,621		
Interest Earned	953	154,805	2,263	2,898
	<u>4,123</u>	<u>55,887,641</u>	<u>66,674</u>	<u>1,146,975</u>
	25,702	66,906,878	115,555	1,237,692
Decreased by Disbursements:				
Payments to Current Fund	10,421	163,089	2,263	4,165
Payments for Current Fund			174	
Due to the State of New Jersey	818			
Payroll Deposits Payable		49,931,545		
Unemployment Claims			104,486	
Workers Compensation				876,950
General Liability				261,429
Miscellaneous Reserves and Deposits	-	5,034,135	-	-
	<u>11,239</u>	<u>55,128,769</u>	<u>106,923</u>	<u>1,142,544</u>
Balance , December 31, 2023	\$ <u>14,463</u>	\$ <u>11,778,109</u>	\$ <u>8,632</u>	\$ <u>95,148</u>

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

Balance, December 31, 2022		\$	34
Increased by:			
Prior Year Audit Adjustment	\$		76
State Fees Collected		<u>791</u>	<u>867</u>
			901
Decreased by:			
Paid to State			<u>818</u>
Balance, December 31, 2023		<u>\$</u>	<u>83</u>

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

Balance, December 31, 2022		\$	10,421
Increased by:			
Interest Earned	\$		953
Statutory Excess		<u>1,452</u>	<u>2,405</u>
			12,826
Decreased by:			
Payments to Current Fund			<u>10,421</u>
Balance, December 31, 2023		<u>\$</u>	<u>2,405</u>

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

Balance, December 31, 2022		\$ 11,124
Increased by:		
Dog License Fees	\$ 1,989	
Cat License Fees	390	
		2,379
		13,503
Decreased by:		
Prior Year Audit Adjustment	76	
Statutory Excess Due to Current Fund	1,452	
		1,528
Balance, December 31, 2023		\$ 11,975

Animal License Fees Collected

	<u>Year</u>	
	2021	8,370
	2022	3,605
Maximum Reserve		\$ 11,975

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

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2023</u>
COAH - Affordable Housing Expenditures	\$ 1,178,454	\$ 586,737	\$ 356,844	\$ 1,408,347
COAH - Affordable Housing Rehabilitation Programs	371,374	13,088	84,861	299,601
COAH - Old Balances	253,375			253,375
Community Development		20,331		20,331
Department of Justice - Federal Forfeiture	458,212	182,578	492,409	148,381
Donations N.J.S.A. 40A:5-29	33,086	29,741	39,905	22,922
Donations N.J.S.A. 40A:5-29-July 4th	331	62,500	57,438	5,393
Donations N.J.S.A. 40A:5-29-Cultural Arts	14,731	30,600	30,265	15,066
Donations N.J.S.A. 40A:5-29-Celebration-Winter Wonderland	3,332	4,500	8,723	(891)
Donations N.J.S.A. 40A:5-29-Celebration-Farmer's Market	37,698			37,698
Donations N.J.S.A. 40A:5-29-Adopt a Bench	5,325	4,069	2,046	7,348
Donations N.J.S.A. 40A:5-29-National Night	1,649	1,500	791	2,358
Donations N.J.S.A. 40A:5-29-Police Vests	52,451	63,725	6,705	109,471
Donations N.J.S.A. 40A:5-29-Shade Tree	232,519	102,207	64,616	270,110
Donations N.J.S.A. 40A:5-29-Veterans Memorial	16,022			16,022
Donations N.J.S.A. 40A:5-29-Volunteers	82,657	730		83,387
Donations N.J.S.A. 40A:5-29-Centennial Celebration	6,062		200	5,862
Donations N.J.S.A. 40A:5-29-Confiscated/Lost Funds	41,314			41,314
Developers Escrow (Valley) Soil, Demo, ect.	827,658		3,556	824,102
Escrow Reserves - Accutrack	2,942,371	451,182		3,393,553
Escrow General Prior 2014	618,912	222,285	109,950	731,247
FSA Expenditures	28,981	21,559	20,947	29,593
Shade Tree Escrow	1,269,474	179,150	105,002	1,343,622
Lead Program	170,784	141,521	108,784	203,521
Outside Employment-Off Duty Municipal	1,654,390	2,708,913	2,544,162	1,819,141
POAA	13,724	1,290		15,014
Public Defender	7,600	21,155		28,755
Recreation	171,941	413,490	484,014	101,417
Recycling Program	143,478	83,179	148,202	78,455
Recycling Program - Leaf	31			31
Senior Citizens Recreation Activities	48,494	22,911	22,207	49,198
Substance Abuse	2,109			2,109
TTL Premiums	444,100	163,400	291,100	316,400
Uniform Fire Safety	69,147	26,200	51,408	43,939
	<u>\$ 11,201,786</u>	<u>\$ 5,558,541</u>	<u>\$ 5,034,135</u>	<u>\$ 11,726,192</u>
Cash Receipts		\$ 5,558,541		
Cash Disbursements		<u>-</u>	\$ 5,034,135	
		<u>\$ 5,558,541</u>	<u>\$ 5,034,135</u>	

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

Balance, December 31, 2022		\$ 11,718
Increased by:		
Unemployment Claims		<u>162,538</u>
		174,256
Decreased by:		
Payments to State of New Jersey		<u>104,486</u>
Balance, December 31, 2023		<u><u>\$ 69,770</u></u>

EXHIBIT B-7

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

Balance, December 31, 2022		\$ 3,409
Increased by:		
Employee Share of Unemployment Deductions Withheld - 4th Quarter 2023		<u>3,837</u>
		7,246
Decreased by:		
Cash Receipts		<u>3,409</u>
Balance, December 31, 2023		<u><u>\$ 3,837</u></u>

EXHIBIT B-8

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

Balance, December 31, 2022		\$ 246,105
Increased by:		
Payments to Current Fund		<u>163,089</u>
		409,194
Decreased by:		
Interest Earned	\$ 154,805	
Receipts from Current Fund	<u>247,674</u>	
		<u>402,479</u>
Balance, December 31, 2023		<u><u>\$ 6,715</u></u>

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

Balance, December 31, 2022		\$ 63,556
Increased by:		
Cash Receipts		<u>49,926,621</u>
		49,990,177
Decreased by:		
Cash Disbursements		<u>49,931,545</u>
Balance, December 31, 2023		<u>\$ 58,632</u>

EXHIBIT B-10

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

Balance, December 31, 2022		\$ 52,216
Increased by:		
Employee Contributions	\$ 49,358	
Employee Contributions Due from Payroll Provider	3,837	
Current Fund Budget Appropriation - Unemployment Compensation Insurance	20,000	
Interest Earned	<u>2,263</u>	
		<u>75,458</u>
		127,674
Decreased by:		
Payments to Current Fund	2,263	
Unemployment Claims Due to State of New Jersey	<u>162,538</u>	
		<u>164,801</u>
Balance, December 31, 2023 (Deficit)		<u>\$ (37,127)</u>

EXHIBIT B-11

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

Balance, December 31, 2022		\$ 11,644
Increased by:		
Payments from Current Fund	\$ 174	
Budget Appropriation - Contribution to Unemployment Compensation Insurance	<u>20,000</u>	
		<u>20,174</u>
		31,818
Decreased by:		
Cash Receipts		<u>11,644</u>
Balance, December 31, 2023		<u>\$ 20,174</u>

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

Balance, December 31, 2022	\$ 13,330
Increased by:	
Cash Receipts	<u>892,969</u>
	906,299
Decreased by:	
Cash Disbursements	<u>876,950</u>
Balance, December 31, 2023	<u>\$ 29,349</u>

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

Balance, December 31, 2022	\$ 22,670
Increased by:	
Cash Receipts	<u>250,995</u>
	273,665
Decreased by:	
Cash Disbursements	<u>261,429</u>
Balance, December 31, 2023	<u>\$ 12,236</u>

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

Balance, December 31, 2022	<u>\$ 53,558</u>
Balance, December 31, 2023	<u>\$ 53,558</u>

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

Balance, December 31, 2022	\$ 1,159
Increased by:	
Interest Earned	\$ 2,898
Current Receipts Deposited in Insurance Trust Fund	<u>113</u>
	<u>3,011</u>
	4,170
Decreased by:	
Payments to Current Fund	<u>4,165</u>
Balance, December 31, 2023	<u>\$ 5</u>

**GENERAL CAPITAL FUND**

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

Balance, December 31, 2022		\$ 9,070,152
Increased by:		
Interest Earned	\$ 352,128	
Receipts from Current Fund	838,886	
Receipts from Paramus Public Library	626,750	
Receipts from Golf Course Utility Capital Fund	404	
Grant Receipts - Grants Receivable	1,112,970	
Grant Receipts - Deferred Charges Unfunded	149,507	
Current Fund Budget Appropriation:		
Deferred Charges Unfunded - Prior Year Ordinances	500,000	
Payment of Bond Anticipation Note Principal	241,776	
Bond Anticipation Notes Issued	21,786,000	
Premium on Bond Anticipation Notes Issued	<u>178,784</u>	
		<u>25,787,205</u>
		34,857,357
Decreased by:		
Improvement Authorizations	652,580	
Encumbrances Payable	4,825,092	
Bond Anticipation Notes Payable	21,511,000	
Payments to Current Fund	<u>372,595</u>	
		<u>27,361,267</u>
Balance, December 31, 2023		<u>\$ 7,496,090</u>

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

	Balance, December 31, <u>2023</u>
Fund Balance	\$ 493,743
Grants Receivable	(1,924,656)
Reserve for Payment of Debt	68,100
Reserve for Grants Receivable	610,000
Capital Improvement Fund	774,939
Reserve for Encumbrances	4,442,393
Due from Current Fund	(600,353)
Excess Note Proceeds	506,983

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Description</u>	
Prior Year	Prior Year	(2,040,313)
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	879,242
2019-12	Various Public Improvements	117,896
2020-25	Various Public Improvements	834,982
21-33/22-12/23-13	Various Capital Improvements	849,478
2021-42	New Additional or Replacement Equipment/Machinery and New Vehicle for EMS	54,376
2022-18	Various Public Improvements and Acq of Equipment & Vehicles	2,205,025
2022-25	Upgrades to Various Sanitary Sewer Pump Stations	101,704
2023-37	Various Public Improvements and Acq of Equipment & Vehicles	<u>(12,026)</u>
		<u>\$ 7,496,090</u>

EXHIBIT C-4

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2022	\$ 20,600,000
Decreased by:	
Current Year Budget Appropriations:	
Serial Bonds	<u>2,900,000</u>
Balance, December 31, 2023	<u>\$ 17,700,000</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2022	2023		Grant Receipts	Balance, December 31, 2023	Analysis of Balance December 31, 2023		Unexpended Improvement Authorizations
			Authorizations	Budgeted Paydown			Financed by Bond	Expenditures	
Prior	Prior Year Unknown	\$ 2,540,313		\$ 500,000		\$ 2,040,313		\$ 2,040,313	
2018-07	Various Public Improvements	5,214,853		126,699		5,088,154	\$ 5,088,154		
2019-12	Various Public Improvements	1,743,523		297,077		1,446,446	1,446,446		
2020-25	Various Public Improvements	1,531,048				1,531,048	1,531,048		
2021-33/2022-12/2023-13	Various Capital Improvements	5,967,600		12,400	\$ 72,507	5,882,693	5,882,693		
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			120,000	5,920,000	5,920,000		
2022-25	Upgrades to Various Sanitary Sewer Pump Stations	714,000				714,000	711,176		2,824
2023-37	Various Public Improvements and Acq of Equipment & Vehicles	-	\$ 6,039,000	-	-	6,039,000	-	12,026	6,026,974
		<u>\$ 24,451,087</u>	<u>\$ 6,039,000</u>	<u>\$ 936,176</u>	<u>\$ 192,507</u>	<u>\$ 29,361,404</u>	<u>\$ 21,279,017</u>	<u>\$ 2,052,339</u>	<u>\$ 6,030,048</u>
			Budgeted Paydown	\$ 741,776					
			Reserve for Payment of Debt	194,400					
				<u>\$ 936,176</u>					
			Due from Current Fund	\$ 43,000					
			Cash Receipts	149,507					
				<u>\$ 192,507</u>					
			Bond Anticipation Notes Issued	\$ 21,786,000					
			Less: Excess Note Proceeds						
			Ord 2019-12	180,547					
			Ord 2020-25	122,452					
			Ord 2021-33	84,907					
			Ord 2022-18	119,077					
				<u>\$ 21,279,017</u>					
			Improvement Authorizations - Unfunded	\$ 11,072,751					
			Less: Unexpended Proceeds of Bond Anticipation Notes						
			Ordinance:						
			2018-07	\$ 879,242					
			2019-12	117,896					
			2020-25	834,982					
			21-33/22-12/23-37	849,478					
			2021-42	54,376					
			2022-18	2,205,025					
			2022-25	101,704					
				<u>5,042,703</u>					
									<u>\$ 6,030,048</u>

**BOROUGH OF PARAMUS  
STATEMENT OF GRANTS RECEIVABLE**

Ord. No.	Improvement Description	Balance, December 31, <u>2022</u>	2023 Awards	Decreases	Balance, December 31, <u>2023</u>	Balance Pledged to: Improvement Authorization	Reserve for Grants Receivable
<u>County of Bergen CDBG</u>							
2020-25	Impvts. To Midland & Forest Ave. Intersection	\$ 397,121		\$ 248,070	\$ 149,051	\$ 149,051	
2022-18	Improvements to Trinity Court	105,000		105,000			
2023-37	Improvements to Polly Ann, Yuhans and Ivanhoe		\$ 199,000		199,000	199,000	
2023-37	Improvements to Briarcliff, Bryn Mawr, South/East Drive		199,000		199,000	199,000	
<u>FEMA</u>							
2022-18	Assistance to Firefighters - Emerg Radio Upgrades	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			
2021-33	Midland Avenue, Section 3	200,000		200,000			
2022-18	Imprvts. To Forest Ave & Spring Valley Intersection	231,000		173,250	57,750	57,750	
<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	380,250		354,900	25,350	25,350	
<u>County of Bergen Forfeiture Funds</u>							
2021-42	Body Worn Cameras	345,060	-	-	345,060	-	345,060
		<u>\$ 3,176,512</u>	<u>\$ 398,000</u>	<u>\$ 1,649,856</u>	<u>\$ 1,924,656</u>	<u>\$ 1,314,656</u>	<u>\$ 610,000</u>
				Due from Current fund \$ 536,886			
				Cash Receipts 1,112,970			
				<u>\$ 1,649,856</u>			

EXHIBIT C-7

**STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2022	\$ 838,886
Increased by:	
Payments to Current Fund	\$ 372,595
Budget Appropriation:	
Deferred Charges Unfunded - Prior Year Ordinances	500,000
Payment of Bond Anticipation Note Principal	241,776
Grant Receipts Deposited in Current Fund - Deferred Charges Unfunded	43,000
Grant Receipts Deposited in Current Fund - Grants Receivable	536,886
	<u>1,694,257</u>
	2,533,143
Decreased by:	
Receipts from Current Fund	838,886
Budget Appropriation:	
Deferred Charges Unfunded - Prior Year Ordinances	500,000
Payment of Bond Anticipation Note Principal	241,776
Interest Earned	352,128
	<u>1,932,790</u>
Balance, December 31, 2023	<u>\$ 600,353</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, 2023</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31, 2022</u>		<u>December 31, 2023</u>
General Improvement Bonds	2/15/18	\$ 30,800,000	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%	\$ 20,600,000	\$ 2,900,000	\$ 17,700,000
						\$ 20,600,000	2,900,000	\$ 17,700,000
							Budget Appropriations	\$ 2,900,000

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

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Increased	Decreased	Balance December 31, 2023
2018-07	Various Public Improvements	10/18/2018	10/14/2022 10/13/2023	10/13/2023 10/11/2024	4.00% 5.00%	\$ 5,214,853	\$ 5,088,154	\$ 5,214,853	\$ 5,088,154
2019-12	Various Public Improvements	10/18/2019	10/14/2022 10/13/2023	10/13/2023 10/11/2024	4.00% 5.00%	1,924,070	1,626,993	1,924,070	1,626,993
2021-33	Various Public Improvements	10/15/2021	10/14/2022 10/13/2023	10/13/2023 10/11/2024	4.00% 5.00%	5,980,000	5,967,600	5,980,000	5,967,600
2020-25	Various Public Improvements	6/18/2021	6/17/2022 6/15/2023	6/15/2023 6/14/2024	2.20% 4.30%	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	6/15/2023 6/14/2024	2.20% 4.30%	699,500	699,500	699,500	699,500
2022-18	Various Public Improvements	10/14/2022	10/14/2022 10/13/2023	10/13/2023 10/11/2024	4.00% 5.00%	6,039,077	6,039,077	6,039,077	6,039,077
2023-37	Various Public Improvements and Acq of Equipment & Vehicles	10/13/2023	10/13/2023	10/11/2024	5.00%	-	711,176	-	711,176
						<u>\$ 21,511,000</u>	<u>\$ 21,786,000</u>	<u>\$ 21,511,000</u>	<u>\$ 21,786,000</u>
New Issues - Cash Receipts							\$ 711,176		
Paydown on Notes - Budget Appropriation								\$ 241,776	
Paid by Capital Cash								194,400	
Renewals							21,074,824	21,074,824	
							<u>\$ 21,786,000</u>	<u>\$ 21,511,000</u>	

**BOROUGH OF PARAMUS  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

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Ord. No.	Improvement Description	2023 Authorizations							Balance,	
		December 31, 2022		Deferred Charges Unfunded	Grants Receivable	Capital Improvement Fund	Encumbrances Payable Cancelled	Paid or Charged	December 31, 2023	
		Funded	Unfunded						Funded	Unfunded
<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		\$ 1,293,714					\$ 414,472		\$ 879,242
2019-12	Various Public Improvements		123,070					5,174		117,896
2020-25	Various Public Improvements		878,765					43,783		834,982
2021-33/2022-12/2023-13	Various Capital Improvements		1,366,074				\$ 19,485	536,081		849,478
2021-42	New Additional or Replacement Equipment/Machinery and New Vehicle for EMS		55,000					374		54,626
2022-18	Various Public Improvements and Acq of Equipment & Vehicles		4,934,031				8,080	2,737,086		2,205,025
2022-25	Upgrades to Various Sanitary Sewer Pump Stations	36,000	714,000					645,472		104,528
2023-37	Various Public Improvements and Acq of Equipment & Vehicles	-	-	\$ 6,039,000	\$ 398,000	\$ 302,505	-	712,531	-	6,026,974
		<u>\$ 170,577</u>	<u>\$ 9,364,654</u>	<u>\$ 6,039,000</u>	<u>\$ 398,000</u>	<u>\$ 302,505</u>	<u>\$ 27,565</u>	<u>\$ 5,094,973</u>	<u>\$ 134,577</u>	<u>\$ 11,072,751</u>
								Cash Disbursements	\$ 652,580	
								Encumbrances Payable	<u>4,442,393</u>	
									<u>\$ 5,094,973</u>	

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

Balance, December 31, 2022	\$ 1,077,444
Decreased by:	
Appropriated to Finance Improvement Authorizations	302,505
Balance, December 31, 2023	\$ 774,939

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, December 31, 2022	\$ 262,500
Decreased by:	
Paydown of Bond Anticipation Notes Payable	194,400
Balance, December 31, 2023	\$ 68,100

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022	\$ 4,852,657
Increased by:	
Charges to Improvement Authorizations	4,442,393
	9,295,050
Decreased by:	
Cancelled to Improvement Authorizations	\$ 27,565
Cash Disbursed	4,825,092
	4,852,657
Balance, December 31, 2023	\$ 4,442,393

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

Balance, December 31, 2022	\$ 626,750
Decreased by:	
Cash Receipts	<u>626,750</u>
Balance, December 31, 2023	<u>\$ -</u>

**BOROUGH OF PARAMUS  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	2023 <u>Authorizations</u>	Grant Proceeds Received	BANS Issued	Funded by: Current Fund Budget	Balance, December 31, <u>2023</u>
Prior Year	Unknown	\$ 2,540,313				\$ 500,000	\$ 2,040,313
2019-12	Various Capital Improvements	1,453		\$ 1,453			
2021-42	New Additional or Replacement Equipment/Machinery and New Vehicle for EMS	250					250
2022-18	Various Public Improvements and Acq of Equipment & Vehicles	923		923			
2022-25	Upgrades to Various Sanitary Sewer Pump Stations	714,000			\$ 711,176		2,824
2023-37	Various Public Improvements and Acq of Equipment & Vehicles	-	<u>\$ 6,039,000</u>	-	-	-	<u>6,039,000</u>
		<u>\$ 3,256,939</u>	<u>\$ 6,039,000</u>	<u>\$ 2,376</u>	<u>\$ 711,176</u>	<u>\$ 500,000</u>	<u>\$ 8,082,387</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, 2022	\$ 1,336,841	\$ 2,369,488
Increased by:		
Anticipated Revenue	\$ 3,379,567	
Bond Anticipation Note Proceeds		\$ 1,317,000
Premium on Sale of Bond Anticipation Notes		9,632
Receipts from Current Fund		20,109
Receipts from Golf Utility Capital Fund	30,630	
Interest Earned	<u>76,476</u>	<u>120,019</u>
	<u>3,486,673</u>	<u>1,466,760</u>
	4,823,514	3,836,248
Decreased by:		
2023 Budget Appropriations	2,894,614	
2022 Appropriation Reserves	20,623	
Encumbrances Payable	165,713	
Accrued Interest on Bonds	118,358	
Payments to Current Fund	197,383	
Payments to General Capital Fund		404
Payments to Golf Utility Operating Fund		30,630
Bond Anticipation Notes		1,317,000
Improvement Authorizations	<u>-</u>	<u>11,572</u>
	<u>3,396,691</u>	<u>1,359,606</u>
Balance, December 31, 2023	<u>\$ 1,426,823</u>	<u>\$ 2,476,642</u>

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

Balance,  
December 31,  
2023

Fund Balance	\$	29,741
Capital Improvement Fund		6,098
Due to Golf Course Utility Operating Fund		120,019

Improvement Authorizations:

Ord. No.	<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	59,715
16-24	Golf Course Improvements	3,073
17-28	Golf Course Improvements-Concession Stand	997,683
19-13	Golf Course Improvements	6,114
21-34	Golf Course Improvements	<u>1,065,783</u>
		<u>\$ 2,476,642</u>

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

Balance, December 31, 2022	\$	30,630
Increased by:		
Interest Earned		120,019
		150,649
Decreased by:		
Payments to Golf Utility Operating Fund		30,630
Balance, December 31, 2023	\$	120,019

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

Balance, December 31, 2022	\$	97,383
Increased by:		
Anticipated Revenue in Current Fund - Golf Course Utility Surplus		100,000
		197,383
Decreased by:		
Payments to Current Fund		197,383
Balance, December 31, 2023	\$	-

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

<u>Description</u>	Balance, December 31, <u>2022</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
Overexpenditure of Appropriations	\$ 5,901	5,901	\$ -
	<u>\$ 5,901</u>	<u>\$ 5,901</u>	<u>\$ -</u>

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

	Balance, December 31, <u>2022</u>	<u>Additions by:</u>		Balance, December 31, <u>2023</u>
		<u>Budget Capital Outlay</u>	<u>Ordinance</u>	
Unallocated	\$ 12,961,822			\$ 12,961,822
Golf Course Improvements	1,829,622	\$ 57,253	\$ 14,500	1,901,375
Acquisition of Vehicles and Equipment	171,661	8,000		179,661
Acquisition of Property	220,000	-	-	220,000
	<u>\$ 15,183,105</u>	<u>\$ 65,253</u>	<u>\$ 14,500</u>	<u>\$ 15,262,858</u>
	2023 Budget Appropriation	\$ 61,234		
	2022 Appropriation Reserves	<u>4,019</u>		
		<u>\$ 65,253</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>2022</u>	2023 <u>Authorizations</u>	Transfer to <u>Fixed Capital</u>	Balance, December 31, <u>2023</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	1,047,000			1,047,000
23-38	Golf Course Improvements	<u>-</u>	<u>\$ 600,000</u>	<u>-</u>	<u>600,000</u>
		<u>\$ 4,448,060</u>	<u>\$ 600,000</u>	<u>\$ 14,500</u>	<u>\$ 5,033,560</u>

EXHIBIT D-12

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

Balance, December 31, 2022	\$ 20,109
Decreased by:	
Receipts from Current Fund	<u>20,109</u>
Balance, December 31, 2023	<u>\$ -</u>

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

Balance, December 31, 2022	\$ 404
Decreased by:	
Payments to General Capital Fund	404
Balance, December 31, 2023	\$ -

**STATEMENT OF 2022 APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	Balance After Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating				
Salaries and Wages	\$ 223,566	\$ 223,566		\$ 223,566
Other Expenses	43,400	43,400	\$ 16,604	26,796
Total Operating	266,966	266,966	16,604	250,362
Capital Improvements				
Capital Outlay	4,019	4,019	4,019	-
Total Capital Improvements	4,019	4,019	4,019	-
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	4,347	4,347	-	4,347
Total Statutory Expenditures	4,347	4,347	-	4,347
	\$ 275,332	\$ 275,332	\$ 20,623	\$ 254,709

Cash Disbursements: \$ 20,623

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

Balance, December 31, 2022		\$ 224,501
Increased by:		
Transferred from Budget		<u>62,958</u>
		287,459
Decreased by:		
Cash Disbursements	\$ 165,713	
Transfer to Accounts Payable	<u>58,788</u>	
		<u>224,501</u>
Balance, December 31, 2023		<u>\$ 62,958</u>

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

Balance, December 31, 2022		\$ 40,477
Increased by:		
Budget Appropriation		<u>120,407</u>
		160,884
Decreased by:		
Cash Disbursements		<u>118,358</u>
Balance, December 31, 2023		<u>\$ 42,526</u>



**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, 2022	Increased	Decreased	Balance, December 31, 2023
2019-13	Golf Course Improvements	6/18/2021	6/17/2022	6/15/2023	2.20 %	\$ 50,000		\$ 50,000	
			6/15/2023	6/14/2024	4.30		\$ 50,000		\$ 50,000
2020-26	Acquisition of Real Property	6/18/2021	6/17/2022	6/15/2023	2.20	220,000		220,000	
			6/15/2023	6/14/2024	4.30		220,000		220,000
2021-34	Golf Course Improvements	10/15/2021	10/14/2022	10/13/2023	4.00	1,047,000		1,047,000	
			10/13/2023	10/11/2024	5.00	-	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>	<u>Balance,</u>		<u>2023</u> <u>Authorizations</u> <u>Deferred Charges</u> <u>to Future</u> <u>Revenue</u>	<u>Expended</u>	<u>Balance,</u>	
		<u>December 31, 2022</u>	<u>Unfunded</u>			<u>December 31, 2023</u>	<u>Unfunded</u>
		<u>Funded</u>				<u>Funded</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	60,712			\$ 997	59,715	
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		\$ 16,199		10,085		\$ 6,114
21-34	Golf Course Improvements	19,273	1,047,000		490	18,783	1,047,000
23-38	Golf Course Improvements	-	-	\$ 600,000	-	-	600,000
		<u>\$ 1,269,157</u>	<u>\$ 1,063,199</u>	<u>\$ 600,000</u>	<u>\$ 11,572</u>	<u>\$ 1,267,670</u>	<u>\$ 1,653,114</u>
				Cash Disbursements	<u>\$ 11,572</u>		

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

Balance, December 31, 2022	\$ <u>6,098</u>
Balance, December 31, 2023	\$ <u><u>6,098</u></u>

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

Balance, December 31, 2022	\$ 15,421,034
Increased by:	
2023 Budget Appropriation - Payment of Bond Principal	
Golf Course Utility Operating Fund	\$ 390,000
Transfer from Deferred Reserve for Amortization	14,500
2023 Budget Appropriation - Capital Outlay	61,234
2022 Appropriation Reserves - Capital Outlay	<u>4,019</u>
	<u>469,753</u>
Balance, December 31, 2023	\$ <u><u>15,890,787</u></u>

**STATEMENT OF ACCOUNTS PAYABLE  
GOLF COURSE UTILITY OPERATING FUND**

Increased by:	
Transfer from Encumbrances Payable	\$ 58,788
Balance, December 31, 2023	\$ <u><u>58,788</u></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>2022</u>	Transfer to Reserve for <u>Amortization</u>	Balance, December 31, <u>2023</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>-</u>	<u>52,381</u>
		<u>\$ 163,131</u>	<u>\$ 14,500</u>	<u>\$ 148,631</u>

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
GOLF COURSE UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	2023 <u>Authorizations</u>	Balance, December 31, <u>2023</u>
23-38	Golf Course Improvements	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>
		<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>

**SWIM POOL UTILITY FUND**

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2022	\$ 220,423	\$ 4,182
Increased by Receipts:		
Anticipated Revenue	\$ 618,215	
Miscellaneous Revenue Not Anticipated	24,976	
Bond Anticipation Note Proceeds		\$ 250,000
Special Emergency Note Proceeds	201,111	
Receipts from Swim Pool Utility Capital Fund	115	
Interest Earned	<u>9,674</u>	<u>4,761</u>
	<u>854,091</u>	<u>254,761</u>
	1,074,514	258,943
Decreased by Disbursements:		
2023 Budget Appropriations	591,894	
2022 Budget Appropriation Reserves	1,945	
Encumbrances Payable	209	
Accrued Interest on Bonds	15,406	
Accrued Interest on Notes	10,644	
Special Emergency Note Payments	268,148	
Improvement Authorizations		26,847
Payments to Current Fund	121,852	
Payments to Swim Pool Utility Operating Fund	<u>-</u>	<u>115</u>
	<u>1,010,098</u>	<u>26,962</u>
Balance, December 31, 2023	<u>\$ 64,416</u>	<u>\$ 231,981</u>

EXHIBIT E-6

**ANALYSIS OF SWIMMING POOL UTILITY CAPITAL FUND - CASH**

	Balance, December 31, <u>2023</u>
Fund Balance	\$ 14
Due to Swim Pool Utility Operating Fund	4,761
Encumbrances Payable	43,000
Improvement Authorizations:	
Ordinance	
<u>Number</u> <u>General Improvements</u>	
80-19      Improvements to Filtration System	146
14-28      Pool Improvements	3,907
22-26      Pool Improvements	<u>180,153</u>
	<u>\$ 231,981</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>2022</u>	<u>Amount</u> <u>Raised</u> <u>in 2023</u>	<u>Balance,</u> <u>December 31,</u> <u>2023</u>
12/1/2020	COVID-19 Revenue Losses	\$ 335,186	\$ 67,037	\$ 268,148	\$ 67,037	\$ 201,111
				<u>\$ 268,148</u>	<u>\$ 67,037</u>	<u>\$ 201,111</u>

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

Balance, December 31, 2022	\$ 115
Increased by:	
Interest Earned	<u>4,761</u>
	4,876
Decreased by:	
Payments to Swim Pool Utility Operating Fund	<u>115</u>
Balance, December 31, 2023	<u>\$ 4,761</u>

**STATEMENT OF DUE TO CURRENT FUND**  
**SWIMMING POOL UTILITY OPERATING FUND**

Balance, December 31, 2022	\$ 121,852
Decreased by:	
Cash Disbursements	<u>121,852</u>
Balance, December 31, 2023	<u>\$ -</u>

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

<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	Balance, December 31, <u>2023</u>
Swim Pool Improvements	\$ 3,372,780	\$ 3,372,780
	<u>\$ 3,372,780</u>	<u>\$ 3,372,780</u>

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

<u>Ord No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	Balance, December 31, <u>2023</u>
2022-26	Pool Improvements	\$ 250,000	\$ 250,000
		<u>\$ 250,000</u>	<u>\$ 250,000</u>

**STATEMENT OF 2022 APPROPRIATION RESERVES  
SWIMMING POOL UTILITY OPERATING FUND**

	Balance, December 31, <u>2022</u>	Balance After Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>	<u>Overexpenditure</u>
Operating Other Expenses	-	-	\$ 1,945	-	\$ 1,945
Total Operating	-	-	1,945	-	1,945
Statutory Expenditures Social Security System (O.A.S.I.)	\$ 806	\$ 806	-	\$ 806	-
Total Statutory Expenditures	806	806	-	806	-
	<u>\$ 806</u>	<u>\$ 806</u>	<u>\$ 1,945</u>	<u>\$ 806</u>	<u>\$ 1,945</u>
			Cash Disbursed		<u>\$ 1,945</u>

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

Balance, December 31, 2022	\$ 209
Increased by:	
Transferred from 2023 Budget	13,003
	13,212
Decreased by:	
Cash Disbursements	209
Balance, December 31, 2023	\$ 13,003

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

Balance, December 31, 2022	\$ 316
Decreased by:	
Cancelled to Operations	316
Balance, December 31, 2023	\$ -

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

Original Note	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
2020-33	COVID-19 Revenue Shortfall	12/15/2022	12/15/2023	3.97%	\$ 268,148		\$ 268,148	
		12/15/2023	12/13/2024	4.30%	-	\$ 201,111	-	\$ 201,111
					<u>\$ 268,148</u>	<u>\$ 201,111</u>	<u>\$ 268,148</u>	<u>\$ 201,111</u>

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

<u>Description</u>	Balance, December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
Overexpenditure of Appropriations	\$ 67,785	\$ 381	\$ 67,785	\$ 381
Overexpenditure of Appropriation Reserves		1,945		1,945
Operating Deficit	-	93,863	-	93,863
	<u>\$ 67,785</u>	<u>\$ 96,189</u>	<u>\$ 67,785</u>	<u>\$ 96,189</u>

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

Balance, December 31, 2022	\$ 6,136
Increased by:	
Budget Appropriation	14,689
	20,825
Decreased by:	
Cash Disbursements	15,406
Balance, December 31, 2023	\$ 5,419

**STATEMENT OF ACCRUED INTEREST ON NOTES  
SWIMMING POOL UTILITY OPERATING FUND**

Increased by:	
Budget Appropriation	\$ 16,481
Decreased by:	
Cash Disbursements	10,644
Balance, December 31, 2023	\$ 5,837

**STATEMENT OF ENCUMBRANCES PAYABLE  
SWIMMING POOL UTILITY CAPITAL FUND**

Increased by:	
Encumbrances Payable	\$ 43,000
Balance, December 31, 2023	\$ 43,000

**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, 2023</u>			<u>Interest Rate</u>	<u>Balance, December 31, 2022</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	2/15/2018	\$ 920,000	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%			
						\$ 595,000	\$ 85,000	\$ 510,000	
						<u>\$ 595,000</u>	<u>\$ 85,000</u>	<u>\$ 510,000</u>	

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2022</u>		<u>Paid or Charged</u>	<u>Balance, December 31, 2023</u>	
		<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
80-19	Improvements to Filtration System	\$ 146			\$ 146	
14-28	Pool Improvements	3,907			3,907	
22-26	Pool Improvements	-	\$ 250,000	\$ 69,847	-	\$ 180,153
		<u>\$ 4,053</u>	<u>\$ 250,000</u>	<u>\$ 69,847</u>	<u>\$ 4,053</u>	<u>\$ 180,153</u>
				Cash Disbursements	\$ 26,847	
				Encumbrances Payable	<u>43,000</u>	
					<u>\$ 69,847</u>	

**BOROUGH OF PARAMUS  
STATEMENT OF BOND ANTICIPATION NOTES  
SWIM POOL UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
2022-26	Pool Improvements	6/15/2023	6/15/2023	6/14/2024	4.30 %	\$ -	\$ 250,000	\$ -	\$ 250,000
						<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>
						New Issues	<u>\$ 250,000</u>		

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

Balance, December 31, 2022	\$ 2,777,780
Increased by:	
Budget Appropriation:	
Bond Principal Payments	<u>85,000</u>
Balance, December 31, 2023	<u>\$ 2,862,780</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	2023 <u>Notes Issued</u>	Balance, December 31, <u>2023</u>
22-26	Pool Improvements	\$ 250,000	\$ 250,000	\$ -
		<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>

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

**PART II**

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**GOVERNMENT AUDITING STANDARDS**

**YEAR ENDED DECEMBER 31, 2023**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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JOHN CUIFFO, CPA, PSA

## 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, 2023, and the related notes to the financial statements, and have issued our report thereon dated June 13, 2024. 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 opinions 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## 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 no 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.

However, we 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".

### 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 CR000457

Fair Lawn, New Jersey  
June 13, 2024



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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, 2023. 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, 2023.

***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.

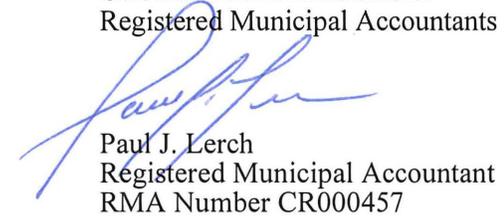
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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, 2023, and the related notes to the financial statements and have issued our report thereon dated June 13, 2024, 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 CR000457

Fair Lawn, New Jersey  
June 13, 2024

**BOROUGH OF PARAMUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Programs	AL Number	Grant Year	Award Amount	2023 Grant Receipts	Balance December 31, 2022	Revenue Realized	Expended	Balance December 31, 2023	Cumulative Expended
National Highway Traffic Safety Administration									
Impaired Driving Countermeasures									
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		6,000	
Distracted Driver	20.616	2020	5,500		5,500		\$ 5,500		\$ 5,500
Distracted Driver	20.616	2021	11,520		11,520		11,520		11,520
Distracted Driver	20.616	2022	12,600			12,600	11,575	1,025	11,575
Distracted Driver	20.616	2023	12,250	\$ 12,250					
Impaired Driving Countermeasure	20.616	2023	7,000	7,000					
U.S. Dept. of Homeland Security									
Emergency Management Performance Grant (EMAA)									
Emergency Management Performance Grant (EMAA)	97.042	2020	10,000		10,000		1,000	9,000	1,000
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		10,000	
Emergency Management Performance Grant (EMAA)	97.042	2023	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		2,520	3,480	2,520
Click It or Ticket-Traffic Safety	20.600	2022	7,000			7,000		7,000	
Click It or Ticket-Traffic Safety	20.600	2023	6,720	6,720					
Pedestrian Safety Grant	20.600	2023	8,223	8,223					
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		2,749,014
ARP Firefighters Assistance Grant	21.027	2023	43,000	43,000		43,000	43,000		43,000
U.S. Dept. of Health and Human Services									
Strengthening Public Health Capacity Program									
Covid 19 ELC Enhanced Detection Expansion	93.323	2022	247,505			247,505		247,505	
Covid 19 ELC Enhanced Detection Expansion	93.323	2023	88,963	88,963		88,963	88,963		88,963
Public Health Crisis Response	93.354	2023	99,998	99,998		99,998	99,998		99,998
U.S. Dept. of Homeland Security									
(Disaster Grants - Public Assistance									
(Presidentially Declared Disasters)									
Hurricane Ida	97.036	2023	26,581			26,581	26,581		26,581
U.S. Dept of FEMA									
Assistance to Firefighters - Emerg Radio Upgrade - Ord 2022-18	97.044	2022	363,636	363,636	363,636		363,636		363,636
U.S. Dept of Community Development Block Grant									
(Passed through County of Bergen)									
Improvements to Midland & Forest Intersection - Ord 2020-25	14.010	2020	397,121	248,070		397,121	248,070	149,051	248,070
Improvements to Trinity Court - Ord 2022-18		2022	105,000	105,000		105,000	105,000		105,000
Imprvts to Polly Ann Terrace, Yuhas Drive & Ivanhoe Drive - Ord 2023-37		2023	199,000			199,000		199,000	
Imprvts to Briarcliff Drive, Bryn Mawr Court, South & East Dr. - Ord 2023-37		2023	199,000			199,000		199,000	
					<u>\$ 1,791,763</u>	<u>\$ 1,441,768</u>	<u>\$ 2,381,870</u>	<u>\$ 851,661</u>	

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

BOROUGH OF PARAMUS  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>State Grant Program</u>	<u>State Programs Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expended</u>
Safe and Secure Communities Grant	066-1020-100-232	2019	\$ 34,130		\$ 34,025			\$ 34,025	\$ 105
		2020	60,000		60,000			60,000	
		2021	32,500		32,500			32,500	
		2022	41,320			\$ 41,320		41,320	
		2023	44,408	\$ 44,408					
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		5,872	
		2023	26,755	26,755					
Alcohol Education and Rehabilitation	098-9735-760-001	Prior	161		161			161	
		2020	1,500		1,500			1,500	
		2022	1,895			1,895		1,895	
		2023	260	260					
Drunk Driving Enforcement Fund	066-1110-100-XXX	Prior	5,336		2,536		\$ 2,536		5,336
		Prior	17,277		17,277		1,664	15,613	1,664
		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		3,479		3,479		14,955
Municipal Alliance	N/A	2021	4,273		4,273		2,371	1,902	2,371
Municipal Alliance - Local Match	N/A	2021	1,000		1,000			1,000	
Clean Communities Act	042-4900-765-004	2019	47,516		26,239		26,239		47,516
		2020	54,213		54,213		54,213		54,213
		2021	50,565		50,565		23,662	26,903	23,662
		2022	50,348			50,348		50,348	
		2023	56,471	56,471					
Stormwater Assistance Grant Program	N/A	2023	15,000	15,000		15,000		15,000	-

BOROUGH OF PARAMUS  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>State Grant Program</u>	<u>State Programs Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expended</u>
Recycling Tonnage Grant	042-4910-100-224	Prior	\$ 339,982		\$ 138,038		\$ 138,038		\$ 339,982
		2018	130,864		130,864		130,864		130,864
		2019	144,982		144,982		108,664	\$ 36,318	108,664
		2020	148,374		148,374			148,374	
		2021	190,034		190,034			190,034	
		2022	211,838			\$ 211,838		211,838	
		2023	126,836	\$ 126,836					
<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		20,000
No Net Loss Grant	N/A	2017	108,900		108,900		36,000	72,900	36,000
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	078-6320-480-xxx	2020	350,000		350,000			350,000	
Midland Avenue, Section 2-Ord. 2021-33	078-6320-480-xxx	2021	205,000	205,000	205,000		205,000		205,000
Midland Avenue, Section 2-Ord. 2021-33	078-6320-480-xxx	2021	200,000	200,000	200,000		200,000		200,000
Impvts to Forest Ave & Spring Valley Intersection - Ord 2022-18	078-6320-480-xxx	2022	231,000	173,250	231,000		173,250	57,750	173,250
<u>State Division of Library</u>									
Improvements to Library - Ord. 2021-33	074-2541-587-001	2021	507,000	354,900	380,250	-	354,900	25,350	481,650
					<u>\$ 2,588,321</u>	<u>\$ 326,273</u>	<u>\$ 1,480,880</u>	<u>\$ 1,433,714</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, 2023**

**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	\$ 498,647	\$ 326,273	\$ 824,920
General Capital Fund	<u>943,121</u>	<u>-</u>	<u>943,121</u>
Total Financial Awards	<u>\$ 1,441,768</u>	<u>\$ 326,273</u>	<u>\$ 1,768,041</u>

**BOROUGH OF PARAMUS  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2023**

**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, 2023**

*Part I – Summary of Auditor’s Results*

**Financial Statements**

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

**State Awards Section**

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

**Identification of major programs:**

<u>State Number</u>	<u>Name of State Program</u>
<u>078-6320-480-xxx</u>	<u>New Jersey Department of Transportation</u>
_____	_____
_____	_____



**BOROUGH OF PARAMUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

*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*.

There are none.

**BOROUGH OF PARAMUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

*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, 2023**

*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, 2023**

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**

**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.

**Status**

Corrective action has been taken.

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

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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2023**

**BOROUGH OF PARAMUS  
SUPPLEMENTARY DATA**

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

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 2,185,000	1.07%	\$ 1,000,000	0.52%
Miscellaneous - From Other Than Local				
Property Tax Levies	20,190,585	9.89%	17,683,374	9.31%
Collection of Delinquent Taxes and Tax Title Liens	984,459	0.48%	1,104,361	0.58%
Collection of Current Tax Levy	180,036,789	88.18%	169,806,978	89.37%
Other Credits	<u>781,057</u>	<u>0.38%</u>	<u>413,724</u>	<u>0.22%</u>
Total Income	<u>204,177,890</u>	100.00%	<u>190,008,437</u>	100.00%
<b>EXPENDITURES</b>				
<b>Budget Expenditures</b>				
Municipal Purposes	83,052,594	41.43%	75,512,633	40.09%
County Taxes	29,537,316	14.73%	26,492,972	14.06%
Local School Taxes	86,471,219	43.13%	84,804,279	45.02%
Other Expenditures	<u>1,421,189</u>	<u>0.71%</u>	<u>1,556,859</u>	<u>0.83%</u>
Total Expenditures	200,482,318	100.00%	188,366,743	100.00%
Less: Expenditures to be Raised by Future Revenue	<u>944,749</u>		<u>1,470,810</u>	
Total Adjusted Expenditures	<u>199,537,569</u>		<u>186,895,933</u>	
Excess in Revenue	4,640,321		3,112,504	
Fund Balance, January 1	<u>3,056,042</u>		<u>943,538</u>	
	7,696,363		4,056,042	
Less Utilization as Anticipated Revenue	<u>2,185,000</u>		<u>1,000,000</u>	
Fund Balance, December 31	<u>\$ 5,511,363</u>		<u>\$ 3,056,042</u>	

**BOROUGH OF PARAMUS  
SUPPLEMENTARY DATA**

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

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 302,000	7.31%	\$ 136,000	4.13%
Registration Fees	158,727	3.84%	155,501	4.72%
Golf Cart Rental	485,661	11.75%	442,145	13.41%
Green Fees	2,058,858	49.82%	1,840,866	55.86%
Miscellaneous	872,816	21.12%	668,362	20.28%
Other Credits	<u>254,709</u>	<u>6.16%</u>	<u>52,726</u>	<u>1.60%</u>
Total Income	<u>4,132,771</u>	100.00%	<u>3,295,600</u>	100.00%
<b>EXPENDITURES</b>				
Operating				
Salaries and Wages	1,436,811	43.61%	1,292,300	43.59%
Other Expenses	1,081,047	32.81%	892,000	30.09%
Capital Improvements	100,000	3.04%	200,000	6.75%
Debt Service	510,407	15.49%	494,951	16.70%
Deferred Charges and Statutory Expenditures	<u>166,405</u>	<u>5.05%</u>	<u>85,000</u>	<u>2.87%</u>
Total Expenditures	3,294,670	100.00%	2,964,251	100.00%
Less: Expenditures to be Raised by Future Revenue	<u>-</u>		<u>5,901</u>	
Total Adjusted Expenditures	<u>3,294,670</u>		<u>2,958,350</u>	
Excess in Revenue	838,101		337,250	
Fund Balance, January 1	<u>735,679</u>		<u>834,429</u>	
	1,573,780		1,171,679	
Less:				
Anticipated as Current Fund Revenue	100,000		300,000	
Utilization as Anticipated Revenue	<u>302,000</u>		<u>136,000</u>	
Fund Balance, December 31	<u>\$ 1,171,780</u>		<u>\$ 735,679</u>	

**BOROUGH OF PARAMUS  
SUPPLEMENTARY DATA**

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

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 91,000	15.91%	\$ 125,000	14.68%
Membership Fees	346,950	60.66%	401,919	47.21%
Guest Fees	24,313	4.25%	78,265	9.19%
Miscellaneous	56,340	9.85%	24,425	2.87%
Concession Stand	12,800	2.24%	62,828	7.38%
Other Credits	<u>40,533</u>	<u>7.09%</u>	<u>158,926</u>	<u>18.67%</u>
Total Income	<u>571,936</u>	100.00%	<u>851,363</u>	100.00%
<b>EXPENDITURES</b>				
Operating				
Salaries and Wages	325,000	38.42%	304,181	39.96%
Other Expenses	243,000	28.73%	264,353	34.73%
Debt Service	116,170	13.73%	101,576	13.35%
Deferred Charges and Statutory Expenditures	159,822	18.89%	91,038	11.96%
Overexpenditure of Appropriations Reserve	<u>1,945</u>	<u>0.23%</u>	<u>-</u>	<u>0.00%</u>
Total Expenditures	<u>845,937</u>	100%	<u>761,148</u>	100%
Excess in Revenue			90,215	
Deficit in Revenue	274,001			
Adjustments to Income before Fund Balance:				
Realized from General Budget for Anticipated Deficit	177,812			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>2,326</u>		<u>67,785</u>	
Operating Deficit to be Raised in Budget of Succeeding Year	<u>\$ 93,863</u>			
Statutory Excess to Fund Balance			158,000	
Fund Balance, January 1	<u>\$ 159,004</u>		<u>126,004</u>	
	159,004		284,004	
Decreased by:				
Anticipated as Operating Fund Revenue	<u>91,000</u>		<u>125,000</u>	
Fund Balance, December 31	<u>\$ 68,004</u>		<u>\$ 159,004</u>	

**BOROUGH OF PARAMUS  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>\$1.534</u>	<u>\$1.552</u>	<u>\$1.654</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.514	.506	.535
Library	.036	.033	.032
County	.240	.231	.242
County – Open Space	.011	.010	.011
Local District School	.733	.772	.834

Assessed Valuation

2023	<u>\$11,803,214,320</u>
2022	<u>\$10,987,007,811</u>
2021	<u>\$9,987,679,666</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>
2023	\$ 181,482,755	\$ 180,036,789	99.20%
2022	170,957,614	169,806,978	99.33%
2021	165,325,148	163,734,662	99.04%

**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>
2023	\$ 7,826	\$ 1,211,124	\$ 1,218,950	0.67%
2022	7,030	986,838	993,868	0.58%
2021	6,006	1,104,873	1,110,879	0.67%

**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>
2023	\$23,978
2022	23,978
2021	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	2023	\$5,511,363	\$3,850,000
	2022	3,056,042	2,185,000
	2021	943,538	1,000,000
	2020	2,507,268	2,055,420
	2019	644,537	-0-
Golf Course Utility Fund	2023	\$1,171,780	\$367,000
	2022	735,679	302,000
	2021	834,429	136,000
	2020	246,317	120,000
	2019	124,725	120,000
Swimming Pool Operating Fund	2023	\$68,004	\$-0-
	2022	159,004	91,000
	2021	126,004	125,000
	2020	158,919	150,000
	2019	98,754	96,718

**BOROUGH OF PARAMUS  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

<u>Name</u>	<u>Title</u>
Christopher DiPiazza	Mayor
Maria Elena Bellinger	Councilwoman
Ace Antonio	Councilman
Alfredo Nadera	Councilman
Robert Kaiser	Councilman
Jorge Quintana	Councilman
Jeanne T. Weber	Councilwoman
Hector Olmo	Borough Administrator
Annemarie Krusznis	Borough Clerk
Sheryl Luna	Chief Financial Officer/Tax Collector
Giblin & Gannaio, LLC	Borough Attorney
Alaimo Group	Brough Engineer
Guy Picone	Emergency Management Coordinator
Kenneth R. Ehrenberg	Police Chief (1/1/23 – 5/30/23)
Robert Guidetti	Police Chief (6/1/23 – 12/31/23)
Vincent Torre	Fire Chief
Peter Braun	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 revealed that certain budgetary line items in the 2023 appropriations for the Swimming Pool Utility Operating Funds and 2022 appropriation reserves for the Current Fund were overexpended at December 31, 2023.

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

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

**GENERAL COMMENTS (Continued)**

**Prior Year Findings (Continued)**

**Finance**

- **Finding** – Our audit of the Affordable Housing Trust revealed the annual finalized report was not in agreement with Borough financial activity thru December 31, 2023.

**Recommendation** – The annual financial report for the Affordable Housing Trust be in agreement with Borough records as of December 31, 2023.

- **Finding** – Our audit indicated the fixed asset inventory report was not updated for additions and deletions in 2023.

**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, 2023. 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 2023.

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

- **Finding** – Our audit of purchases noted 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.

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

**GENERAL COMMENTS (Continued)**

**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:

Log Trailer with Grapple Loader	Improvements to Polly Ann Terrace,
Animal Control Services	Yuhas Drive and Ivanhoe Drive
Prospect Pump Station	Improvements to Briarcliff Lane, Bryn Mawr
Intersection Improvements to Forest Avenue and	Court, South Drive and East Drive
Spring Valley Road	

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.

**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, 2023 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.

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

**GENERAL COMMENTS (Continued)**

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on December 14, 2023 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, 2023	1
December 31, 2022	1
December 31, 2021	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:

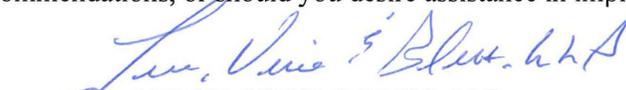
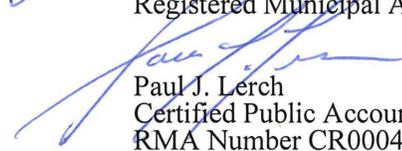
- \* 1. All Trust Fund reserves be reviewed and approval be obtained from the Division of Local Government Serviced to expend dedicated trust funds.
- \* 2. General Capital Fund ordinances greater than five years old with unfinanced cash deficits be funded accordingly.
- \* 3. Inactive appropriated grant 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. Internal procedures be reviewed to ensure that sufficient budget appropriations are available prior to the expenditure of funds.
- \* 7. The annual financial report for the Affordable Housing Trust be in agreement with Borough records as of December 31, 2023.
- \* 8. The fixed asset inventory report be updated for additions and deletions on an annual basis at year end.
- \* 9. 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.
- \* 10. The detailed tax title lien premium ledger be reconciled and in agreement with the general ledger at year end.
- \* 11. Consideration be given to obtain from their required service provider a current report on internal controls (SSAE No. 16).
- \* 12. 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 CR000457