

**BOROUGH OF PARAMUS
County of Bergen, New Jersey**

**Comprehensive Annual Financial Report
Year Ended December 31, 2010
(With Independent Auditors' Reports Thereon)**

BOROUGH OF PARAMUS
Comprehensive Annual Financial Report
Table of Contents
Year Ended December 31, 2010

<u>Reference</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Roster of Officials	1
Independent Auditors' Report	3-5
<u>FINANCIAL SECTION</u>	
A-1 Combined Statement of Assets, Liabilities, Reserves and Fund Balance -- All Fund Types and Account Groups	6
A-2 Combined Statement of Revenues, Expenses and Changes in Fund Balance -- Statutory Basis	7
A-3 Combined Statement of Revenues, Expenses and Changes in Fund Balance -- Statutory Basis - Budget & Actual - Current Fund	8
A-4 Combined Statement of Revenues, Expenses and Changes in Fund Balance -- Statutory Basis - Budget & Actual - Golf Course Utility Operating Fund	9
A-5 Combined Statement of Revenues, Expenses and Changes in Fund Balance -- Statutory Basis - Budget & Actual - Swimming Pool Utility Operating Fund	10
Notes to Financial Statements:	
Note 1 - Reporting Entity, Organization and Function	11
Note 2 - Summary of Significant Accounting Policies	12-19
Note 3 - Cash and Cash Equivalents	20
Note 4 - Investments	21
Note 5 - Receivables	22
Note 6 - Commitments	23
Note 7 - Fixed Assets	24
Note 8 - Municipal Debt	25-32
Note 9 - Risk Management	33
Note 10 - Interfunds	34
Note 11 - Deferred Charges to be Raised in Succeeding Budgets	35
Note 12 - Retirement Plans	36-43
Note 13 - Other Post Retirement Benefits	44-45
Note 14 - Contingencies	46
Note 15 - Subsequent Events	47
<u>Supplementary Data</u>	
<u>Current Fund</u>	
B-1 Statement of Assets, Liabilities and Fund Balance - Statutory Basis	48
B-2 Statement of Revenues and Other Credits to Income - Statutory Basis	49-50
B-3 Statement of Expenditures and Other Charges to Income - Statutory Basis	51-57
<u>Federal and State Grant Fund</u>	
C-1 Statement of Assets, Liabilities and Reserves - Statutory Basis	58
C-2 Statement of Grants Receivable	59
C-3 Statement of Appropriated Reserves	60
C-4 Statement of Unappropriated Reserves	61
<u>Trust Fund</u>	
D-1 Statement of Assets, Liabilities, Reserves & Fund Balance - Statutory Basis	62

BOROUGH OF PARAMUS
Comprehensive Annual Financial Report
Table of Contents
Year Ended December 31, 2010

<u>Reference</u>		<u>Page</u>
	<u>FINANCIAL SECTION (Continued)</u>	
	<u>Supplementary Data (Continued)</u>	
	<u>General Capital Fund</u>	
E-1	Statement of Assets, Liabilities and Fund Balance - Statutory Basis	63
E-2	Statement of Loans Payable	64
E-3	Statement of Deferred Charges to Future Taxation - Unfunded	65
E-4	Statement of Improvement Authorizations	66
E-5	Statement of Serial Bonds Payable	67
E-6	Statement of Bond Anticipation Notes Payable	68
E-7	Statement of Bonds and Notes Authorized but not Issued	69
	<u>Golf Course Utility Fund</u>	
F-1	Statement of Assets, Liabilities and Fund Balance - Statutory Basis	70
F-2	Statement of Revenues and Other Credits to Income - Statutory Basis	71
F-3	Statement of Expenditures and Other Charges to Income - Statutory Basis	72
F-4	Statement of Assets, Liabilities and Fund Balance - Statutory Basis	73
F-5	Statement of Fixed Capital Authorized & Uncompleted	74
F-6	Statement of Improvement Authorizations	75
F-7	Statement of Serial Bonds Payable	76
F-8	Statement of Bond Anticipation Notes Payable	77
F-9	Statement of Bonds and Notes Authorized but not Issued	78
	<u>Swimming Pool Utility Fund</u>	
G-1	Statement of Assets, Liabilities and Fund Balance - Statutory Basis	79
G-2	Statement of Revenues and Other Credits to Income - Statutory Basis	80
G-3	Statement of Expenditures and Other Charges to Income - Statutory Basis	81
G-4	Statement of Assets, Liabilities and Fund Balance - Statutory Basis	82
G-5	Statement of Fixed Capital Authorized & Uncompleted	83
G-6	Statement of Improvement Authorizations	84
G-7	Statement of Serial Bonds Payable	85
G-8	Statement of Bond Anticipation Notes Payable	86
G-9	Statement of Bonds and Notes Authorized but not Issued	87
G-10	Statement of Assets, Liabilities and Fund Balance - Statutory Basis	88
	<u>General Fixed Asset Account Group</u>	
H-1	Statement of Assets and Fund Balance - Statutory Basis	89
H-2	Statement of Reserve for General Fixed Assets	90

BOROUGH OF PARAMUS
Comprehensive Annual Financial Report
Table of Contents
Year Ended December 31, 2010

<u>Reference</u>		<u>Page</u>
<u>STATISTICAL SECTION</u>		
J-1	Adopted Budgets	92-94
J-2	Fund Balance Summary	95
J-3	Tax Levy and Collection Data	96
J-4	Assessed and County Equalized Valuation Data	97
J-5	Tax Requirement and Rate Data	98
J-6	Ratio of Gross and Net Debt to County Equalized Value and Debt Per Capita	99
J-7	Legal Debt Margin	100
J-8	Direct and Overlapping Debt	101
J-9	Ratio of Annual Debt Service Appropriations to Total Adopted Current Fund Appropriat	102
J-10	Demographic Statistics	103
J-11	Ten Largest Taxpayers by Assessment	104
J-12	Value of New Construction, Improvements, Alterations and Demolitions	105
<u>SINGLE AUDIT SECTION</u>		
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	107-108
K-3	Schedule of Expenditures of Federal Financial Assistance	109
K-4	Schedule of Expenditures of State Financial Assistance	110
K-5	Notes to Schedules of Federal and State Financial Assistance	111-112
K-6	Schedule of Findings and Questioned Costs	113-117
K-7	Summary of Prior Audit Findings	118
<u>GENERAL COMMENTS AND RECOMMENDATIONS</u>		
	Cash Cycle	120
	Revenues/Receipts Cycle	121
	Expenditures/Disbursements Cycle	122
	Payroll Cycle	123
	Capital Assets	124
	Other Significant Matters	125
	Golf Course Utility	126
	Swimming Pool Utility	127
	Recommendations	128
	Status of Prior Years' Recommendations	129

BOROUGH OF PARAMUS
Comprehensive Annual Financial Report
Introductory Section

BOROUGH OF PARAMUS
Roster of Officials
Year Ended December 31, 2010

Name	Title	Term Expires
James Tedesco III	Mayor	12/31/10
Richard LaBarbiera	Councilman	12/31/10
Richard Conte	Councilman	12/31/10
Cathy Bentz	Councilwoman	12/31/11
Maureen O'Brien	Councilwoman	12/31/11
Alan Brundage	Councilman	12/31/12
Michael Rohdieck	Councilman	12/31/12
Joseph D'Arco	Administrator	
Toni Falato	Municipal Clerk	
	Assessment Search Officer	
Marianne Grady	Senior Clerk	
Gina Affuso	Senior Clerk	
Grisel Maza	Senior Clerk	
Joseph Citro	Chief Financial Officer	
	Treasurer	
Evelina Johnson	Deputy Treasurer	
Deborah Rumbaugh	Bookkeeper	
Patricia Zdanowski	Sr. Accounting Clerk	
Rose Whitehead	Secretary - Administration	
Emil Hrabal	Tax Collector	
	Tax Search Officer	
Clare Pigoncelli	Payroll Supervisor	
Olga Leccese	Payroll Clerk	
John Hopper	Health Officer	
	Registrar of Vital Statistics	
DiMaria & DiMaria, LLP	Borough Auditor	
Brian Giblin, Esq.	Borough Attorney	
Rogut, McCarthy LLC	Bond Counsel	
Mark Raso, Esq.	Labor Attorney	
Kauker & Kauker, LLC	Planner	
James Anzevino	Tax Assessor	
Christine Stellatos	Associate Tax Assessor	
Guy Picone	DPW Superintendent	
Ron Tallaksen	Deputy DPW Superintendent	
Boswell Engineering	Borough Engineer	
Christopher Brock	Chief of Police	
Joseph Mecca, Esq.	Municipal Court Judge	12/31/10
David Lafferty, Esq.	Assistant Municipal Court Judge	12/31/11
Cynthia Holmes	Municipal Court Administrator	
Janis Erdman	Deputy Court Administrator	
Lisa Connors	Deputy Court Administrator	
Doreen Miller	Deputy Court Administrator	
Marc Ramundo	Prosecutor	
Ron Mondello	Public Defender	
Michael Sluka	Public Defender	
George Georgeou	Construction Code Official	
Scott Pardon	Fire Official	
Jeffrey Levine	Fire Prevention	
Jean Payoczkowski	Secretary - Fire Prevention	
Martin Barry	Building Sub-Code Official	
Michael O'Connell	Plumbing Sub-Code Official	
	Building & Mechanical Inspector	
Frank Scardino	Electrical Sub-Code Official	
Lisa Meserole	Residential Zoning & Signage Officer	
Steven Mercer	Commercial Property Maintenance Officer	
Angelo Licini	Residential Property Maintenance Officer	
Ken Hook	Commercial Zoning Officer	
Valerie Frazita	Secretary - Board of Adjustment	
Linda Garofalo	Building Dept. Secretary	
Joseph Sexton III	Shade Tree Department Director	
Irene Maury	Public Assistance Director	
Susan Regan	Recreation Director	

BOROUGH OF PARAMUS
Comprehensive Annual Financial Report
Financial Section

Di Maria & Di Maria LLP
Accountants & Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

Independent Auditors' Report

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

We have audited the accompanying statements of financial position - regulatory basis of the various funds of the Borough of Paramus, State of New Jersey, as of and for the year ended December 31, 2010, and the related statements of operations and changes in fund balance - regulatory basis, and statement of revenue and expenditures - regulatory basis as listed in the table of contents. Statements for the year ended December 31, 2009 were audited by another firm whose report was unqualified. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Borough of Paramus prepares its financial statements in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

In our opinion, because of the Borough of Paramus' requirement to prepare its financial statements on the basis of accounting discussed in preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the various funds of the Borough of Paramus, State of New Jersey, as of December 31, 2010 and 2009, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Paramus, State of New Jersey at December 31, 2010, and the results of its operations and the changes in fund balance of the individual funds for the year then ended, and the revenues and expenditures of the various funds for the year ended December 31, 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2011 on our consideration of the Borough of Paramus, State of New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of expenditures of federal awards and/or state financial assistance are presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey's Office of Management and Budget Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the financial statements. In addition, the supplementary financial statement presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

June 30, 2011

**BOROUGH OF PARAMUS
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2010
(With Comparative Totals for 2009)**

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Golf Utility Operating Fund	Golf Utility Capital Fund	Swim Pool Utility Operating Fund	Swim Pool Utility Capital Fund	Sewer Assessment Trust	Fixed Asset Account Group	Totals	
											(Memorandum Only) 2010	2009
ASSETS AND OTHER DEBITS												
Cash	\$ 7,051,465	\$ (60,000)	\$ 17,689,578	\$ 818,670	\$ 342,931	\$ 963,143	\$ 157,766	\$ 89,708	\$ 135,667	\$ -	\$ 27,188,928	\$ 26,144,749
Deferred Compensation Assets	-	-	-	-	-	-	-	-	-	-	-	-
Assessment Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Consumer Accounts Receivable	197,085	-	87,953	593,560	80,911	76,624	49,195	3,932	-	-	1,089,260	629,903
Interfunds Receivable	-	103,175	-	984,542	-	-	-	-	-	-	1,087,717	703,075
Intergovernmental Receivable	999,072	-	1,118,839	-	-	-	-	-	-	-	2,117,911	2,075,035
Other Receivables	-	-	-	-	-	-	-	-	-	-	-	46,116
Central Supply Inventory	8,639	-	-	41,187,646	-	-	7,032	-	-	-	41,203,317	44,033,560
Deferred Charges	-	-	-	14,250	-	-	-	-	-	-	14,250	14,250
Prospective Assessments Raised by Taxation	-	-	-	-	2,312,962	-	-	1,026,784	-	-	3,339,746	5,654,722
Fixed Capital Authorized & Uncompleted	-	-	-	-	12,361,230	-	-	2,406,287	-	-	14,767,517	12,531,710
Fixed Assets	-	-	-	-	-	-	-	-	-	171,359,453	171,359,453	171,429,372
Total Assets and Other Debits	\$ 8,256,261	\$ 43,175	\$ 18,893,370	\$ 43,598,668	\$ 423,842	\$ 15,713,359	\$ 213,993	\$ 3,526,711	\$ 135,667	\$ 171,359,453	\$ 262,167,499	\$ 263,262,492

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Golf Utility Operating Fund	Golf Utility Capital Fund	Swim Pool Utility Operating Fund	Swim Pool Utility Capital Fund	Sewer Assessment Trust	Fixed Asset Account Group	Totals	
											(Memorandum Only) 2010	2009
LIABILITIES, RESERVES AND FUND BALANCE												
Interfunds Payable	\$ 607,284	\$ -	\$ 289,712	\$ 11,840	\$ 83,499	\$ 68,397	\$ 3,932	\$ 22,978	\$ 1,618	\$ -	\$ 1,089,260	\$ 629,903
Deferred Revenues	112,528	-	-	-	8,861	-	12,603	-	-	-	133,982	179,813
Accounts/Encumbrances Payable	3,500,544	43,175	18,592,943	594,174	146,330	286,479	19,744	-	-	-	23,183,369	22,822,704
Other Liabilities and Reserves	-	-	-	6,108,703	-	691,615	-	81,418	-	-	6,881,736	5,589,652
Improvement Authorizations	-	-	13,715	-	-	-	-	-	-	-	69,809	40,602
Intergovernmental Payable	56,094	-	-	23,945,000	-	2,030,000	-	470,000	-	-	26,445,000	28,945,000
Serial Bonds Payable	-	-	-	12,506,064	-	2,123,413	-	975,968	-	-	15,605,445	17,902,228
Bond Anticipation Notes Payable	-	-	-	394,924	-	-	-	-	64,765	-	459,689	611,125
Loan Payable	1,196,157	-	-	-	-	-	-	-	-	171,359,453	1,196,157	1,138,949
Reserve for Receivables & Other Assets	-	-	-	-	-	-	-	-	-	-	171,359,453	171,429,372
Reserve for Investment in Fixed Assets	-	-	-	-	10,331,230	-	-	1,936,287	-	-	12,267,517	11,892,517
Reserve for Amortization	-	-	-	-	-	182,225	-	40,046	-	-	222,271	222,271
Reserve for Deferred Amortization	-	-	-	-	-	-	177,714	14	-	-	177,728	177,728
Fund Balance	2,783,654	-	-	37,963	185,152	-	-	-	69,284	-	3,253,781	1,858,356
Total Liabilities, Reserves and Fund Balance	\$ 8,256,261	\$ 43,175	\$ 18,893,370	\$ 43,598,668	\$ 423,842	\$ 15,713,359	\$ 213,993	\$ 3,526,711	\$ 135,667	\$ 171,359,453	\$ 262,167,499	\$ 263,262,492

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PARAMUS
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
STATUTORY BASIS
Year Ended December 31, 2010

	Current Fund	Golf Course Utility Fund	Swimming Pool Utility Fund	Total
REVENUES AND OTHER CREDITS TO INCOME				
Revenues:				
Fund Balance Anticipated	\$ 600,000	\$ -	\$ 15,000	\$ 615,000
Miscellaneous	11,948,753	-	-	11,948,753
Receipts from Delinquent Taxes	843,585	-	-	843,585
Amount to be Raised by Taxation	44,707,834	-	-	44,707,834
Membership Fees	-	232,163	475,500	707,663
Registration Fees	-	120,043	15,300	135,343
Guest Fees	-	-	61,095	61,095
Golf Cart Rental Fees	-	263,828	-	263,828
Green Fees	-	1,189,918	-	1,189,918
Snack Bar Rental Fees	-	50,400	14,525	64,925
Miniature Golf Fees	-	168,240	-	168,240
Rental of Facilities	-	-	575	575
Total Revenues	58,100,172	2,024,592	581,995	60,706,759
Other Credits to Income	87,782,543	170,811	42,993	87,996,347
Total Revenues and Other Credits to Income	\$ 145,882,715	\$ 2,195,403	\$ 624,988	\$ 148,703,106
EXPENDITURES AND OTHER CHARGES TO INCOME				
Expenditures:				
Within "CAPS":				
Operations:				
Salaries and Wages	\$ 23,606,500	\$ -	\$ -	\$ 23,606,500
Other Expenses	12,848,794	-	-	12,848,794
Deferred Charges and Statutory Expenditures	2,936,234	-	-	2,936,234
Excluded From "CAPS":				
Operations:				
Salaries and Wages	-	925,000	170,600	1,095,600
Other Expenses	9,374,616	481,779	190,911	10,047,306
Capital Improvements	100,000	1,493	-	101,493
Debt Service	5,803,375	515,412	98,489	6,417,276
Deferred Charges and Statutory Expenditures	-	70,000	15,000	85,000
Deficit in Operations in Prior Years	-	21,316	-	21,316
Reserve for Uncollected Taxes	2,040,983	-	-	2,040,983
Total Expenditures	56,710,502	2,015,000	475,000	59,200,502
Other Charges to Income	87,480,613	-	-	87,480,613
Total Expenditures and Charges to Income	\$ 144,191,115	\$ 2,015,000	\$ 475,000	\$ 146,681,115
Statutory Excess to Fund Balance	1,691,600	180,403	149,988	2,021,991
Deferred Charges to Budget of Succeeding Year	-	-	-	-
Fund Balance, January 1	1,692,054	4,749	42,726	1,739,529
	3,383,654	185,152	192,714	3,761,520
Decreased by:				
Utilization as Anticipated Revenue	600,000	-	15,000	615,000
Fund Balance, December 31	\$ 2,783,654	\$ 185,152	\$ 177,714	\$ 3,146,520

BOROUGH OF PARAMUS
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS - BUDGET & ACTUAL -- CURRENT FUND
Year Ended December 31, 2010

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 600,000	\$ 600,000	\$ -
Miscellaneous Revenues	11,316,239	11,948,753	632,514
Receipts from Delinquent Taxes	825,000	843,585	18,585
Amount to be Raised by Taxation	43,969,263	44,707,834	738,571
Total Revenues	56,710,502	58,100,172	1,389,670
Other Credits to Income	87,225,676	87,782,543	556,867
Total Revenues and Other Credits to Income	<u>\$ 143,936,178</u>	<u>\$ 145,882,715</u>	<u>\$ 1,946,537</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 23,606,500	\$ 23,606,500	\$ -
Other Expenses	12,848,794	12,848,794	-
Deferred Charges and Statutory Expenditures	2,936,234	2,936,234	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	-	-
Other Expenses	9,374,616	9,374,616	-
Capital Improvements	100,000	100,000	-
Municipal Debt Service	5,803,375	5,803,375	-
Deferred Charges	-	-	-
Reserve for Uncollected Taxes	2,040,983	2,040,983	-
Total Expenditures	56,710,502	56,710,502	-
Other Charges to Income	87,225,676	87,480,613	254,937
Total Expenditures and Charges to Income	<u>\$ 143,936,178</u>	<u>\$ 144,191,115</u>	<u>\$ 254,937</u>
Statutory Excess to Current Fund Balance		1,691,600	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		1,692,054	
		<u>\$ 3,383,654</u>	
Decreased by:			
Utilization as Anticipated Revenue		600,000	
Fund Balance, December 31		<u>\$ 2,783,654</u>	

**BOROUGH OF PARAMUS
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
 STATUTORY BASIS - BUDGET & ACTUAL -- GOLF COURSE UTILITY OPERATING FUND
 Year Ended December 31, 2010**

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ -	\$ -	\$ -
Membership Fees	159,000	232,163	73,163
Registration Fees	126,000	120,043	(5,957)
Golf Cart Rental Fees	248,000	263,828	15,828
Green Fees	1,211,000	1,189,918	(21,082)
Snack Bar Rental Fees	48,000	50,400	2,400
Miniature Golf Fees	223,000	168,240	(54,760)
Total Revenues	2,015,000	2,024,592	9,592
Other Credits to Income	-	170,811	170,811
Total Revenues and Other Credits to Income	<u>\$ 2,015,000</u>	<u>\$ 2,195,403</u>	<u>\$ 180,403</u>

EXPENDITURES AND OTHER CHARGES TO INCOME

Expenditures:			
Operations:			
Salaries and Wages	\$ 925,000	\$ 925,000	\$ -
Other Expenses	481,779	481,779	-
Capital Improvements	1,493	1,493	-
Debt Service	515,412	515,412	-
Statutory Expenditures	70,000	70,000	-
Deficit in Operations in Prior Years	21,316	21,316	-
Total Expenditures	2,015,000	2,015,000	-
Other Charges to Income	-	-	-
Total Expenditures and Charges to Income	<u>\$ 2,015,000</u>	<u>\$ 2,015,000</u>	<u>\$ -</u>

Statutory Excess to Current Fund Balance 180,403

Deferred Charges to Budget of Succeeding Year -

Fund Balance, January 1 4,749
185,152

Decreased by:

Utilization as Anticipated Revenue -
 Fund Balance, December 31 \$ 185,152

BOROUGH OF PARAMUS
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS - BUDGET & ACTUAL - SWIMMING POOL UTILITY OPERATING FUND
Year Ended December 31, 2010

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 15,000	\$ 15,000	\$ -
Membership Fees	376,000	475,500	99,500
Registration Fees	18,000	15,300	(2,700)
Guest Fees	48,000	61,095	13,095
Snack Bar Rental Fees	5,000	14,525	9,525
Rental of Facilities	13,000	575	(12,425)
Total Revenues	475,000	581,995	106,995
Other Credits to Income	-	42,993	42,993
Total Revenues and Other Credits to Income	<u>\$ 475,000</u>	<u>\$ 624,988</u>	<u>\$ 149,988</u>

EXPENDITURES AND OTHER CHARGES TO INCOME

Expenditures:			
Operations:			
Salaries and Wages	\$ 170,600	\$ 170,600	\$ -
Other Expenses	190,911	190,911	-
Capital Improvements	-	-	-
Debt Service	98,489	98,489	-
Deferred Charges	1,000	1,000	-
Statutory Expenditures	14,000	14,000	-
Deficit in Operations in Prior Years	-	-	-
Total Expenditures	475,000	475,000	-
Other Charges to Income	-	-	-
Total Expenditures and Charges to Income	<u>\$ 475,000</u>	<u>\$ 475,000</u>	<u>\$ -</u>

Statutory Excess to Current Fund Balance 149,988

Deferred Charges to Budget of Succeeding Year -

Fund Balance, January 1 42,726
\$ 192,714

Decreased by:

Utilization as Anticipated Revenue 15,000
Fund Balance, December 31 \$ 177,714

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 1 - Reporting Entity, Organization and Function

A. Introduction

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

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

The municipal budget includes the following generally stated municipal services:

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

B. Component Units

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 2 - Summary of Significant Accounting Policies

Financial Statement Reporting

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" and the "N.J. Comprehensive Annual Financial Report" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

Basis of Accounting

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

Use of Estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect assets, liabilities, revenues and expenditures during and as of the end of the reporting period. Accordingly, actual results may differ from those estimates.

Reclassifications and Restatements

Certain reclassifications and restatements may be made to prior amounts for clarification purposes.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Funds and Account Groups

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

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

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

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

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

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Township owned real and personal property in accordance with Technical Accounting Directive #85-2.

Swimming Pool & Golf Course Utility Funds - The Swimming Pool and Golf Course Utility Funds are used to account for the revenues and expenditures for the operation of the swimming pool and golf course utilities and the related assets and liabilities. Acquisition or improvement of capital facilities and assets are accounted for in the capital section of the funds.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Budgets and Budgetary Accounting

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

C. Cash and Investments

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

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

E. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

F. General Fixed Assets

Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive. Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation on general fixed assets is recorded in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 2 - Summary of Significant Accounting Policies (Continued)

G. Foreclosed Property

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

H. Deferred Charges

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

I. Appropriation Reserves

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

J. Liens Sold for Other Governmental Units

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

K. Fund Balance

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 2 - Summary of Significant Accounting Policies (Continued)

L. Revenues

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

M. Property Tax Revenues

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

N. School Taxes

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

O. County Taxes

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Reserve for Uncollected Taxes

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

Q. Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

R. Compensated Absences and Postemployment Benefits

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

S. Total Columns on Combined Statements

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 2 - Summary of Significant Accounting Policies (Continued)

T. Use of Estimates

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

U. New Reporting Standard(s)

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governmental units throughout the United States. Implementation will require new information and restructuring of information presented in past years, affecting comparability of annual reports. The Township will follow direction from the Division of Local Government Services concerning implementation dates, as they may not coincide with national requirements. The Township has not yet determined the impact of adoption of this standard on the financial statements.

In July 2004, the Governmental Accounting Standards Board (GASB) adopted statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions". This statement will become effective for governmental entities on a phased in basis based on the entities total annual revenues. This phase in began with fiscal years beginning after December 15, 2006 and continued thru December 15, 2008 depending on annual revenues. The Borough's effective date is the year beginning January 1, 2009. This statement will require Governmental entities to report the future cost of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The Township has not yet determined the impact of adoption of this standard on the financial statements.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 3 - Cash and Cash Equivalents

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

A. Deposits

New Jersey Statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insures deposits, or the New Jersey Cash Management Fund.

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by the three categories described below:

Category 1 - Insured or collateralized with securities held by the municipality or by its agent in the municipality's name.

Category 2 - Collateralized with securities held by the pledging public depository's trust department or agent in the municipality's name.

Category 3 - Uncollateralized, including any deposits that is collateralized with securities held by the pledging public depository, or by its trust department or agent but not in the municipality's name.

At December 31, the municipality's deposits categorized by level of risk are summarized as follows:

Year	Bank Balance	Category			Carrying Amount
		1	2	3	
2010	\$ 27,579,294	\$ 27,579,294	\$ -	\$ -	\$ 27,188,928
2009	\$ 26,210,684	\$ 26,210,684	\$ -	\$ -	\$ 26,144,749

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 4 - Investments

New Jersey Statutes permit the municipality to purchase the following types of securities for investment:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligation that a federal agency or federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- d. Bonds or other obligations of municipalities or bonds or other obligations of school districts.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local government investment pools.
- g. Agreement for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1(8a-8e).

No investments were held as of December 31, 2010.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 5 - Receivables

New Jersey municipal accounting procedures require accrued receivables to be off-set with a reserve originating with a charge to operations. Exceptions to this requirement include those grants used to fund capital projects reflected in the General Capital Fund, amounts due from the State of New Jersey for Veterans and Senior Citizens Deductions and public and private programs qualifying for grant accounting treatment in the Federal and State Grant Fund.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 6 - Commitments

The municipality is entered into a number of operating leases which vary on cancellation provisions and other terms. Annual requirements are provided for in appropriate department budget appropriations. Complete lease information is on file and available with the municipality.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 7 - Fixed Assets

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

2010

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Land	\$ 118,616,300	\$ -	\$ -	\$ -	\$ 118,616,300
Buildings and Improvements	12,094,400	-	-	-	12,094,400
Sports Complex	1,279,812	-	-	-	1,279,812
Sanitary Sewer System	21,448,816	-	-	-	21,448,816
Equipment	17,990,044	77,505	(147,424)	-	17,920,125
	<u>\$ 171,429,372</u>	<u>\$ 77,505</u>	<u>\$ (147,424)</u>	<u>\$ -</u>	<u>\$ 171,359,453</u>

2009

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Land	\$ 118,693,300	\$ -	\$ (77,000)	\$ -	\$ 118,616,300
Buildings and Improvements	13,423,200	-	(1,328,800)	-	12,094,400
Sports Complex	1,279,812	-	-	-	1,279,812
Sanitary Sewer System	21,448,816	-	-	-	21,448,816
Equipment	17,319,664	1,514,788	(844,408)	-	17,990,044
	<u>\$ 172,164,792</u>	<u>\$ 1,514,788</u>	<u>\$ (2,250,208)</u>	<u>\$ -</u>	<u>\$ 171,429,372</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 8 - Municipal Debt

A. Types of Municipal Debt

Capital Debt

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

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

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

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 8 - Municipal Debt (Continued)

B. Comparative Summary of Debt and Remaining Borrowing Power

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

	<u>2010</u>	<u>2009</u>
Issued:		
School Bonds and Notes	26,222,000	28,042,000
General Bonds and Notes	42,445,369	47,331,769
	<u>\$ 68,667,369</u>	<u>\$ 75,373,769</u>
Authorized but not Issued:		
General Bonds and Notes	<u>\$ 4,359,152</u>	<u>\$ 2,755,652</u>
Gross Debt	<u>\$ 73,026,521</u>	<u>\$ 78,129,421</u>
Deductions	<u>\$ 38,864,366</u>	<u>\$ 41,956,941</u>
Net Debt	<u>\$ 34,162,155</u>	<u>\$ 36,172,480</u>
Equalized Valuation Basis	\$ 8,997,186,741	\$ 9,192,421,239
Statutory Net Debt Percentage	0.38%	0.39%
3-1/2% of Equalized Valuation Basis	\$ 314,901,536	\$ 321,734,743
Remaining Borrowing Power	\$ 280,739,381	\$ 285,562,263

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 8 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity

The annual debt service requirement for long-term obligations requirements to maturity, including principal and interest as of December 31, 2010 are as follows:

Loans and General Bonds

Calendar Year	7/15/02		3/01/03	
	General Improvement Bonds		Pension Refunding Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 1,065,000	\$ 318,404	\$ 85,000	\$ 107,247
2012	1,075,000	275,804	105,000	102,868
2013	1,010,000	232,804	120,000	97,520
2014	1,025,000	192,404	140,000	91,000
2015	1,150,000	150,122	160,000	83,200
2016	1,180,000	102,685	185,000	74,230
2017	1,250,000	53,125	210,000	63,960
2018	-	-	235,000	52,390
2019	-	-	265,000	39,390
2020	-	-	295,000	24,830
2021	-	-	330,000	8,580
	<u>\$ 7,755,000</u>	<u>\$ 1,325,348</u>	<u>\$ 2,130,000</u>	<u>\$ 745,215</u>

Calendar Year	09/01/05		09/10/07	
	General Improvement Bonds		Refunding Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 455,000	\$ 362,444	\$ 660,000	\$ 209,000
2012	565,000	348,225	540,000	182,600
2013	700,000	319,975	535,000	161,000
2014	725,000	284,975	580,000	139,600
2015	700,000	248,725	575,000	116,400
2016	750,000	224,225	570,000	93,400
2017	750,000	196,475	615,000	70,600
2018	2,050,000	167,600	610,000	46,000
2019	2,140,000	85,600	540,000	21,600
	<u>\$ 8,835,000</u>	<u>\$ 2,238,244</u>	<u>\$ 5,225,000</u>	<u>\$ 1,040,200</u>

Calendar Year	1998		N.J.E.I.T. Wastewater Loan	
	Green Trust Loan		N.J.E.I.T. Wastewater Loan	
	Principal	Interest	Principal	Interest
2011	\$ 39,825	\$ 6,641	\$ 52,990	\$ 1,012
2012	40,625	5,840	-	-
2013	41,442	5,024	-	-
2014	42,275	4,191	-	-
2015	43,124	3,341	-	-
2016	43,991	2,474	-	-
2017	44,875	1,590	-	-
2018	45,777	688	-	-
	<u>\$ 341,934</u>	<u>\$ 29,789</u>	<u>\$ 52,990</u>	<u>\$ 1,012</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 8 - Municipal Debt (Continued)

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

Calendar Year	Total	
	Principal	Interest
2011	\$ 2,357,815	\$ 1,004,748
2012	2,325,625	915,337
2013	2,406,442	816,323
2014	2,512,275	712,170
2015	2,628,124	601,788
2016	2,728,991	497,014
2017	2,869,875	385,750
2018	2,940,777	266,678
2019	2,945,000	146,590
2020	295,000	24,830
2021	330,000	8,580
	<u>\$ 24,339,924</u>	<u>\$ 5,379,808</u>

Swimming Pool Utility Bonds

Calendar Year	7/15/02		9/01/05	
	General Improvement Bonds		General Improvement Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 20,000	\$ 1,600	\$ 50,000	\$ 18,687
2012	20,000	800	60,000	17,125
2013	-	-	90,000	14,125
2014	-	-	105,000	9,625
2015	-	-	125,000	4,375
	<u>\$ 40,000</u>	<u>\$ 2,400</u>	<u>\$ 430,000</u>	<u>\$ 63,937</u>

Calendar Year	Total	
	Principal	Interest
2011	\$ 70,000	\$ 20,287
2012	80,000	17,925
2013	90,000	14,125
2014	105,000	9,625
2015	125,000	4,375
	<u>\$ 470,000</u>	<u>\$ 66,337</u>

Note 8 - Municipal Debt (Continued)

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

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

Golf Course Utility Bonds

Calendar Year	7/15/02		9/01/06	
	General Improvement Bonds		General Improvement Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 125,000	\$ 42,926	\$ 100,000	\$ 41,033
2012	140,000	37,926	125,000	37,907
2013	145,000	32,326	135,000	31,658
2014	150,000	26,526	140,000	24,907
2015	155,000	20,339	150,000	17,908
2016	160,000	13,945	160,000	12,658
2017	170,000	7,225	175,000	6,737
	<u>\$ 1,045,000</u>	<u>\$ 181,213</u>	<u>\$ 985,000</u>	<u>\$ 172,808</u>

Calendar Year	Total	
	Principal	Interest
2011	\$ 225,000	\$ 83,959
2012	265,000	75,833
2013	280,000	63,984
2014	290,000	51,433
2015	305,000	38,247
2016	320,000	26,603
2017	345,000	13,962
	<u>\$ 2,030,000</u>	<u>\$ 354,021</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 8 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt

During the fiscal year ended December 31, 2010 the following changes occurred in liabilities reported as general long-term debt:

Loans and General Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ 26,070,000	\$ -	\$ (2,125,000)	\$ 23,945,000
Loans/Notes Payable	484,541	-	(89,617)	394,924
Bond Anticipation Notes	14,723,078	12,506,064	(14,723,078)	12,506,064
Authorized but not Issued	2,738,158	1,603,500	-	4,341,658
	<u>\$ 44,015,777</u>	<u>\$ 14,109,564</u>	<u>\$ (16,937,695)</u>	<u>\$ 41,187,646</u>
	<u>\$ 44,015,777</u>	<u>\$ 14,109,564</u>	<u>\$ (16,937,695)</u>	<u>\$ 41,187,646</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Emergency Notes	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 23,945,000	\$ 2,265,000	\$ 21,680,000
Loan Payable	394,924	92,815	302,109
Bond Anticipation Notes	12,506,064	12,506,064	-
Authorized but not Issued	4,341,658	-	4,341,658
	<u>\$ 41,187,646</u>	<u>\$ 14,863,879</u>	<u>\$ 26,323,767</u>
	<u>\$ 41,187,646</u>	<u>\$ 14,863,879</u>	<u>\$ 26,323,767</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 8 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt (Continued)

Swimming Pool Utility Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ 525,000	\$ -	\$ (55,000)	\$ 470,000
Loan Payable	-	-	-	-
Bond Anticipation Notes	979,900	975,968	(979,900)	975,968
Authorized but not Issued	10,770	-	-	10,770
	<u>\$ 1,515,670</u>	<u>\$ 975,968</u>	<u>\$ (1,034,900)</u>	<u>\$ 1,456,738</u>
	<u>\$ 1,515,670</u>	<u>\$ 975,968</u>	<u>\$ (1,034,900)</u>	<u>\$ 1,456,738</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Emergency Notes	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Long-Term Debt:			
Serial Bonds	\$ 470,000	\$ 70,000	\$ 400,000
Loan Payable	-	-	-
Bond Anticipation Notes	975,968	975,968	-
Authorized but not Issued	10,770	-	10,770
	<u>\$ 1,456,738</u>	<u>\$ 1,045,968</u>	<u>\$ 410,770</u>
	<u>\$ 1,456,738</u>	<u>\$ 1,045,968</u>	<u>\$ 410,770</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 8 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt (Continued)

Golf Course Utility Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ 2,350,000	\$ -	\$ (320,000)	\$ 2,030,000
Loan Payable	-	-	-	-
Bond Anticipation Notes	2,199,250	(2,199,250)	2,123,413	2,123,413
Authorized but not Issued	6,724	-	-	6,724
	<u>\$ 4,555,974</u>	<u>\$ (2,199,250)</u>	<u>\$ 1,803,413</u>	<u>\$ 4,160,137</u>
	<u>\$ 4,555,974</u>	<u>\$ (2,199,250)</u>	<u>\$ 1,803,413</u>	<u>\$ 4,160,137</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	\$ -
Emergency Notes	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 2,030,000	\$ 225,000	\$ 1,805,000
Loan Payable	-	-	-
Bond Anticipation Notes	2,123,413	2,123,413	-
Authorized but not Issued	6,724	-	6,724
	<u>\$ 4,160,137</u>	<u>\$ 2,348,413</u>	<u>\$ 1,811,724</u>
	<u>\$ 4,160,137</u>	<u>\$ 2,348,413</u>	<u>\$ 1,811,724</u>

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 9 - Risk Management

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. The Borough of Paramus is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment and worker's compensation. The BJIF and MEL coverage amounts are on file with the Borough. The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance, to report claims on a timely basis, cooperate with the management of the Fund, its claims investigation and settlement, and to follow risk management procedures as outlined by the insurance pools. Members have a contractual obligation to fund any deficit of the insurance fund attributable to a membership year during which the municipality was a member. The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and preventive procedures to be followed by the members. There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years. Contributions to the Funds, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the State of New Jersey provides the administration of payments to former employees of the Borough. The Borough is billed quarterly for benefits paid to former employees.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 10 - Interfunds

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

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
<u>2010</u>		
Current Fund	\$ 197,085	\$ 607,284
Trust Fund	87,953	289,712
General Capital Fund	593,560	11,840
Golf Course Utility Operating Fund	80,911	83,499
Golf Course Utility Capital Fund	76,624	68,397
Swimming Pool Utility Operating Fund	49,195	3,932
Swimming Pool Utility Capital Fund	3,932	22,978
Sewer Assessment Trust Fund	-	1,618
	<u>\$ 1,089,260</u>	<u>\$ 1,089,260</u>

2009

Current Fund	\$ 136,637	\$ 311,545
Trust Fund - Claims Account	7,019	69,338
Trust Fund	63,062	143,170
General Capital Fund	311,545	777
Golf Course Utility Operating Fund	75,529	16,870
Golf Course Utility Capital Fund	787	63,015
Swimming Pool Utility Operating Fund	35,324	1,358
Swimming Pool Utility Capital Fund	-	22,831
Sewer Assessment Trust Fund	-	999
	<u>\$ 629,903</u>	<u>\$ 629,903</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 11 - Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are shown on the balance sheet of the Current Fund:

	<u>Balance</u> <u>December 31,</u>	<u>Appropriated in</u> <u>Subsequent</u> <u>Year's Budget</u>	<u>Balance to</u> <u>Succeeding</u>
<u>2010</u>			
Current Fund:			
Overexpenditures	\$ 8,639	\$ -	\$ 8,639
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations	-	-	-
Special Emergency			
Authorizations (40A:4-53) - Wastewater Plan	-	-	-
Special Emergency			
Authorizations (40A:4-53) - Re-Assessment	-	-	-
Special Emergency			
Authorizations (40A:4-53) - Master Plan	-	-	-
	<u>\$ 8,639</u>	<u>\$ -</u>	<u>\$ 8,639</u>

2009

Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations	-	-	-
Special Emergency			
Authorizations (40A:4-53) - Revaluation	-	-	-
Special Emergency			
Authorizations (40A:4-53) - Master Plan	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 12 - Retirement Plans

Those employees who are eligible for pension coverage are enrolled in either the Public Employees Retirement System of New Jersey (PERS) or the Police and Firemans' Retirement System of New Jersey (PFRS) and the Defined Contribution Retirement Program (DCRP). The systems are cost-sharing multiple-employer contributory defined benefit pension plans, and are component units of the State of New Jersey. Each retirement system has a Board of Trustees which is responsible for its organization and administration.

A. Public Employees' Retirement System (PERS)

Description of the System - The State of New Jersey Public Employees' Retirement System (the System; PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2009 and 2008, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2009	2008
State of New Jersey	1	1
County Agencies	65	65
Municipalities	584	583
School Districts	566	561
Other Public Agencies	484	486
Total	<u>1,700</u>	<u>1,696</u>

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 12 - Retirement Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit (as defined). Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

Significant Legislation - Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Membership in the system consisted of the following at June 30, 2009 and 2008, the dates of the most recent actuarial valuations:

	2009	2008
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	138,619	134,555
Active Members:		
Vested	144,698	142,280
Non-Vested	172,151	176,902
Total Active Members	316,849	319,182
Total	455,468	453,737

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS)

Description of the System

State of New Jersey Police and Firemen's Retirement System (the System; PFRS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2009 and 2008, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2009	2008
State of New Jersey	1	1
Municipalities	588	588
Total	589	589

The System's designated purpose is to provide retirement, death and disability benefits to its members. Membership in the System is mandatory for substantially all full-time county and municipal police or firemen, and state firemen or officer employees with police powers appointed after June 30, 1944. The System's Board of Trustees is primarily responsible for its administration.

According to State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The System provides retirement 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. Retirement benefits for age and service 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. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement 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. The annual benefit under special retirement is 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70% of final compensation.

Widow/widowers of members retired since December 18, 1967 receive 50% of the retiree's final compensation. The minimum annual widow/widower's benefits of an accidental disability retiree prior to December 18, 1967 and of all retirees since December 18, 1967 is \$4,500.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions providing no survivor death benefits are payable.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The cost-of-living increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions.

BOROUGH OF PARAMUS
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2010

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Significant Legislation:

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

Membership in the System consisted of the following at June 30, 2009 and 2008 the dates of the most recent actuarial valuations:

	2009	2008
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	34,364	33,151
Active members:		
Vested	29,400	29,056
Non-vested	15,750	16,410
Total active members	45,150	45,466
Total	79,514	78,617

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 12 - Retirement Plans (Continued)

C. Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008.

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Eligibility

Individuals eligible for membership in the DCRP include:

- 1) State or local officials who are elected or appointed on or after July 1, 2007
- 2) Employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; and
- 3) Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Membership Tier 3 enrollment (\$7,500 in 2009, subject to adjustment in future years) but who earn salary of at least \$1,500 annually.)

Employees enrolled in the PERS or TPAF on or after July 1, 2007 are subject to a maximum compensation limit for PERS and TPAF pension contributions. The maximum compensation is based on the annual maximum wage for Social Security (see chart below) and is subject to change at the start of each calendar year.

Enrollment

Eligible PERS or TPAF members are enrolled in the DCRP when the annual salary exceeds the maximum compensation limit. This may occur either:

Upon enrollment into the PERS or TPAF when an annual base salary is reported on the Enrollment Application that will exceed the maximum compensation; or when a PERS or TPAF member's annual salary is increased to where it will exceed the maximum compensation and it is reported by the employer to the Division of Pensions and Benefits (either by directly contacting the Division, or when submitted by the employer on the Quarterly Report of Contributions). When enrolled in the DCRP, members contribute 5.5% of the base salary in excess of the maximum compensation limit to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pensions and Benefits. Member contributions are matched by a 3% employer contribution based on the salary in excess of the maximum compensation limit.

It is important that an employer enroll a DCRP eligible PERS or TPAF member as soon as it is known that the employee's annual salary will exceed the maximum compensation, so that the DCRP account can be established in advance of collection of any required contributions.

BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010

Note 12 - Retirement Plans (Continued)

C. Defined Contribution Retirement Program (DCRP)

Retirement

Six months before retirement, a member should contact the employer and Prudential Financial for information regarding DCRP benefits and options.

A DCRP member may elect to receive all or a portion of his/her account in a lump-sum distribution, or in a variety of periodic payment methods. Please contact your administrative services provider for more information. All returns of contributions and earnings are considered taxable in the year they are received; therefore, the type of payout plan should be considered carefully prior to retirement.

There is no minimum retirement age under the DCRP. The member will automatically be considered retired, regardless of age, if there is any distribution of mandatory contributions.

A member may take a distribution at any time after termination of employment; however, if you return to public employment in New Jersey, you cannot participate in any State-administered retirement system.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 12 - Retirement Plans (Continued)

D. Contributions Required by Employer

Year	Pension Cost	Percentage Contributed	Non-Contrib Health Ins.	Pension Obligation
<i>Police and Firemens' Pension Fund (PFRS)</i>				
2010	\$ 2,417,813	100.00%	\$ 122,923	\$ 2,540,736
2009	\$ 1,197,110	50.00%	\$ 98,450	\$ 2,492,670
2008	\$ 2,351,673	100.00%	-	\$ 2,351,673
<i>Public Employees Retirement System (PERS)</i>				
2010	\$ 928,737	100.00%	\$ 128,794	\$ 1,057,531
2009	\$ 413,470	50.00%	\$ 102,790	\$ 929,730
2008	\$ 642,968	80.00%	-	\$ 803,710
<i>Defined Contribution Retirement Program (DCRP)</i>				
2010	\$ -	100.00%	-	-
2009	\$ -	100.00%	-	-
2008	\$ -	100.00%	-	-

E. Trend Information

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS, PFRS and DCRP financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions, Trenton, New Jersey.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 13 - Other Post Retirement Benefits

A. Compensated Absences (Unaudited)

The Borough has permitted certain employees and bargaining units to accumulate (with certain restrictions) unused sick pay which may be taken in cash (with certain limitations), upon death, retirement or by extended time off immediately preceding retirement. A detail of amounts due is on file in the Office of the Borough Clerk - 1 Jockish Square, Paramus, NJ 07652 - (201) 265-2100. In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability. The Borough approximates this liability at December 31, 2010 to be \$2,040,000.

B. Post Retirement Health Benefits

The Borough provides, at its cost, post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981.

Plan Description

The Borough of Paramus contributed to the State Health Benefits Program ("SHBP"), a cost-sharing, multi-employer defined benefit post-retirement healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and requires supplementary information for the SHBP. That report may be obtained by writing to: State of NJ Division of Pension & Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 13 - Other Post Retirement Benefits (continued)

Plan Coverage

Any employee who retires after twenty-five (25) years or more of service within the Borough shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough. Dental benefits are not included.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to that, medical benefits were funded on an actuarial basis.

Contributions to pay for health premiums of participating employees in the SHBP are billed to the Borough of Paramus on a monthly basis. The Borough's contributions to SHBP for post-retirement benefits for the years ended December 31, 2010 and 2009 were \$1,859,918 and \$1,718,765, respectively. These amounts equaled the required contributions for each year.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 14 - Contingencies

A. Litigation

The Borough is a party to various legal proceedings which normally occur in the operation of government. These proceedings are not likely to have a materially adverse affect on the various funds of the Borough.

B. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2010 and 2009. 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, if any, to be material. As of December 31, 2010 and 2009, the Borough recorded \$0 and \$0 of reserves 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' budgets, from fund balance or by issuance of refunding bonds.

C. Federal and State Grants

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 agency. If expenditures are disallowed, the Borough may be required to reimburse the grantor agency. As of December 31, 2010, significant amounts of grant expenditures have not been audited. The Borough believes that any future disallowed expenditures will not have a material effect on its financial position.

**BOROUGH OF PARAMUS
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2010**

Note 15 - Subsequent Events

As of the date of this report, the following are considered material subsequent events:

A. Subsequent Year Capital Projects

The Borough's 2011 Capital Budget currently does not anticipate any capital projects.

B. Bond Anticipation Notes

On February 25, 2011 the Borough issued Bond Anticipation Notes in the amount of \$15,121,352 comprised of \$12,101,740 of General Capital notes, \$2,047,576 of Golf Utility Capital notes and \$972,036 of Swimming Pool Utility Capital notes to temporarily finance expenditures related to various capital projects. The Borough paid down \$2,630,893 to the maturing note derived from the 2011 Current Fund budget (\$2,551,124), the 2011 Golf Course Utility Operating Fund budget (\$75,837) and the 2011 Swimming Pool Utility Operating Fund budget (\$3,932). The Borough has awarded the sale of said notes to Beneficial Bank MSD at a gross interest rate of 1.25% receiving a premium of \$72,582 producing a lower effective interest rate. These notes will mature on February 24, 2012.

**BOROUGH OF PARAMUS
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	2010	2009
ASSETS AND OTHER DEBITS		
Cash:		
Current Account	\$ 3,902,190	\$ 4,749,260
Current Account - Paramus Ambulance Corps.	\$ 3,148,325	\$ 2,038,114
Petty Cash Funds	500	500
Change Funds	450	450
	<u>\$ 7,051,465</u>	<u>\$ 6,788,324</u>
Intergovernmental Receivable:		
Due From State of New Jersey	\$ -	\$ -
Interfunds Receivable:		
Swimming Pool Utility Operating Fund	\$ -	\$ 1,358
Trust Fund - Claims Account	40,562	9,339
Golf Course Utility Operating Fund	7,662	16,870
Animal Control Trust Fund	75,752	75,673
General Capital Fund	11,063	-
Other Trust Fund	60,425	32,398
Social Security Trust Fund	3	-
Assessment Trust Fund	1,618	999
	<u>\$ 197,085</u>	<u>\$ 136,637</u>
Other Receivables:		
Delinquent Property Taxes Receivable	\$ 972,898	\$ 843,585
Tax Title Liens Receivable	2,196	1,946
Property Acquired for Taxes - Assessed Valuation	23,978	23,978
Revenue Accounts Receivable	-	86,687
	<u>\$ 999,072</u>	<u>\$ 956,196</u>
Other Assets:		
Central Supply Inventory	\$ -	\$ 46,116
Deferred Charges:		
Overexpenditures	\$ 8,639	\$ -
Special Emergency Authorizations (40A:4-53)	-	-
	<u>\$ 8,639</u>	<u>\$ -</u>
Total Assets and Other Debits	<u>\$ 8,256,261</u>	<u>\$ 7,927,273</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Interfunds Payable:		
Swimming Pool Utility Operating Fund	\$ 13,724	\$ -
General Capital Fund	593,560	311,545
	<u>\$ 607,284</u>	<u>\$ 311,545</u>
Accounts Payable	\$ -	\$ -
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 2,847,746	\$ 3,436,960
Reserve for Encumbrances	112,528	145,005
Prepaid Revenues	-	41,685
Reserve for Third Party Tax Title Liens	44,079	118,215
Pre-Paid Taxes	603,344	863,260
Tax Overpayments	5,375	7,932
Reserve for Due to State of NJ - Veterans & Senior Citizen Deductions	-	5,706
	<u>\$ 3,613,072</u>	<u>\$ 4,618,763</u>
Intergovernmental Payable		
Due County for Added & Omitted Taxes	\$ 25,681	\$ 139,075
Due County for Added & Omitted Open Space Taxes	346	-
Due to State of New Jersey	30,067	26,887
	<u>\$ 56,094</u>	<u>\$ 165,962</u>
Reserve for Receivables and Other Assets	\$ 1,196,157	\$ 1,138,949
Fund Balance	<u>\$ 2,783,654</u>	<u>\$ 1,692,054</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 8,256,261</u>	<u>\$ 7,927,273</u>

**BOROUGH OF PARAMUS
CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
Year Ended December 31, 2010**

	Budget As Modified	Realized	Excess/ (Deficit)
REVENUES			
Fund Balance Anticipated	\$ 600,000	\$ 600,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 85,000	\$ 98,623	\$ 13,623
Other Licenses	180,000	205,850	25,850
Fees and Permits	200,000	233,295	33,295
Municipal Court Fines and Costs	900,000	801,671	(98,329)
Interest and Costs on Taxes	180,000	208,976	28,976
Interest on Investments and Deposits	113,000	85,632	(27,368)
Consolidated Municipal Property Tax Relief	616,911	616,911	-
Energy Receipts Tax	3,439,398	3,439,398	-
Uniform Construction Code Fees	990,000	1,362,039	372,039
Oradell BORO - Garbage & Trash Removal Service	232,000	214,548	(17,452)
Oradell BORO - Recycling Service	36,000	36,000	-
Rochelle Park TWP - Garbage & Trash Removal Service	303,000	401,203	98,203
911 Services	36,000	36,122	122
Clean Communities Program	38,996	38,996	-
Safe & Secure Grant	60,000	60,000	-
Municipal Alliance on Alcoholism and Drug Abuse	15,759	15,759	-
Edward Byrne Memorial Justice Assistance Grant	43,175	43,175	-
Uniform Fire Safety Act	120,000	148,759	28,759
Sewer User Charges	1,650,000	1,630,764	(19,236)
Hotel Occupancy Tax	350,000	389,619	39,619
Ambulance Fees	925,000	1,092,481	167,481
Business Licencing Fees	440,000	426,713	(13,287)
Cablevision Franchise Fee	262,000	262,219	219
Employee Health Insurance Contribution	100,000	100,000	-
Total Miscellaneous Revenues	<u>\$ 11,316,239</u>	<u>\$ 11,948,753</u>	<u>\$ 632,514</u>
Receipts From Delinquent Taxes	<u>\$ 825,000</u>	<u>\$ 843,585</u>	<u>\$ 18,585</u>
Amount to be Raised by Taxation for Municipal Budget	<u>\$ 43,969,263</u>	<u>\$ 44,707,834</u>	<u>\$ 738,571</u>
Total Revenues	<u>\$ 56,710,502</u>	<u>\$ 58,100,172</u>	<u>\$ 1,389,670</u>

**BOROUGH OF PARAMUS
CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
Year Ended December 31, 2010**

	Budget As Modified	Realized	Excess/ (Deficit)
<u>OTHER CREDITS TO INCOME</u>			
Miscellaneous Revenues Not Anticipated	\$ -	\$ 191,365	\$ 191,365
Unexpended Balances of Appropriation Reserves	-	263,610	263,610
Interfund Loans Returned	-	7,467	7,467
Unexpended Balances Cancelled	-	62,816	62,816
Cancellations & Non-Cash Adjustments	-	31,609	31,609
Taxes Allocated to School and County:			
Local District School Tax	69,062,075	69,062,075	-
County Tax Levy	17,904,485	17,904,485	-
County Open Space	233,089	233,089	-
Municipal Open Space Preservation	-	-	-
Added County Taxes	25,681	25,681	-
Added County Open Space	346	346	-
Added Municipal Open Space	-	-	-
Total Other Credits to Income	<u>\$ 87,225,676</u>	<u>\$ 87,782,543</u>	<u>\$ 556,867</u>
Total Revenues and Other Credits to Income	<u>\$ 143,936,178</u>	<u>\$ 145,882,715</u>	<u>\$ 1,946,537</u>

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010

	Appropriated		Expended		Unexpended	
	2010 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS"						
<u>General Government Functions</u>						
General Administration:						
Salaries and Wages	\$ 208,000	\$ 208,000	\$ 146,461	\$ 61,539	\$ -	\$ -
Other Expenses	13,000	13,000	5,337	7,663	-	-
Other Expenses - Equipment Maintenance	39,000	39,000	34,198	4,802	-	-
Other Expenses - Grants Consultant	20,000	20,000	20,000	-	-	-
Mayor and Council:						
Salaries and Wages	26,000	36,000	35,250	750	-	-
Other Expenses	27,000	25,000	22,070	2,930	-	-
Municipal Clerk:						
Salaries and Wages	167,000	167,000	161,920	5,080	-	-
Other Expenses	57,000	59,500	57,743	1,757	-	-
Other Expenses - Codification of Ordinances	1,000	1,000	-	1,000	-	-
Financial Administration:						
Salaries and Wages	346,000	346,400	345,144	1,256	-	-
Audit Services:						
Other Expenses	85,000	85,000	7,360	77,640	-	-
Revenue Administration:						
Salaries and Wages	155,000	140,000	134,817	5,183	-	-
Other Expenses	19,000	19,000	25,890	-	-	6,890
Tax Assessment Administration:						
Salaries and Wages	190,000	190,000	188,089	1,911	-	-
Other Expenses	13,500	13,500	10,601	2,899	-	-
Legal Services:						
Salaries and Wages	30,000	30,100	30,000	100	-	-
Other Expenses	525,000	525,000	460,995	64,005	-	-
Other Expenses - Zoning Appeals	12,000	12,000	5,487	6,513	-	-
Engineering Services:						
Other Expenses	19,000	19,000	13,841	5,159	-	-
<u>Land Use Administration</u>						
Planning Board:						
Salaries and Wages	120,000	120,000	119,337	663	-	-
Other Expenses	19,500	46,500	28,944	17,556	-	-
<u>Insurance</u>						
General Liability	637,000	637,000	613,865	23,135	-	-
Contribution to Insurance Fund	500,000	500,000	252,393	247,607	-	-
Worker Compensation Insurance	50,000	50,000	49,960	40	-	-
Employee Group Health	5,963,900	5,963,900	5,744,295	219,605	-	-

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010

	Appropriated		Expended		Unexpended	
	2010 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS" (Continued)						
<u>Public Safety Functions</u>						
Police:						
Salaries and Wages	\$ 13,188,000	\$ 13,143,000	\$ 12,798,660	\$ 344,340	\$ -	\$ -
Other Expenses	100,000	110,000	72,112	37,888	-	-
Other Expenses - Clothing Allowance	60,000	60,000	59,700	300	-	-
Other Expenses - Purchase of Police Cars	30,000	30,000	13,137	16,863	-	-
Office of Emergency Management:						
Salaries and Wages	113,500	113,500	110,379	3,121	-	-
Other Expenses	20,000	20,000	16,052	3,948	-	-
Rescue Squad:						
Salaries and Wages	7,900	7,900	7,900	-	-	-
Salaries and Wages - Clothing Allowance	7,000	7,000	7,000	-	-	-
Salaries and Wages - Stipends	120,000	120,000	94,000	26,000	-	-
Other Expenses - Purchase of Police Cars	20,044	20,044	21,793	-	-	1,749
Fire Department:						
Salaries and Wages	27,000	30,000	30,000	-	-	-
Salaries and Wages - Clothing Allowance	31,500	31,500	29,000	2,500	-	-
Salaries and Wages - Stipends	480,000	480,000	327,000	153,000	-	-
Other Expenses	107,950	107,950	99,898	8,052	-	-
Ambulance Corps:						
Salaries and Wages	800,000	800,000	757,119	42,881	-	-
Other Expenses	70,000	70,000	52,759	17,241	-	-
Uniform Fire Safety Act:						
Salaries and Wages	375,000	379,000	376,772	2,228	-	-
Other Expenses	11,500	11,500	9,815	1,685	-	-
<u>Public Works Functions</u>						
Streets and Road Maintenance:						
Salaries and Wages	892,000	892,000	828,295	63,705	-	-
Other Expenses	95,000	95,000	50,614	44,386	-	-
Traffic Maintenance:						
Salaries and Wages	203,000	203,000	181,688	21,312	-	-
Other Expenses	28,000	28,000	15,896	12,104	-	-
Shade Tree Commission:						
Salaries and Wages	1,123,000	1,123,000	1,067,216	55,784	-	-
Other Expenses	50,000	50,000	40,490	9,510	-	-
Sewer:						
Salaries and Wages	370,000	370,000	348,765	21,235	-	-
Other Expenses	167,000	179,000	173,702	5,298	-	-
Solid Waste Collection:						
Salaries and Wages	1,410,000	1,410,000	1,180,761	229,239	-	-
Other Expenses	22,000	22,000	13,754	8,246	-	-
Buildings and Grounds:						
Salaries and Wages	358,000	332,600	296,379	36,221	-	-
Other Expenses	155,000	155,000	110,445	44,555	-	-
Vehicle Maintenance:						
Salaries and Wages	760,000	760,000	751,992	8,008	-	-
Other Expenses	498,000	498,000	367,794	130,206	-	-
<u>Health and Human Services</u>						
Public Health Services:						
Salaries and Wages	644,000	644,000	595,383	48,617	-	-
Other Expenses	45,000	45,000	33,097	11,903	-	-
Animal Control:						
Salaries and Wages	30,000	30,000	29,903	97	-	-
Other Expenses	20,000	20,000	10,594	9,406	-	-
Administration of Public Assistance						
Salaries and Wages	63,000	63,000	62,342	658	-	-
Other Expenses	500	900	858	42	-	-

**BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010**

<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>	
<u>2010</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>	<u>Overexpended</u>
<u>Budget</u>	<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>	

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010

	Appropriated		Expended		Unexpended	
	2010 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - WITHIN "CAPS" (Continued)						
<u>Park and Recreation Functions</u>						
Recreational Services & Programs						
Salaries and Wages	\$ 345,000	\$ 345,000	\$ 299,312	\$ 45,688	\$ -	\$ -
Other Expenses	80,000	80,000	79,915	85	-	-
Senior Citizens Activities						
Salaries and Wages	95,000	95,000	78,826	16,174	-	-
Other Expenses	17,000	17,000	9,280	7,720	-	-
Landfill/Solid Waste Disposal Costs						
Other Expenses	617,000	617,000	607,859	9,141	-	-
<u>Municipal Court</u>						
Municipal Court Administration:						
Salaries and Wages	444,000	470,000	467,349	2,651	-	-
Other Expenses	143,000	128,000	119,118	8,882	-	-
<u>Code Enforcement Administration</u>						
Uniform Construction Code Enforcement Functions:						
Salaries and Wages	519,500	519,500	517,765	1,735	-	-
Other Expenses	170,000	170,000	126,100	43,900	-	-
<u>Utility Expenses and Bulk Purchases</u>						
Electricity	570,000	570,000	440,723	129,277	-	-
Street Lighting	570,000	570,000	454,141	115,859	-	-
Telephone	160,000	160,000	147,106	12,894	-	-
Water	62,000	62,000	61,852	148	-	-
Fire Hydrant Service	432,000	439,000	401,238	37,762	-	-
Gasoline	485,000	485,000	429,574	55,426	-	-
Total Operations - Within "CAPS"	\$ 36,455,294	\$ 36,455,294	\$ 33,797,219	\$ 2,666,714	\$ -	\$ 8,639
Contingent	-	-	-	-	-	-
Total Operations Including Contingent - Within	\$ 36,455,294	\$ 36,455,294	\$ 33,797,219	\$ 2,666,714	\$ -	\$ 8,639
Detail:						
Salaries and Wages	\$ 23,648,400	\$ 23,606,500	\$ 22,404,824	\$ 1,201,676	\$ -	\$ -
Other Expenses	\$ 12,806,894	\$ 12,848,794	\$ 11,392,395	\$ 1,465,038	\$ -	\$ 8,639

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010

	Appropriated		Expended		Unexpended	
	2010 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAPS"						
<u>Deferred Charges</u>						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deficit in Animal Control Fund	-	-	-	-	-	-
Overexpenditures of Appropriations	-	-	-	-	-	-
Expenditure Without Appropriation	-	-	-	-	-	-
Water Utility	-	-	-	-	-	-
<u>Statutory Expenditures</u>						
Public Employees' Retirement System	534,329	534,329	534,165	164	-	-
Social Security System (O.A.S.I.)	1,060,000	1,060,000	967,286	92,714	-	-
Police and Firemen's Retirement System	1,340,905	1,340,905	1,340,905	-	-	-
Defined Contribution Retirement Program	1,000	1,000	-	1,000	-	-
Total Deferred Charges and Statutory Expenditures	\$ 2,936,234	\$ 2,936,234	\$ 2,842,356	\$ 93,878	\$ -	\$ -
Total General Appropriations for Municipal Purposes	\$ 39,391,528	\$ 39,391,528	\$ 36,639,575	\$ 2,760,592	\$ -	\$ 8,639

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010

	Appropriated		Expended		Unexpended	
	2010 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - EXCLUDED FROM "CAPS"						
<u>Insurance</u>						
Employee Group Insurance	\$ 786,100	\$ 786,100	\$ 786,100	\$ -	\$ -	\$ -
<u>Statutory Expenditures</u>						
Public Employees Retirement System	523,202	523,202	523,202	-	-	-
Police & Firemen's Retirement System	1,199,831	1,199,831	1,199,831	-	-	-
Defined Contribution Retirement Plan	-	-	-	-	-	-
Police & Firemen's Retirement System	-	-	-	-	-	-
<u>Utility Expenses & Bulk Purchases</u>						
Sewerage Processing & Disposal						
Other Expenses	3,045,878	3,045,878	3,045,877	1	-	-
<u>Education</u>						
Maintenance of Free Public Library - Salary & '	-	-	-	-	-	-
Maintenance of Free Public Library - Other	3,076,735	3,076,735	3,076,735	-	-	-
<u>Interlocal Service Agreements</u>						
Oradell BORO - Garbage & Trash Removal Se	268,000	268,000	211,246	56,754	-	-
Rochelle Park TWP - Garbage & Trash Remov	303,000	303,000	282,601	20,399	-	-
<u>Public and Private Programs Offset by Revenues</u>						
Cash Match for Grants	10,000	10,000	-	10,000	-	-
Municipal Alliance on Alcoholism and Drug Ab	15,759	15,759	15,759	-	-	-
Municipal Alliance on Alcoholism and Drug Ab	3,940	3,940	3,940	-	-	-
Safe & Secure Community Program	60,000	60,000	60,000	-	-	-
Clean Communities Program	38,996	38,996	38,996	-	-	-
Edward Byrne Memorial Justice Assistance Gr	43,175	43,175	43,175	-	-	-
Total Operations Excluded from "CAPS"	\$ 9,374,616	\$ 9,374,616	\$ 9,287,462	\$ 87,154	\$ -	\$ -
<u>Detail:</u>						
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 9,374,616	\$ 9,374,616	\$ 9,287,462	\$ 87,154	\$ -	\$ -

BOROUGH OF PARAMUS
 CURRENT FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010

	Appropriated		Expended		Unexpended	
	2010 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -
Total Capital Improvements - Excluded From "	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -
DEBT SERVICE - EXCLUDED FROM "CAPS"						
<u>Municipal Debt Service</u>						
Bond Principal	\$ 2,125,000	\$ 2,125,000	\$ 2,125,000	\$ -	\$ -	\$ -
Bond Interest	1,080,914	1,080,914	1,080,914	-	-	-
Payment of Bond Anticipation Notes	2,218,000	2,218,000	2,217,014	-	986	-
Note Interest	214,000	214,000	213,988	-	12	-
<u>Green Trust & Wastewater Loan Programs:</u>						
Loan Repayments of Principal and Interest	165,461	165,461	103,643	-	61,818	-
Total Debt Service - Excluded From "CAPS"	\$ 5,803,375	\$ 5,803,375	\$ 5,740,559	\$ -	\$ 62,816	\$ -
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Charges to Future Taxation-Unfunde	-	-	-	-	-	-
Special Emergency Authorizations - 5 Years (†)	-	-	-	-	-	-
Total General Appropriations for Municipal Pur	\$ 15,277,991	\$ 15,277,991	\$ 15,128,021	\$ 87,154	\$ 62,816	\$ -
Subtotal General Appropriations	\$ 54,669,519	\$ 54,669,519	\$ 51,767,596	\$ 2,847,746	\$ 62,816	\$ 8,639
Reserve for Uncollected Taxes	2,040,983	2,040,983	2,040,983	-	-	-
Total General Appropriations	\$ 56,710,502	\$ 56,710,502	\$ 53,808,579	\$ 2,847,746	\$ 62,816	\$ 8,639
Budget Appropriations - Adopted Budget	\$ 56,667,327	\$ 56,667,327				
Budget Appropriations - Added by <u>N.J.S. 40A:</u>	43,175	43,175				
Emergency Appropriations	-	-				
	\$ 56,710,502	\$ 56,710,502				
Other Charges to Income:						
Interfund Advances Originating in Current Year	\$ -	\$ -	\$ 74,101			
Refund of Prior Year's Revenue	-	-	180,836			
Taxes Allocated to School and County:						
Local District School Tax		69,062,075	69,062,075			
County Tax Levy		17,904,485	17,904,485			
County Open Space		233,089	233,089			
Municipal Open Space Preservation		-	-			
Added County Taxes		25,681	25,681			
Added County Open Space		346	346			
Added Municipal Open Space		-	-			
		\$ 87,225,676	\$ 87,480,613			

**BOROUGH OF PARAMUS
 FEDERAL & STATE GRANT FUND
 STATEMENT OF ASSETS, LIABILITIES AND RESERVES - STATUTORY BASIS**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ (60,000)	\$ (42,844)
Intergovernmental Receivable:		
Grants Receivable	\$ 103,175	\$ 76,187
Total Assets	<u>\$ 43,175</u>	<u>\$ 33,343</u>
<u>LIABILITIES AND RESERVES</u>		
Other Liabilities and Reserves:		
Appropriated Reserves	\$ 43,175	\$ 7,565
Unappropriated Reserves	-	25,778
	<u>\$ 43,175</u>	<u>\$ 33,343</u>
Total Liabilities and Reserves	<u>\$ 43,175</u>	<u>\$ 33,343</u>

BOROUGH OF PARAMUS
 FEDERAL & STATE GRANT FUND
 STATEMENT OF GRANTS RECEIVABLE
 Year Ended December 31, 2010

Program	Balance December 31, 2009	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2010
<u>Federal:</u>						
Edward J. Byrne Memorial Justice Assistance Grant	\$ -	\$ 43,175	\$ -	\$ -	\$ -	\$ 43,175
<u>State:</u>						
Clean Communities Program	\$ -	\$ 38,996	\$ 38,996	\$ -	\$ -	-
Municipal Alliance on Alcoholism & Drug Abuse	46,187	15,759	14,778	-	(47,168)	-
Safe & Secure Community Grant	30,000	60,000	28,205	-	(1,795)	60,000
	<u>\$ 76,187</u>	<u>\$ 114,755</u>	<u>\$ 81,979</u>	<u>\$ -</u>	<u>\$ (48,963)</u>	<u>\$ 60,000</u>
<u>Other:</u>						
None	\$ -	\$ -	\$ -	\$ -	\$ -	-
Grand Total	<u>\$ 76,187</u>	<u>\$ 157,930</u>	<u>\$ 81,979</u>	<u>\$ -</u>	<u>\$ (48,963)</u>	<u>\$ 103,175</u>

BOROUGH OF PARAMUS
 FEDERAL & STATE GRANT FUND
 STATEMENT OF APPROPRIATED RESERVES
 Year Ended December 31, 2010

Program	Balance December 31, 2009	Budget	Paid or Charged	Adjustments	Balance December 31, 2010
<u>Federal:</u>					
COPS Fast Grant	2,410	-	-	(2,410)	-
Stormwater Management	5,155	-	-	(5,155)	-
Edward J. Byrne Memorial Justice Assistance Grant	-	43,175	-	-	43,175
	<u>\$ 7,565</u>	<u>\$ 43,175</u>	<u>\$ -</u>	<u>\$ (7,565)</u>	<u>\$ 43,175</u>
<u>State:</u>					
Clean Communities Program	-	\$ 38,996	\$ 38,996	-	-
Municipal Alliance on Alcoholism and Drug Abuse - State	-	15,759	6,787	(8,972)	-
Municipal Alliance on Alcoholism and Drug Abuse - Local	-	3,940	1,428	(2,512)	-
Safe & Secure Community Grant	-	60,000	60,000	-	-
	<u>\$ -</u>	<u>\$ 118,695</u>	<u>\$ 107,211</u>	<u>\$ (11,484)</u>	<u>\$ -</u>
<u>Other:</u>					
None	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Grand Total	<u>\$ 7,565</u>	<u>\$ 161,870</u>	<u>\$ 107,211</u>	<u>\$ (19,049)</u>	<u>\$ 43,175</u>

BOROUGH OF PARAMUS
 FEDERAL & STATE GRANT FUND
 STATEMENT OF UNAPPROPRIATED RESERVES
 Year Ended December 31, 2010

Program	Balance December 31, 2009	Appropriated in 2010	Received in 2010	Adjustments	Balance December 31, 2010
<u>State:</u>					
Clean Communities Program	\$ 8,086	\$ -	\$ -	\$ (8,086)	\$ -
Safe & Secure Community Grant	17,692	-	-	(17,692)	-
	<u>\$ 25,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,778)</u>	<u>\$ -</u>

**BOROUGH OF PARAMUS
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES & FUND BALANCE - STATUTORY BASIS**

	2010	2009
ASSETS		
Cash:		
Trust & Escrow Deposit Account	\$ 9,889,525	\$ 8,867,825
Property & General Liability Self-Insurance Trust Account	32,000	132,320
Unemployment Trust Account	109,909	121,135
Social Security Trust Account	9,308	9,299
Workmen's Compensation Insurance Claims Trust Account	486,259	255,608
Vision Self-Insurance Trust Account	51,710	77,000
Net Payroll Account	596,365	-
Claims Account I	149,402	-
Claims Account II	70,480	-
Animal Control Account	83,006	89,450
COAH Trust Fund	6,211,614	6,425,018
	<u>\$ 17,689,578</u>	<u>\$ 15,977,655</u>
Interfund Receivable:		
Claims (Trust & Escrow)	\$ 45,835	\$ 27,963
Net Payroll (Unemployment Trust)	35,099	35,099
Swimming Pool Utility Capital (Claims)	6,242	6,242
General Capital (Claims)	777	777
	<u>\$ 87,953</u>	<u>\$ 70,081</u>
Other Assets:		
Accrued Interest on Mortgage Receivable	\$ 122,636	\$ 122,636
Mortgage Receivable - A.H.B.P., LP	990,998	990,998
Due From Borough Clerk Account (Animal Control)	5,205	5,205
	<u>\$ 1,118,839</u>	<u>\$ 1,118,839</u>
Total Assets	<u>\$ 18,896,370</u>	<u>\$ 17,166,575</u>
LIABILITIES AND RESERVES		
Interfunds Payable:		
Current Fund (Animal Control)	\$ 75,752	\$ 75,673
Current Fund (Trust & Escrow)	60,425	32,398
Current Fund (Claims)	40,562	69,338
Current Fund (Social Security)	3	-
Golf Course Utility Operating (Claims)	12,514	-
Golf Course Utility Capital (Claims)	787	-
Swimming Pool Utility Operating (Claims)	18,735	-
Trust & Escrow (Claims)	45,835	-
Unemployment Trust (Net Payroll)	35,099	35,099
	<u>\$ 289,712</u>	<u>\$ 212,508</u>
Intergovernmental Payable:		
State of N.J.	\$ 13,715	\$ 13,715
Other Liabilities and Reserves:		
Net Payroll Payable	\$ 561,266	\$ -
Tax Title Lien Premiums Payable	81,500	89,300
Reserve for Claim Account Expenditures	108,466	-
Reserve for Animal Control Expenditures	12,248	18,772
Reserve for Developers' Escrow & Other Deposits	9,793,437	8,676,613
Reserve for Property Self-Insurance Claims	47,237	85,916
Reserve for General Liability Self-Insurance Claims	(15,237)	46,404
Reserve for Unemployment Claims	131,504	142,729
Reserve for Social Security Expenditures	9,305	9,299
Reserve for Workmen's Compensation Claims	486,259	255,608
Reserve for Vision Claims	51,710	77,000
Reserve for COAH Expenditures	6,211,614	6,425,018
Reserve for Accrued Interest Receivable	122,636	122,636
Reserve for Mortgage Receivable	990,998	990,998
	<u>\$ 18,582,943</u>	<u>\$ 16,940,293</u>
Fund Balance:		
Trust & Escrow	-	59
	<u>\$ -</u>	<u>\$ 59</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 18,896,370</u>	<u>\$ 17,166,575</u>

**BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	2010	2009
ASSETS		
Cash:		
General Capital Account	\$ 343,844	\$ 1,405,625
Green Trust Account	474,826	470,996
	<u>\$ 818,670</u>	<u>\$ 1,876,621</u>
Interfund Receivable:		
Current Fund	\$ 593,560	\$ 311,545
	<u>\$ 593,560</u>	<u>\$ 311,545</u>
Intergovernmental Receivable:		
Grants Receivable	\$ 983,799	\$ 626,888
Due From Board Of Education (#10-07)	743	-
	<u>\$ 984,542</u>	<u>\$ 626,888</u>
Deferred Charges:		
Funded	\$ 24,339,924	\$ 26,554,541
Unfunded	16,847,722	17,461,236
	<u>\$ 41,187,646</u>	<u>\$ 44,015,777</u>
Prospective Assessments Raised by Taxation	\$ 14,250	\$ 14,250
Estimated Proceeds Bonds and Notes Authorized	\$ 4,341,658	\$ 2,738,158
Total Assets	<u>\$ 47,940,326</u>	<u>\$ 49,583,239</u>
LIABILITIES AND FUND BALANCE		
Interfund Payable:		
Trust Fund (Claims)	\$ 777	\$ 777
Current Fund	11,063	-
	<u>\$ 11,840</u>	<u>\$ 777</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 34,134	\$ 16,134
Reserve for Debt Service	395,491	373,297
Reserve for Oradell Sewer Connection	6,300	6,300
Reserve for Prospective Assessments Raised by Taxation	14,250	14,250
Reserve for Green Trust	140,345	136,516
Reserve for Amount Due to Community Development Program	3,654	3,654
Reserve for Grants Receivable	-	132,500
	<u>\$ 594,174</u>	<u>\$ 682,651</u>
Improvement Authorizations:		
Funded	\$ 2,606,971	\$ 2,094,671
Unfunded	3,501,732	2,697,048
	<u>\$ 6,108,703</u>	<u>\$ 4,791,719</u>
Serial/Refunding Bonds Payable	<u>\$ 23,945,000</u>	<u>\$ 26,070,000</u>
Bond Anticipation Notes Payable	<u>\$ 12,506,064</u>	<u>\$ 14,723,078</u>
Bonds and Notes Authorized but Not Issued	<u>\$ 4,341,658</u>	<u>\$ 2,738,158</u>
Loans Payable	<u>\$ 394,924</u>	<u>\$ 484,542</u>
Fund Balance	<u>\$ 37,963</u>	<u>\$ 92,314</u>
Total Liabilities and Reserves	<u>\$ 47,940,326</u>	<u>\$ 49,583,239</u>

BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF LOANS PAYABLE
Year Ended December 31, 2010

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2009</u>	<u>Issued In 2010</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2010</u>
1/1/91 Wastewater Treatment Trust Loan	\$ 390,599	\$ 38,317	\$ -	\$ 19,078	\$ 19,239
1/1/91 Wastewater Treatment Trust Loan	\$ 387,000	65,251	-	31,500	33,751
1998 Green Trust Loan	\$ 750,000	380,974	-	39,040	341,934
		<u>\$ 484,542</u>	<u>\$ -</u>	<u>\$ 89,618</u>	<u>\$ 394,924</u>

**BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2010**

Improvement	Balance	Receipts Applied	BANS Paid By Budget	Serial Bonds Issued	Cancellations	Balance	Outstanding BANS	Analysis of Balance	
	December 31, 2009					December 31, 2010		B&N Authorized	Capital Cash
General Improvements									
#86-17 Various Public Improvements	\$ 3,650	\$ -	\$ -	-	\$ -	\$ 3,650	\$ -	\$ 3,650	\$ -
#91-26 Improvements to Sewer System PH 5	1,597	-	-	-	-	1,597	-	1,597	-
#96-15 Library /Public Safety Equipment	520	-	-	-	-	520	-	520	-
#97-08 Acquisition of Land	843,968	-	-	-	-	843,968	-	843,968	-
#87-15 Life Safety Complex	764	-	-	-	-	764	-	764	-
#02-31 Pension Refunding	105,000	-	-	-	-	105,000	-	105,000	-
#03-17 Various Public Improvements	54	-	-	-	-	54	-	54	-
#04-01 Acquisition of Fire Truck	400	-	-	-	-	400	-	400	-
#06-01 Refunding Tax Appeals	5,400,000	-	(1,700,000)	-	-	3,700,000	3,700,000	-	-
#06-15 Various Public Improvements	1,660,380	-	(87,873)	-	-	1,572,507	1,572,507	-	-
#07-08 Various Public Improvements	280,250	-	(15,440)	-	-	264,810	264,810	-	-
#07-17 Refunding Bond Ordinance	235,060	-	-	-	-	235,000	-	235,000	-
#07-22 Various Public Improvements	1,558,448	-	(78,701)	-	-	1,479,747	1,479,747	-	-
#07-35 Refunding Tax Appeals	2,200,000	-	(35,000)	-	-	2,165,000	2,140,000	25,000	-
#08-33 Various Public Improvements	2,004,000	-	-	-	-	2,004,000	2,004,000	-	-
#08-41 Refunding Tax Appeals	920,000	-	-	-	-	920,000	920,000	-	-
#09-04 Municipal Pool Environmental Remediation	725,000	-	(300,000)	-	-	425,000	425,000	-	-
#09-12 Various Public Improvements	523,800	-	-	-	-	523,800	-	523,800	-
#10-09 2010 Road Improvement Program	960,000	-	-	-	-	960,000	-	960,000	-
#10-10 Emergency Services Communication Tower	-	570,000	-	-	-	570,000	-	570,000	-
#10-11 Various Public Improvements	-	238,000	-	-	-	238,000	-	238,000	-
		795,500	-	-	-	795,500	-	795,500	-
	\$ 17,422,831	\$ 1,603,500	\$ (2,217,014)	-	\$ -	\$ 16,809,317	\$ 12,506,064	\$ 4,303,253	\$ -
Local Improvements									
#87-23 Construction of Concrete Curbs	\$ 27,655	\$ -	\$ -	-	\$ -	\$ 27,655	\$ -	\$ 27,655	\$ -
#89-26 Sidewalk Improvements	10,750	-	-	-	-	10,750	-	10,750	-
	\$ 38,405	\$ -	\$ -	-	\$ -	\$ 38,405	\$ -	\$ 38,405	\$ -
Total	\$ 17,461,236	\$ 1,603,500	\$ (2,217,014)	-	\$ -	\$ 16,847,722	\$ 12,506,064	\$ 4,341,658	\$ -

BOROUGH OF PARAMUS
 GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 Year Ended December 31, 2010

Description	Balance - January 1, 2010		Capital Improvement Fund	Capital Surplus	Grants	From BOE	Bonds & Notes Authorized	Expended	Refunded	Cancellations	Balance - December 31, 2010	
	Funded	Unfunded									Funded	Unfunded
#96-15 Acquisition of Equipment	\$ 3,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,914	\$ -
#97-08 Acquisition of Land	333,269	843,968	-	-	-	-	-	-	-	-	333,269	843,968
#97-15 Life Safety Complex	18,318	764	-	-	-	-	-	-	-	-	18,318	764
#97-21 Improvements to Century Road	181,675	-	-	-	-	-	-	-	-	-	181,675	-
#97-22 Barrier Free Improvements	57	-	-	-	-	-	-	-	-	-	57	-
#98-19 Various Public Improvements	31,270	-	-	-	-	-	-	-	-	-	31,270	-
#98-11 Various Public Improvements	1	-	-	-	-	-	-	-	-	-	1	-
#99-12 Sports Complex	5,885	-	-	-	-	-	-	-	-	-	5,885	-
#00-12 Various Public Improvements	69,545	-	-	-	-	-	-	-	-	-	69,545	-
#01-19 Various Public Improvements	155,573	-	-	-	-	-	17,550	-	-	-	138,023	-
#01-28 Acquisition of Land	152,665	-	-	-	-	-	-	-	-	-	152,665	-
#02-15 Various Public Improvements	175,818	-	-	-	-	-	31,897	-	-	-	143,921	-
#02-31 Refunding - Pension	22,896	105,000	-	-	-	-	-	-	-	-	22,896	105,000
#03-13 Construction of New Fire House	16,651	54	-	-	-	-	-	-	-	-	16,651	54
#03-17 Various Public Improvements	301,675	-	-	-	-	-	-	2,662	-	-	301,675	-
#04-11 Various Public Improvements	92,675	-	-	-	-	-	-	-	-	-	92,675	-
#04-19 Acquisition of Property	168,392	-	-	-	-	-	-	-	-	-	168,392	-
#05-24 Various Public Improvements	210,170	-	-	-	-	-	-	-	-	-	210,170	-
#06-01 Refunding - Tax Appeals	-	1,383	-	-	-	-	-	1,383	-	-	-	1,383
#08-15 Various Public Improvements	-	139,791	-	-	-	-	-	-	-	-	-	139,791
#07-09 Update 911 System	59,360	-	-	-	-	-	-	-	-	-	59,360	-
#07-17 Refunding - Tax Appeals	-	235,000	-	-	-	-	-	172,136	-	-	-	62,864
#07-22 Various Public Improvements	-	133,449	-	-	-	-	-	-	-	-	-	133,449
#07-30 Update 911 System	94,842	-	-	-	-	-	-	-	-	-	94,842	-
#07-35 Refunding - Tax Appeals	-	789	-	-	-	-	-	789	-	-	-	789
#08-33 Various Public Improvements	-	516,133	-	-	-	-	-	54,886	-	-	-	461,247
#08-37 Municipal Pool Environmental Remediation	-	991	-	-	-	-	-	-	-	-	-	991
#08-41 Refunding - Tax Appeals	-	80,500	-	-	-	-	-	80,500	-	-	-	80,500
#09-04 Municipal Pool Environmental Remediation	-	97,038	-	-	-	-	-	-	-	-	-	97,038
#09-12 Various Public Improvements	-	525,114	-	-	-	-	-	204,894	-	-	-	320,220
#672 - Local - Sewer Systeims - Stage 4	-	17,074	-	-	-	-	-	-	-	-	-	17,074
#10-07 Turf Field at Paramus HS	-	-	-	175,000	350,000	175,000	-	137,953	-	-	562,637	-
#10-09 Soldier Hill/2010 Road Improvements	-	-	-	200,000	200,000	-	570,000	476,533	-	-	-	323,467
#10-10 Emergency Services Communication Tower	-	-	-	12,000	-	-	238,000	49,695	-	-	-	200,305
#10-11 Various Public Improvements	-	-	-	40,000	-	-	795,500	38,228	-	-	1,772	795,500
	\$ 2,094,671	\$ 2,697,048	\$ 82,000	\$ 175,000	\$ 550,000	\$ 175,000	\$ 1,603,500	\$ 1,288,516	\$ -	\$ -	\$ 2,606,971	\$ 3,501,732

BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS PAYABLE
Year Ended December 31, 2010

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2009	Issued In 2010	Paid by Budget Appropriation	Balance December 31, 2010
8/1/99 General Improvement Bonds	\$ 8,818,000	\$ 475,000	\$ -	\$ 475,000	\$ -
7/15/02 General Improvement Bonds	13,235,000	8,805,000	-	1,050,000	7,755,000
3/1/03 Pension Refunding Bonds	2,395,000	2,205,000	-	75,000	2,130,000
9/1/05 General Improvement Bonds	10,480,000	9,320,000	-	485,000	8,835,000
9/10/07 Refunding Bonds	5,265,000	5,265,000	-	40,000	5,225,000
		<u>\$ 26,070,000</u>	<u>\$ -</u>	<u>\$ 2,125,000</u>	<u>\$ 23,945,000</u>

**BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2010**

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2009	Issued	Decreased	Budget Paydown	Balance December 31, 2010
<u>9-1</u>										
#08-37 Municipal Pool Environmental Remediation	\$ 920,000	2/26/2009	02/26/09	02/26/10	2.25%	\$ 920,000	\$ -	\$ 920,000	\$ -	\$ -
<u>9-2R</u>										
#06-01 Refunding Tax Appeals	8,650,000	6/20/2006	04/15/09	04/15/10	1.50%	5,400,000	-	3,700,000	1,700,000	-
#06-15 Various Public Improvements	1,710,000	8/10/2007	05/11/09	05/11/10	1.25%	1,660,380	-	1,572,507	87,873	-
#07-08 Various Public Improvements	280,250	8/10/2007	05/11/09	05/11/10	1.25%	280,250	-	264,810	15,440	-
#07-22 Various Public Improvements	1,602,175	8/10/2007	05/11/09	05/11/10	1.25%	1,558,448	-	1,479,747	78,701	-
#07-35 Refunding Tax Appeals	2,200,000	4/15/2008	04/15/09	04/15/10	1.50%	2,175,000	-	2,140,000	35,000	-
#08-33 Various Public Improvements	2,004,000	11/13/2008	05/11/09	05/11/10	1.25%	2,004,000	-	2,004,000	-	-
#08-41 Refunding Tax Appeals	725,000	4/15/2009	04/15/09	04/15/10	1.50%	725,000	-	425,000	300,000	-
						\$13,803,078	\$ -	\$11,586,064	\$ 2,217,014	\$ -
						\$14,723,078	\$ -	\$12,506,064	\$ 2,217,014	\$ -
<u>10-1R</u>										
#08-37 Municipal Pool Environmental Remediation	\$ 920,000	2/26/2009	02/26/10	02/25/11	1.50%	\$ -	\$ 920,000	\$ -	\$ -	\$ 920,000
<u>10-2R</u>										
#06-01 Refunding Tax Appeals	8,650,000	6/20/2006	04/07/10	02/25/11	1.50%	-	3,700,000	-	-	3,700,000
#06-15 Various Public Improvements	1,710,000	8/10/2007	04/07/10	02/25/11	1.50%	-	1,572,507	-	-	1,572,507
#07-08 Various Public Improvements	280,250	8/10/2007	04/07/10	02/25/11	1.50%	-	264,810	-	-	264,810
#07-22 Various Public Improvements	1,602,175	8/10/2007	04/07/10	02/25/11	1.50%	-	1,479,747	-	-	1,479,747
#07-35 Refunding Tax Appeals	2,200,000	4/15/2008	04/07/10	02/25/11	1.50%	-	2,140,000	-	-	2,140,000
#08-33 Various Public Improvements	2,004,000	11/13/2008	04/07/10	02/25/11	1.50%	-	2,004,000	-	-	2,004,000
#08-41 Refunding Tax Appeals	725,000	4/15/2009	04/07/10	02/25/11	1.50%	-	425,000	-	-	425,000
						\$ -	\$11,586,064	\$ -	\$ -	\$11,586,064
						\$ -	\$12,506,064	\$ -	\$ -	\$12,506,064

BOROUGH OF PARAMUS
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2010

Improvement Description	Balance December 31, 2009	Authorized	BANs Issued	Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2010
General Improvements						
#86-17 Various Public Improvements	\$ 3,650	\$ -	\$ -	\$ -	\$ -	\$ 3,650
#96-15 Library /Public Safety Equipment	520	-	-	-	-	520
#97-08 Acquisition of Land	843,968	-	-	-	-	843,968
#97-15 Life Safety Complex	764	-	-	-	-	764
#91-26 Improvements to Sewer System PH 5	1,597	-	-	-	-	1,597
#02-31 Pension Refunding	105,000	-	-	-	-	105,000
#03-17 Various Public Improvements	54	-	-	-	-	54
#04-01 Acquisition of Fire Truck	400	-	-	-	-	400
#07-17 Refunding Bond Ordinance	235,000	-	-	-	-	235,000
#07-35 Refunding Tax Appeals	25,000	-	-	-	-	25,000
#09-04 Municipal Pool Environmental Remediation	523,800	-	-	-	-	523,800
#09-12 Various Public Improvements	960,000	-	-	-	-	960,000
#10-09 2010 Road Improvement Program	-	570,000	-	-	-	570,000
#10-10 Emergency Services Communication Tower	-	238,000	-	-	-	238,000
#10-11 Various Public Improvements	-	795,500	-	-	-	795,500
	<u>\$ 2,699,753</u>	<u>\$ 1,603,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,303,253</u>
Local Improvements						
#87-23 Construction of Concrete Curbs	\$ 27,655	\$ -	\$ -	\$ -	\$ -	\$ 27,655
#89-26 Sidewalk Improvements	10,750	-	-	-	-	10,750
	<u>\$ 38,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,405</u>
Total	<u>\$ 2,738,158</u>	<u>\$ 1,603,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,341,658</u>

**BOROUGH OF PARAMUS
GOLF COURSE UTILITY OPERATING FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 342,931	\$ 177,842
Change Funds	-	800
	<u>\$ 342,931</u>	<u>\$ 178,642</u>
Interfund Receivable:		
Golf Course Utility Capital Fund	\$ 68,397	\$ 63,015
Trust Fund - Claims Account	12,514	12,514
	<u>\$ 80,911</u>	<u>\$ 75,529</u>
Deferred Charges:		
Operating Deficit	\$ -	\$ 12,412
Overexpenditures		4,371
	<u>\$ -</u>	<u>\$ 16,783</u>
Total Assets	<u>\$ 423,842</u>	<u>\$ 270,954</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Reserve for Encumbrances	<u>\$ 8,861</u>	<u>\$ 32,916</u>
Interfund Payable:		
Current Fund	\$ 7,662	\$ 16,870
Golf Course Utility Capital Fund	75,837	-
	<u>\$ 83,499</u>	<u>\$ 16,870</u>
Other Liabilities and Reserves:		
Accrued Interest on Bonds	\$ 33,352	\$ 56,631
Accrued Interest on Notes	20,066	-
Sales Tax Payable	365	96
Appropriation Reserves	92,547	159,692
	<u>\$ 146,330</u>	<u>\$ 216,419</u>
Fund Balance	<u>\$ 185,152</u>	<u>\$ 4,749</u>
Total Liabilities and Reserves	<u>\$ 423,842</u>	<u>\$ 270,954</u>

**BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010**

	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ -	\$ -	\$ -
Membership Fees	\$ 159,000	\$ 232,163	\$ 73,163
Registration Fees	126,000	120,043	(5,957)
Golf Cart Rental Fees	248,000	263,828	15,828
Green Fees	1,211,000	1,189,918	(21,082)
Snack Bar Rental Fees	48,000	50,400	2,400
Miniature Golf Fees	223,000	168,240	(54,760)
	<u>\$ 2,015,000</u>	<u>\$ 2,024,592</u>	<u>\$ 9,592</u>
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	\$ -	\$ 146,071	\$ 146,071
Deficit (General Budget)	-	-	-
Unexpended Balances Cancelled	-	4,533	4,533
Miscellaneous Revenue Not Anticipated:			
Interest Income	-	6,867	6,867
Lost Cards	-	450	450
No-Show Golfers	-	670	670
Miscellaneous	-	12,220	12,220
	<u>\$ -</u>	<u>\$ 170,811</u>	<u>\$ 170,811</u>
Fund Balance - Golf Course Utility Capital	\$ -	\$ -	\$ -
Total Revenues and Credits to Income	<u>\$ 2,015,000</u>	<u>\$ 2,195,403</u>	<u>\$ 180,403</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010

	Appropriations		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpenditure
Operating:						
Salaries and Wages	\$ 875,000	\$ 925,000	\$ 886,360	\$ 38,640	\$ -	-
Other Expenses:	610,000	481,779	438,944	42,835	-	-
	<u>\$ 1,485,000</u>	<u>\$ 1,406,779</u>	<u>\$ 1,325,304</u>	<u>\$ 81,475</u>	<u>\$ -</u>	<u>-</u>
Capital Improvements:						
Capital Improvement Fund	\$ -	\$ -	\$ -	\$ -	\$ -	-
Capital Outlay	1,493	1,493	-	1,493	-	-
	<u>\$ 1,493</u>	<u>\$ 1,493</u>	<u>\$ -</u>	<u>\$ 1,493</u>	<u>\$ -</u>	<u>-</u>
Debt Service:						
Payment of Bonds	\$ 320,000	\$ 320,000	\$ 320,000	\$ -	\$ -	-
Payment of BAN's & Capital Notes	-	75,837	75,837	-	-	-
Interest on Bonds	89,214	91,599	91,599	-	-	-
Interest on Notes	27,976	27,976	27,976	-	-	-
	<u>\$ 437,190</u>	<u>\$ 515,412</u>	<u>\$ 515,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Statutory Expenditures:						
Social Security System	\$ 70,000	\$ 70,000	\$ 60,421	\$ 9,579	\$ -	-
	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 60,421</u>	<u>\$ 9,579</u>	<u>\$ -</u>	<u>-</u>
Deficit in Operations in Prior Years	\$ 21,316	\$ 21,316	\$ 16,783	\$ -	\$ 4,533	-
Total Appropriations	<u>\$ 2,014,999</u>	<u>\$ 2,015,000</u>	<u>\$ 1,917,920</u>	<u>\$ 92,547</u>	<u>\$ 4,533</u>	<u>-</u>
Other Charges to Income:						
Refund of Prior Year's Revenue			<u>\$ -</u>			

**BOROUGH OF PARAMUS
GOLF COURSE UTILITY CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 963,143	\$ 1,058,498
	<u>\$ 963,143</u>	<u>\$ 1,058,498</u>
Interfund Receivable:		
Trust Fund - Claims Account	\$ 787	\$ 787
Golf Course Utility Operating Fund	75,837	-
	<u>\$ 76,624</u>	<u>\$ 787</u>
Fixed Capital Authorized & Uncompleted	<u>\$ 2,312,362</u>	<u>\$ 4,660,406</u>
Fixed Capital	<u>\$ 12,361,230</u>	<u>\$ 10,089,023</u>
Estimated Proceed of Bonds & Notes Authorized	<u>\$ 6,724</u>	<u>\$ 6,724</u>
Total Assets	<u>\$ 15,720,083</u>	<u>\$ 15,815,438</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Reserve for Encumbrances	<u>\$ -</u>	<u>\$ -</u>
Interfund Payable:		
Golf Course Utility Operating Fund	<u>\$ 68,397</u>	<u>\$ 63,015</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 61,479	\$ 61,479
Reserve for Payment of Debt Service	225,000	225,000
Reserve for Amortization	10,331,230	10,011,230
Reserve for Deferred Amortization	182,225	182,225
	<u>\$ 10,799,934</u>	<u>\$ 10,479,934</u>
Improvement Authorizations:		
Funded	\$ 222,987	\$ 232,772
Unfunded	468,628	483,743
	<u>\$ 691,615</u>	<u>\$ 716,515</u>
Bond Anticipation Notes Payable	<u>\$ 2,123,413</u>	<u>\$ 2,199,250</u>
Serial Bonds Payable	<u>\$ 2,030,000</u>	<u>\$ 2,350,000</u>
Bonds & Notes Authorized but not Issued	<u>\$ 6,724</u>	<u>\$ 6,724</u>
Fund Balance	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities and Reserves	<u>\$ 15,720,083</u>	<u>\$ 15,815,438</u>

**BOROUGH OF PARAMUS
GOLF COURSE UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED & UNCOMPLETED
Year Ended December 31, 2010**

Improvement	Balance December 31, 2009	Authorized	Receipts Applied	BANS Paid By Budget	Serial Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2010	Outstanding BANS	Analysis of Balance	
									B&N Authorized	Deferred Amortization
#97-19 Golf Course Improvements	\$ -	\$ -	\$ -	\$ -	-	1,674	1,674	\$ -	1,674	\$ -
#99-14 Golf Course Improvements	161,821	-	-	-	-	(147,321)	14,500	-	-	14,500
#99-31 Acquisition of Land	241,960	-	-	-	-	(230,710)	11,250	-	-	11,250
#01-07 Golf Course Improvements	284,500	-	-	-	-	(266,250)	18,250	-	4,025	14,225
#02-16 Golf Course Improvements	309,600	-	-	-	-	(309,600)	-	-	-	-
#03-19 Golf Course Improvements	786,025	-	-	-	-	(785,000)	1,025	-	1,025	-
#04-12 Golf Course Improvements	300,000	-	-	-	-	(285,000)	15,000	-	-	15,000
#05-26 Golf Course Impts/Gannarelli Sports Complex	261,500	-	-	-	-	(250,000)	11,500	-	-	11,500
#07-06 Constr/Renovation to Parkway School Field	1,700,000	-	-	(55,690)	-	-	1,644,310	1,559,310	-	85,000
#07-21 Golf Course Improvements	615,000	-	-	(20,147)	-	-	594,853	564,103	-	30,750
	\$ 4,660,406	\$ -	\$ -	\$ (75,837)	\$ -	\$ (2,272,207)	\$ 2,312,362	\$ 2,123,413	\$ 6,724	\$ 182,225

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 Year Ended December 31, 2010

Description	Balance - January 1, 2010		Bonds & Notes		Expended	Adjustments	Cancellations	Balance - December 31, 2010	
	Funded	Unfunded	Authorized	Unfunded				Funded	Unfunded
#89-33 Golf Course Improvements	\$ 25,284	\$ -	\$ -	\$ -	-	\$ -	-	\$ 25,284	\$ -
#99-14 Golf Course Improvements	74,949	-	-	-	-	-	-	74,949	-
#99-31 Acquisition of Land	12,749	-	-	-	-	-	-	12,749	-
#01-07 Golf Course Improvements	26,799	4,025	-	-	-	-	-	26,799	4,025
#02-16 Golf Course Improvements	903	-	-	-	-	-	-	903	-
#03-19 Golf Course Improvements	21,817	1,025	-	-	-	-	-	21,817	1,025
#04-12 Golf Course Improvements	25,408	-	-	-	9,785	-	-	15,623	-
#05-26 Golf Course Impmts/Gannarelli Sports Complex	44,863	-	-	-	-	-	-	44,863	-
#07-06 Constr/Renovation to Parkway School Field	-	459,075	-	-	14,851	-	-	-	444,224
#07-21 Golf Course Improvements	-	19,618	-	-	264	-	-	-	19,354
	\$ 232,772	\$ 483,743	\$ -	\$ -	\$ 24,900	\$ -	\$ -	\$ 222,987	\$ 468,628

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF SERIAL BONDS PAYABLE
 Year Ended December 31, 2010

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2009	Issued In 2010	Paid by Budget Appropriation	Balance December 31, 2010
8/1/99 General Golf Course Utility Bonds	\$ 1,124,000	\$ 120,000	\$ -	\$ 120,000	\$ -
7/15/02 General Golf Course Utility Bonds	1,865,000	1,165,000	-	120,000	1,045,000
9/1/06 General Golf Course Utility Bonds	1,320,000	1,065,000	-	80,000	985,000
		<u>\$ 2,350,000</u>	<u>\$ -</u>	<u>\$ 320,000</u>	<u>\$ 2,030,000</u>

**BOROUGH OF PARAMUS
GOLF COURSE UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2010**

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2009	Issued	Decreased	Budget Paydown	Balance December 31, 2010
<u>9-2RGLJ</u>										
#07-06 - Constr/Renovation to Parkway School Field	\$ 1,615,000	8/10/2007	05/11/09	05/11/10	1.25%	\$ 1,615,000	\$ -	\$ 1,559,310	\$ 55,690	\$ -
#07-21 - Golf Course Improvements	584,250	8/10/2007	05/11/09	05/11/10	1.25%	584,250	-	564,103	20,147	-
						<u>\$ 2,199,250</u>	<u>\$ -</u>	<u>\$ 2,123,413</u>	<u>\$ 75,837</u>	<u>\$ -</u>
<u>10-1RGLJ</u>										
#07-06 - Constr/Renovation to Parkway School Field	\$ 8,650,000	6/20/2006	04/07/10	02/25/11	1.50%	\$ -	\$ 1,569,310	\$ -	\$ -	\$ 1,569,310
#07-21 - Golf Course Improvements	1,710,000	8/10/2007	04/07/10	02/25/11	1.50%	-	564,103	-	-	564,103
						<u>\$ -</u>	<u>\$ 2,123,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,123,413</u>
						<u>\$ 2,199,250</u>	<u>\$ 2,123,413</u>	<u>\$ 2,123,413</u>	<u>\$ 75,837</u>	<u>\$ 2,123,413</u>

BOROUGH OF PARAMUS
 GOLF COURSE UTILITY CAPITAL FUND
 STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 Year Ended December 31, 2010

Improvement Description	Balance December 31, 2009	Authorized	BANs Issued	Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2010
#97-19 Golf Course Improvements	\$ 1,674	\$ -	\$ -	\$ -	\$ -	\$ 1,674
#01-07 Golf Course Improvements	4,025	-	-	-	-	4,025
#03-19 Golf Course Improvements	1,025	-	-	-	-	1,025
Total	<u>\$ 6,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,724</u>

**BOROUGH OF PARAMUS
SWIMMING POOL UTILITY OPERATING FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 157,766	\$ 60,338
	<u>\$ 157,766</u>	<u>\$ 60,338</u>
Interfund Receivable:		
Swimming Pool Utility Capital Fund	\$ 16,736	\$ 16,589
Current Fund	13,724	-
Trust Fund - Claims Account	18,735	18,735
	<u>\$ 49,195</u>	<u>\$ 35,324</u>
Deferred Charges:		
Operating Deficit	\$ -	\$ -
Overexpenditures	7,032	1,000
	<u>\$ 7,032</u>	<u>\$ 1,000</u>
Total Assets	<u>\$ 213,993</u>	<u>\$ 96,662</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Reserve for Encumbrances	<u>\$ 12,603</u>	<u>\$ 1,892</u>
Interfund Payable:		
Current Fund	\$ -	\$ 1,358
Swimming Pool Utility Capital Fund	3,932	-
	<u>\$ 3,932</u>	<u>\$ 1,358</u>
Other Liabilities and Reserves:		
Accrued Interest on Bonds	\$ 6,962	\$ 8,255
Accrued Interest on Notes	12,166	927
Appropriation Reserves	616	41,504
	<u>\$ 19,744</u>	<u>\$ 50,686</u>
Fund Balance	<u>\$ 177,714</u>	<u>\$ 42,726</u>
Total Liabilities and Reserves	<u>\$ 213,993</u>	<u>\$ 96,662</u>

**BOROUGH OF PARAMUS
 SWIMMING POOL UTILITY OPERATING FUND
 STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010**

	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ 15,000	\$ 15,000	\$ -
Membership Fees	\$ 376,000	\$ 475,500	\$ 99,500
Registration Fees	18,000	15,300	(2,700)
Guest Fees	48,000	61,095	13,095
Snack Bar Rental Fees	5,000	14,525	9,525
Rental of Facilities	13,000	575	(12,425)
	<u>\$ 475,000</u>	<u>\$ 581,995</u>	<u>\$ 106,995</u>
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	\$ -	\$ 31,952	\$ 31,952
Deficit (General Budget)	-	-	-
Unexpended Balances Cancelled	-	927	927
Miscellaneous Revenue Not Anticipated:			
Interest Income	-	384	384
Special Events	-	9,730	9,730
	<u>\$ -</u>	<u>\$ 42,993</u>	<u>\$ 42,993</u>
Fund Balance - Swimming Pool Utility Capital	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues and Credits to Income	<u>\$ 475,000</u>	<u>\$ 624,988</u>	<u>\$ 149,988</u>

BOROUGH OF PARAMUS
 SWIMMING POOL UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
 Year Ended December 31, 2010

	Appropriations		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpenditure
Operating:						
Salaries and Wages	\$ 180,000	\$ 170,600	\$ 170,510	\$ 90	\$ -	\$ -
Other Expenses:	185,000	190,911	197,943	-	-	7,032
	<u>\$ 365,000</u>	<u>\$ 361,511</u>	<u>\$ 368,453</u>	<u>\$ 90</u>	<u>\$ -</u>	<u>\$ 7,032</u>
Capital Improvements:						
Capital Improvement Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	443	-	-	-	-	-
	<u>\$ 443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service:						
Payment of Bonds	\$ 55,000	\$ 55,000	\$ 55,000	\$ -	\$ -	\$ -
Payment of BAN's & Capital Notes	-	3,932	3,932	-	-	-
Interest on Bonds	20,805	20,805	19,878	-	927	-
Interest on Notes	18,752	18,752	18,752	-	-	-
	<u>\$ 94,557</u>	<u>\$ 98,489</u>	<u>\$ 97,562</u>	<u>\$ -</u>	<u>\$ 927</u>	<u>\$ -</u>
Deferred Charges:						
Overexpenditures	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -
	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Statutory Expenditures:						
Social Security System	\$ 14,000	\$ 14,000	\$ 13,474	\$ 526	\$ -	\$ -
	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ 13,474</u>	<u>\$ 526</u>	<u>\$ -</u>	<u>\$ -</u>
Deficit in Operations in Prior Years						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Appropriations	<u>\$ 475,000</u>	<u>\$ 475,000</u>	<u>\$ 480,489</u>	<u>\$ 616</u>	<u>\$ 927</u>	<u>\$ 7,032</u>
Other Charges to Income:						
Refund of Prior Year's Revenue			<u>\$ -</u>			

**BOROUGH OF PARAMUS
SWIMMING POOL UTILITY CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	2010	2009
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 89,708	\$ 93,493
	<u>\$ 89,708</u>	<u>\$ 93,493</u>
Interfund Receivable:		
Swimming Pool Utility Operating Fund	\$ 3,932	\$ -
	<u>\$ 3,932</u>	<u>\$ -</u>
Fixed Capital Authorized & Uncompleted	\$ 1,026,784	\$ 994,316
	<u>\$ 1,026,784</u>	<u>\$ 994,316</u>
Fixed Capital	\$ 2,406,287	\$ 2,442,687
	<u>\$ 2,406,287</u>	<u>\$ 2,442,687</u>
Estimated Proceed of Bonds & Notes Authorized	\$ 10,770	\$ 10,770
	<u>\$ 10,770</u>	<u>\$ 10,770</u>
Total Assets	<u>\$ 3,537,481</u>	<u>\$ 3,541,266</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Reserve for Encumbrances	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>
Interfund Payable:		
Trust Fund - Claims Account	\$ 6,242	\$ 6,242
Swimming Pool Utility Operating Fund	16,736	16,589
	<u>\$ 22,978</u>	<u>\$ 22,831</u>
Other Liabilities and Reserves:		
Reserve for Amortization	\$ 1,936,287	\$ 1,881,287
Reserve for Deferred Amortization	40,046	40,046
	<u>\$ 1,976,333</u>	<u>\$ 1,921,333</u>
Improvement Authorizations:		
Funded	\$ 63,177	\$ 63,177
Unfunded	18,241	18,241
	<u>\$ 81,418</u>	<u>\$ 81,418</u>
Bond Anticipation Notes Payable	\$ 975,968	\$ 979,900
	<u>\$ 975,968</u>	<u>\$ 979,900</u>
Serial Bonds Payable	\$ 470,000	\$ 525,000
	<u>\$ 470,000</u>	<u>\$ 525,000</u>
Bonds & Notes Authorized but not Issued	\$ 10,770	\$ 10,770
	<u>\$ 10,770</u>	<u>\$ 10,770</u>
Fund Balance	\$ 14	\$ 14
	<u>\$ 14</u>	<u>\$ 14</u>
Total Liabilities and Reserves	<u>\$ 3,537,481</u>	<u>\$ 3,541,266</u>

**BOROUGH OF PARAMUS
SWIMMING POOL UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED & UNCOMPLETED
Year Ended December 31, 2010**

Improvement	Balance	Receipts		Serial	Cancellations/ Adjustments	Balance	Analysis of Balance		
	December 31, 2009	Authorized	Applied			Bonds Issued	December 31, 2010	Outstanding B&Ns	B&N Authorized
#80-19 Improvements to Filtration System	\$ 146	\$ -	\$ -	-	\$ -	146	\$ -	\$ -	146
#01-18 Pool Improvements	181,000	-	-	-	(171,000)	10,000	-	950	9,050
#02-14 Pool Improvements	82,170	-	-	-	(78,000)	4,170	-	70	4,100
#03-18 Pool Improvements	184,000	-	-	-	(174,500)	9,500	-	9,500	-
#05-25 Pool Improvements	115,000	-	-	-	(109,250)	5,750	-	-	5,750
#05-26 Pool Improvements	-	-	-	-	250	250	-	250	-
#06-16 Pool Improvements	120,000	-	-	(3,932)	-	116,068	110,068	-	6,000
#08-28 Pool Improvements	-	-	-	-	580,900	580,900	580,900	-	-
#08-38 Pool Improvements	300,000	-	-	-	-	300,000	285,000	-	15,000
Reserve for Pool Improvements	12,000	-	-	-	(12,000)	-	-	-	-
	\$ 994,316	\$ -	\$ -	\$ (3,932)	\$ 36,400	\$ 1,026,784	\$ 975,968	\$ 10,770	\$ 40,046

BOROUGH OF PARAMUS
 SWIMMING POOL UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 Year Ended December 31, 2010

Description	Balance - January 1, 2010		Bonds & Notes		Expended	Adjustments	Cancellations	Balance - December 31, 2010	
	Funded	Unfunded	Authorized	Unfunded				Funded	Unfunded
#80-19 Improvements to Filtration System	\$ 146	\$ -	\$ -	\$ -	-	\$ -	-	\$ 146	\$ -
#01-18 Pool Improvements	10,550	950	-	-	-	-	-	10,550	950
#02-14 Pool Improvements	18	70	-	-	-	-	-	18	70
#03-18 Pool Improvements	28,008	9,500	-	-	-	-	-	28,008	9,500
#05-25 Pool Improvements	24,455	250	-	-	-	-	-	24,455	250
#06-16 Pool Improvements	-	5,484	-	-	-	-	-	-	5,484
#08-38 Pool Improvements	-	1,987	-	-	-	-	-	-	1,987
	\$ 63,177	\$ 18,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,177	\$ 18,241

BOROUGH OF PARAMUS
 SWIMMING POOL UTILITY CAPITAL FUND
 STATEMENT OF SERIAL BONDS PAYABLE
 Year Ended December 31, 2010

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2009	Issued in 2010	Paid by Budget Appropriation	Balance December 31, 2010
7/15/02 Pool Improvement Bonds	\$ 171,000	\$ 60,000	\$ -	\$ 20,000	\$ 40,000
9/1/05 Pool Improvement Bonds	535,000	465,000	-	35,000	430,000
		<u>\$ 525,000</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ 470,000</u>

**BOROUGH OF PARAMUS
SWIMMING POOL UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2010**

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2009	Issued	Decreased	Budget Paydown	Balance December 31, 2010
<u>9-1SPU</u>										
#08-28 Pool Improvements	580,900	2/26/2009	02/26/09	02/26/10	2.25%	\$ 580,900	\$ -	\$ 580,900	\$ -	\$ -
#08-38 Pool Improvements	285,000	2/26/2009	02/26/09	02/26/10	2.25%	285,000	-	285,000	-	-
						\$ 865,900	\$ -	\$ 865,900	\$ -	\$ -
<u>9-2RSPU</u>										
#06-16 Pool Improvements	\$ 114,000	8/10/2007	05/11/09	05/11/10	1.25%	\$ 114,000	\$ -	\$ 110,068	\$ 3,932	\$ -
						\$ 979,900	\$ -	\$ 975,968	\$ 3,932	\$ -
<u>10-1RSPU</u>										
#08-28 Pool Improvements	580,900	2/26/2009	02/26/10	02/25/11	1.50%	\$ -	\$ 580,900	\$ -	\$ -	\$ 580,900
#08-38 Pool Improvements	285,000	2/26/2009	02/26/10	02/25/11	1.50%	-	285,000	-	-	285,000
						\$ -	\$ 865,900	\$ -	\$ -	\$ 865,900
<u>10-2RSPU</u>										
#06-16 Pool Improvements	\$ 114,000	8/10/2007	04/07/10	02/25/11	1.50%	\$ -	\$ 110,068	\$ -	\$ -	\$ 110,068
						\$ 979,900	\$ 975,968	\$ -	\$ -	\$ 975,968

BOROUGH OF PARAMUS
 SWIMMING POOL UTILITY CAPITAL FUND
 STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 Year Ended December 31, 2010

Improvement Description	Balance December 31, 2009	Authorized	BANs Issued	Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2010
#01-18 Pool Improvements	\$ 950	\$ -	\$ -	\$ -	\$ -	\$ 950
#02-14 Pool Improvements	70	-	-	-	-	70
#03-18 Pool Improvements	9,500	-	-	-	-	9,500
#05-26 Pool Improvements	250	-	-	-	-	250
	<u>\$ 10,770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,770</u>

**BOROUGH OF PARAMUS
SEWER ASSESSMENT TRUST FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 135,667	\$ 196,866
Assessment Receivable	\$ -	\$ -
Total Assets	<u>\$ 135,667</u>	<u>\$ 196,866</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Interfund Payable:		
Current Fund	\$ 1,618	\$ 999
Assessment NJEIT Loan Payable	\$ 64,765	\$ 126,583
Reserve for Receivables	\$ -	\$ -
Fund Balance	\$ 69,284	\$ 69,284
Total Liabilities and Reserves	<u>\$ 135,667</u>	<u>\$ 196,866</u>

**BOROUGH OF PARAMUS
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF ASSETS AND FUND BALANCE - STATUTORY BASIS**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Land	\$ 118,616,300	\$ 118,616,300
Buildings and Improvements	12,094,400	12,094,400
Sports Complex	1,279,812	1,279,812
Sanitary Sewer System	21,448,816	21,448,816
Equipment	17,920,125	17,990,044
	<u>\$ 171,359,453</u>	<u>\$ 171,429,372</u>
<u>FUND BALANCE</u>		
Reserve for Investment in General Fixed Assets	<u>\$ 171,359,453</u>	<u>\$ 171,429,372</u>

**BOROUGH OF PARAMUS
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF CHANGES IN RESERVE FOR GENERAL FIXED ASSETS**

	Balance December 31, 2009	Additions	Retirements	Adjustments	Balance December 31, 2010
Land	\$ 118,616,300	\$ -	\$ -	\$ -	\$ 118,616,300
Buildings and Improvements	12,094,400	-	-	-	12,094,400
Sports Complex	1,279,812	-	-	-	1,279,812
Sanitary Sewer System	21,448,816	-	-	-	21,448,816
Equipment	17,990,044	77,505	(147,424)	-	17,920,125
	<u>\$ 171,429,372</u>	<u>\$ 77,505</u>	<u>\$ (147,424)</u>	<u>\$ -</u>	<u>\$ 171,359,453</u>

BOROUGH OF PARAMUS
Comprehensive Annual Financial Report
Statistical Section

BOROUGH OF PARAMUS
Adopted Budgets
(Unaudited)

	2010	2009	2008	2007	2006
<u>CURRENT FUND</u>					
<u>REVENUES</u>					
Fund Balance	\$ 600,000	\$ 574,000	\$ 1,675,000	\$ 3,050,000	\$ 1,182,900
Miscellaneous Revenues	11,273,064	13,415,194	13,481,597	13,338,381	13,473,397
Receipts From Delinquent Taxes	825,000	814,000	837,000	725,000	680,000
Amount to be Raised by Taxation	43,969,263	39,616,139	37,210,944	33,362,041	31,504,146
Total Revenues	\$ 56,667,327	\$ 54,419,333	\$ 53,204,541	\$ 50,475,422	\$ 46,840,443
<u>APPROPRIATIONS</u>					
Within "CAPS":					
Operations:					
Salaries and Wages	\$ 18,165,000	\$ 23,914,119	\$ 22,831,292	\$ 22,113,181	\$ 20,651,466
Other Expenses	18,290,294	13,065,650	13,536,250	13,385,004	6,720,695
Deferred Charges	-	1,616,260	16,289	7,505	-
Statutory Expenditures	2,936,234	1,296,560	991,000	910,000	860,000
Judgments	-	-	-	-	-
Excluded From "CAPS":					
Operations:					
Salaries and Wages	-	56,411	50,582	93,500	73,500
Other Expenses	9,331,441	7,011,907	8,796,600	7,455,981	12,928,036
Capital Improvements	100,000	90,000	75,000	100,000	100,000
Municipal Debt Service	5,803,375	5,218,426	5,094,178	4,230,251	3,326,746
Deferred Charges	-	200,000	-	180,000	180,000
Reserve for Uncollected Taxes	2,040,983	1,950,000	1,813,350	2,000,000	2,000,000
Total Appropriations	\$ 56,667,327	\$ 54,419,333	\$ 53,204,541	\$ 50,475,422	\$ 46,840,443

BOROUGH OF PARAMUS
Adopted Budgets
(Unaudited)

	2010	2009	2008	2007	2006
<u>GOLF COURSE UTILITY FUND</u>					
<u>REVENUES</u>					
Fund Balance Anticipated	\$ -	\$ 545,171	\$ 594,216	\$ 405,061	\$ 446,180
Membership Fees	159,000	154,600	160,000	160,000	155,385
Registration Fees	126,000	145,000	120,000	126,000	127,880
Golf Cart Rental	248,000	280,000	280,000	280,000	276,500
Green Fees	1,211,000	1,300,000	1,250,000	1,250,000	1,229,000
Snack Bar	48,000	55,000	45,000	46,000	80,000
Miniature Golf	223,000	200,000	-	-	-
Reserve for Payment of Debt Svce.	-	31,500	31,500	-	-
Deficit (General Budget)	-	-	-	-	-
Total Revenues	<u>\$ 2,015,000</u>	<u>\$ 2,711,271</u>	<u>\$ 2,480,716</u>	<u>\$ 2,267,061</u>	<u>\$ 2,314,945</u>
<u>APPROPRIATIONS</u>					
Operations:					
Salaries and Wages	\$ 875,000	\$ 1,120,000	\$ 970,000	\$ 850,000	\$ 800,000
Other Expenses	610,000	950,000	900,000	850,000	800,000
Capital Improvements	1,493	90,000	-	100,000	250,000
Municipal Debt Service	437,191	464,271	530,716	403,061	407,945
Deferred Charges	-	-	-	-	-
Statutory Expenditures	70,000	87,000	80,000	64,000	57,000
Surplus (General Budget)	-	-	-	-	-
Deficit in Operations	21,316	-	-	-	-
Total Appropriations	<u>\$ 2,015,000</u>	<u>\$ 2,711,271</u>	<u>\$ 2,480,716</u>	<u>\$ 2,267,061</u>	<u>\$ 2,314,945</u>
	-	-	-	-	-

BOROUGH OF PARAMUS
Adopted Budgets
(Unaudited)

	2010	2009	2008	2007	2006
<u>SWIMMING POOL UTILITY FUND</u>					
<u>REVENUES</u>					
Fund Balance Anticipated	\$ 15,000	\$ 84,025	\$ 51,445	\$ 120,000	\$ 100,000
Membership Fees	376,000	345,000	-	342,900	321,900
Facility Rental	13,000	8,700	-	7,900	7,800
Snack Bar	5,000	9,300	-	4,900	18,000
Guest Fees	48,000	42,000	-	38,000	35,000
Registration Fees	18,000	18,550	-	15,000	11,900
Reserve for Payment of Debt Svce.	-	-	12,000	-	-
Deficit (General Budget)	-	-	16,289	-	-
Total Revenues	<u>\$ 475,000</u>	<u>\$ 507,575</u>	<u>\$ 79,734</u>	<u>\$ 528,700</u>	<u>\$ 494,600</u>
<u>APPROPRIATIONS</u>					
Operations:					
Salaries and Wages	\$ 180,000	\$ 222,269	\$ -	\$ 200,000	\$ 195,000
Other Expenses	185,000	188,000	10,000	185,000	205,000
Capital Improvements	443	-	-	68,861	22,388
Municipal Debt Service	94,557	71,281	69,734	56,839	55,212
Deferred Charges	1,000	5,025	-	-	-
Statutory Expenditures	14,000	21,000	-	18,000	17,000
Surplus (General Budget)	-	-	-	-	-
Deficit in Operations	-	-	-	-	-
Total Appropriations	<u>\$ 475,000</u>	<u>\$ 507,575</u>	<u>\$ 79,734</u>	<u>\$ 528,700</u>	<u>\$ 494,600</u>

BOROUGH OF PARAMUS
Fund Balance Summary
(Unaudited)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>CURRENT FUND</u>					
Fund Balance, Beginning	\$ 1,692,054	\$ 641,615	\$ 1,726,738	\$ 3,275,571	\$ 1,577,316
Generated Current Year	1,691,600	1,624,439	589,877	1,501,167	2,881,155
Utilized Current Year	(600,000)	(574,000)	(1,675,000)	(3,050,000)	(1,182,900)
Fund Balance, Ending	<u>\$ 2,783,654</u>	<u>\$ 1,692,054</u>	<u>\$ 641,615</u>	<u>\$ 1,726,738</u>	<u>\$ 3,275,571</u>
<u>GOLF COURSE UTILITY FUND</u>					
Fund Balance, Beginning	\$ 4,749	\$ 549,920	\$ 790,290	\$ 825,555	\$ 846,128
Generated Current Year	180,403	-	353,846	369,796	425,607
Utilized Current Year	-	(545,171)	(594,216)	(405,061)	(446,180)
Fund Balance, Ending	<u>\$ 185,152</u>	<u>\$ 4,749</u>	<u>\$ 549,920</u>	<u>\$ 790,290</u>	<u>\$ 825,555</u>
<u>SWIMMING POOL UTILITY FUND</u>					
Fund Balance, Beginning	\$ 42,726	\$ 84,144	\$ 51,864	\$ 121,316	\$ 124,843
Generated Current Year	149,988	42,607	83,725	50,548	96,473
Utilized Current Year	(15,000)	(84,025)	(51,445)	(120,000)	(100,000)
Fund Balance, Ending	<u>\$ 177,714</u>	<u>\$ 42,726</u>	<u>\$ 84,144</u>	<u>\$ 51,864</u>	<u>\$ 121,316</u>

BOROUGH OF PARAMUS
Tax Levy and Collection Data
(Unaudited)

	2010	2009	2008	2007	2006
<u>CURRENT YEAR % COLLECTION RATES</u>					
Current Tax Levy	\$ 131,168,912	\$ 124,772,901	\$ 118,714,890	\$ 111,452,044	\$ 106,540,893
Current Collections	\$ 129,892,778	\$ 123,331,518	\$ 117,811,525	\$ 110,503,176	\$ 105,791,982
Percentage of Collections	99.03%	98.84%	99.24%	99.15%	99.30%

DELINQUENT TAX %

Delinquent Taxes	\$ 972,898	\$ 843,585	\$ 814,793	\$ 838,162	\$ 725,699
Tax Title Liens	2,196	1,946	1,362	1,362	1,362
Total Delinquent	\$ 975,094	\$ 845,531	\$ 816,155	\$ 839,524	\$ 727,061
Tax Levy	\$ 131,168,912	\$ 124,772,901	\$ 118,714,890	\$ 111,452,044	\$ 106,540,893
Percentage of Tax Levy	0.74%	0.68%	0.69%	0.75%	0.68%

PROPERTY ACQUIRED BY MUNICIPALITY FOR NON-PAYMENT OF TAXES

Recorded at - Assessed Valuation	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978	\$ 23,978
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BOROUGH OF PARAMUS
Assessed and County Equalized Valuation Data
(Unaudited)

Description	2010		2009		2008		2007		2006	
	# of Parcels	Value								
NET VALUATIONS TAXABLE										
Vacant Land	117	\$ 144,177,500	119	\$ 150,553,900	124	\$ 154,005,400	114	\$ 155,672,300	124	\$ 156,618,700
Residential	8124	4,348,882,600	8127	4,085,384,000	8118	4,052,386,800	8123	3,673,674,200	8113	3,613,699,400
Farm (Regular)	4	1,479,800	4	1,479,800	4	1,479,800	4	1,479,800	4	1,479,800
Farm (Qualified)	4	22,400	4	22,400	4	22,400	4	22,400	4	22,400
Commercial	418	3,378,135,900	423	3,628,077,100	414	3,625,769,000	411	2,950,830,100	413	2,936,662,500
Industrial	26	116,580,000	26	123,055,000	26	125,476,500	26	89,876,200	28	112,419,000
Apartments	1	18,642,800	1	18,642,800	1	18,642,800	1	17,025,400	1	17,025,400
Sub-Total	<u>8694</u>	<u>8,007,921,000</u>	<u>8704</u>	<u>8,007,215,000</u>	<u>8691</u>	<u>7,977,782,700</u>	<u>8683</u>	<u>6,888,580,400</u>	<u>8687</u>	<u>6,837,927,200</u>
Personal Property		7,054,399		6,375,948		6,821,663		5,090,171		4,776,586
Net Valuations Taxable		8,014,975,399		8,013,590,948		7,984,604,363		6,893,670,571		6,842,703,786
Bergen County Equalization Adjustment		1,308,591,869		1,273,662,427		1,389,946,054		2,087,657,688		1,465,583,611
Bergen County Equalized Valuations		<u>\$ 9,323,567,268</u>		<u>\$ 9,287,253,375</u>		<u>\$ 9,374,550,417</u>		<u>\$ 8,981,328,259</u>		<u>\$ 8,308,287,397</u>
Bergen County Equalization Ratio		<u>86.81%</u>		<u>87.21%</u>		<u>86.09%</u>		<u>77.60%</u>		<u>83.28%</u>
Average Improved Residential Assessment		<u>\$ 535,313</u>		<u>\$ 502,693</u>		<u>\$ 499,185</u>		<u>\$ 452,256</u>		<u>\$ 445,421</u>

BOROUGH OF PARAMUS
Tax Requirement and Rate Data
(Unaudited)

	2010	2009	2008	2007	2006
<u>TAX REQUIREMENTS</u>					
County	\$ 17,904,485	\$ 16,840,816	\$ 15,739,696	\$ 14,537,765	\$ 14,526,066
County Open Space	233,089	928,725	937,455	898,133	830,829
District School	69,062,075	66,353,215	64,239,930	62,168,404	59,186,592
Municipal Open Space	-	-	-	-	-
Municipal	43,969,263	39,616,139	37,210,944	33,362,041	31,504,146
Total Tax Requirements	\$ 131,168,912	\$ 123,738,895	\$ 118,128,025	\$ 110,966,343	\$ 106,047,633
<u>TAX RATES</u>					
County	0.224	0.211	0.198	0.211	0.212
County Open Space	0.003	0.012	0.012	0.010	0.010
District School	0.862	0.828	0.805	0.902	0.865
Municipal Open Space	-	-	-	-	-
Municipal	0.548	0.494	0.467	0.487	0.463
Total Tax Rates	1.64	1.55	1.48	1.61	1.55

BOROUGH OF PARAMUS
Ratio of Gross and Net Debt to County Equalized Value and Debt Per Capita
(Unaudited)

	2010	2009	2008	2007	2006
Population	26,137	26,137	26,015	26,010	26,012
County Equalized Valuation	\$ 9,323,567,268	\$ 9,287,253,375	\$ 9,374,550,417	\$ 8,981,328,259	\$ 8,308,287,397
Gross Debt	\$ 73,026,521	\$ 78,129,421	\$ 82,947,330	\$ 84,110,478	\$ 81,800,921
Gross Debt Per Capita	\$ 2,794	\$ 2,989	\$ 3,188	\$ 3,234	\$ 3,145
Ratio of Gross Debt to County Equalized Valuations	0.78%	0.84%	0.88%	0.94%	0.98%
Net Debt	\$ 34,162,155	\$ 39,128,335	\$ 43,831,270	\$ 43,455,318	\$ 41,156,325
Ratio of Net Debt to County Equalized Valuations	0.37%	0.42%	0.47%	0.48%	0.50%
Net Debt per Capita	\$ 1,307	\$ 1,497	\$ 1,685	\$ 1,671	\$ 1,582

BOROUGH OF PARAMUS
Legal Debt Margin
(Unaudited)

	2010	2009	2008	2007	2006
Equalized Valuation Basis (State)	\$ 8,997,186,741	\$ 9,192,421,239	\$ 9,055,062,051	\$ 8,737,378,263	\$ 8,067,165,005
Municipal Borrowing Power:					
3 1/2% of Equalized Valuation Basis	\$ 314,901,536	\$ 321,734,743	\$ 316,927,172	\$ 305,808,239	\$ 282,350,775
Net Debt	34,162,155	39,128,335	43,831,270	43,455,318	41,156,325
Remaining Borrowing Power	<u>\$ 280,739,381</u>	<u>\$ 282,606,408</u>	<u>\$ 273,095,902</u>	<u>\$ 262,352,921</u>	<u>\$ 241,194,450</u>
School Borrowing Power:					
4% of Equalized Valuation Basis	\$ 359,887,470	\$ 367,696,850	\$ 362,202,482	\$ 349,495,131	\$ 322,686,600
Net School Debt	26,222,000	28,042,000	30,049,000	32,159,000	33,917,000
School Borrowing Margin Available	<u>\$ 333,665,470</u>	<u>\$ 339,654,850</u>	<u>\$ 332,153,482</u>	<u>\$ 317,336,131</u>	<u>\$ 288,769,600</u>

BOROUGH OF PARAMUS
Direct and Overlapping Debt
(Unaudited)

	2010	2009	2008	2007	2006
NET DIRECT DEBT					
Municipal Debt	\$ 34,162,155	\$ 39,128,335	\$ 43,831,270	\$ 43,455,318	\$ 41,156,325
Local School Debt	26,222,000	28,042,000	30,049,000	32,159,000	33,917,000
	<u>\$ 60,384,155</u>	<u>\$ 67,170,335</u>	<u>\$ 73,880,270</u>	<u>\$ 75,614,318</u>	<u>\$ 75,073,325</u>
OVERLAPPING DEBT					
County of Bergen (1)	\$ 63,412,293	\$ 56,356,019	\$ 56,562,024	\$ 56,563,378	\$ 44,582,278
Bergen County Utilities Authority (2)	13,945,770	14,309,833	14,307,592	16,350,907	11,235,054
	<u>\$ 77,358,063</u>	<u>\$ 70,665,852</u>	<u>\$ 70,869,616</u>	<u>\$ 72,914,285</u>	<u>\$ 55,817,332</u>

(1) County Debt:

Municipal Equalized Valuations	\$ 9,323,567,268	\$ 9,287,253,375	\$ 9,374,550,417	\$ 8,981,328,259	\$ 8,308,287,397
Total County Equalized Valuations	\$ 183,412,099,706	\$ 187,560,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626
	5.08%	4.95%	5.13%	5.20%	5.40%
County's Outstanding Debt	1,248,273,490	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736
	<u>\$ 63,412,293</u>	<u>\$ 56,356,019</u>	<u>\$ 56,562,024</u>	<u>\$ 56,563,378</u>	<u>\$ 44,582,278</u>

(2) Bergen County Utilities Authority Debt:

Paramus BORO User Fees	\$ 3,045,877	\$ 2,863,181	\$ 2,625,361	\$ 2,437,793	\$ 2,207,965
Total User Fees	\$ 58,635,769	\$ 55,599,600	\$ 52,885,837	\$ 48,210,978	\$ 45,482,055
	5.19%	5.15%	4.96%	5.06%	4.85%
BCUA's Outstanding Debt	268,704,631	277,960,831	288,459,524	323,140,462	231,650,600
	<u>\$ 13,945,770</u>	<u>\$ 14,309,833</u>	<u>\$ 14,307,592</u>	<u>\$ 16,350,907</u>	<u>\$ 11,235,054</u>

Source: County of Bergen; Bergen County Utilities Authority

BOROUGH OF PARAMUS
Ratio of Annual Debt Service Appropriations to Total Adopted Current Fund Appropriations
(Unaudited)

	2010	2009	2008	2007	2006
Serial Bonds:					
Principal	\$ 2,125,000	\$ 1,990,000	\$ 1,900,000	\$ 1,873,000	\$ 1,775,000
Interest	1,080,914	1,158,093	1,195,181	1,331,498	1,386,345
Notes:					
Principal	2,218,000	1,575,000	1,450,000	600,000	-
Interest	214,000	390,125	442,600	314,860	-
Loans:					
Principal	151,435	86,364	83,048	83,205	133,427
Interest	14,026	18,844	23,349	27,688	31,974
	<u>\$ 5,803,375</u>	<u>\$ 5,218,426</u>	<u>\$ 5,094,178</u>	<u>\$ 4,230,251</u>	<u>\$ 3,326,746</u>
Total Current Fund Budget Appropriations	<u>\$ 56,667,327</u>	<u>\$ 54,419,333</u>	<u>\$ 53,204,541</u>	<u>\$ 50,475,422</u>	<u>\$ 46,840,443</u>
Ratio of Debt Service to Current Fund Budget Appropriation	<u>10.24%</u>	<u>9.59%</u>	<u>9.57%</u>	<u>8.38%</u>	<u>7.10%</u>

BOROUGH OF PARAMUS
Demographic Statistics
(Unaudited)

	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Average Labor Force Estimates by Municipality:					
Labor Force	12,922	12,988	12,927	12,862	12,898
Employment	11,920	12,024	12,405	12,474	12,443
Unemployment	1,002	964	522	388	455
Unemployment Rate	7.8%	7.4%	4.0%	3.0%	3.5%
Per Capital Personal Income - Bergen Cty.	<u>\$ 64,388</u>	<u>\$ 64,388</u>	<u>\$ 68,541</u>	<u>\$ 67,113</u>	<u>\$ 63,021</u>

	<u>Estimates as of July 1,</u>				
Subcounty Population Estimates:					
Paramus BORO	26,137	26,137	26,015	26,010	26,012
County of Bergen	895,250	895,250	889,915	885,664	884,581

* Latest Information Available

BOROUGH OF PARAMUS
Ten Largest Taxpayers by Assessment
(Unaudited)

Taxpayer	2010 Assessed Valuation	As a Percent of Total 2010 Net Valuations \$ 8,014,975,399
1 Westland GSP, L.P. (Route 17)	\$ 560,426,600	6.99%
2 Vornado, Bergen Mall, L.L.C.	244,110,300	3.05%
3 Alx of Paramus, L.L.C.	162,000,000	2.02%
4 Paramus Park General Growth Prop.	113,780,000	1.42%
5 Westland GSP, L.P. (Route 4)	97,069,400	1.21%
6 Faber Bros. Inc. NJ	70,000,000	0.87%
7 Country Club Office Plaza L.L.C.	65,003,800	0.81%
8 Par. Pk. Inc. c/o Macy's Tax Dept.	60,147,300	0.75%
9 Mack Paramus Affiliates	58,100,000	0.72%
10 Farber (Trustees/Etal), William A	48,956,500	0.61%
	\$ 1,479,593,900	18.46%

BOROUGH OF PARAMUS
Value of New Construction, Improvements, Alterations and Demolitions
(Unaudited)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
# of Permits Issued	2,336	2,043	2,166
Value of Construction	\$ 100,126,741	\$ 66,317,727	\$ 105,936,960

BOROUGH OF PARAMUS
Comprehensive Annual Financial Report
Single Audit Section

Di Maria & Di Maria LLP
Accountants & Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

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

We have audited the financial statements of the Borough of Paramus in the County of Bergen, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. Statements for the year ended December 31, 2009 were audited by another firm whose report was unqualified. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Di Maria & Di Maria LLP

**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 (Continued)***Compliance and Other Matters

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

We noted certain other matters that we reported to management of the Borough of Paramus, New Jersey in a separate letter dated June 30, 2011.

This report is intended solely for the information and use of the Borough's management, and council members, others within the organization, the Division of Local Government Services, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463

June 30, 2011

**BOROUGH OF PARAMUS
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
Year Ended December 31, 2010**

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	State Project Number	Award Amount	Grant Period From To	Balance December 31, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)		Due to General at December 31, 2010		
											December 31, 2010	December 31, 2010			
General Capital Fund															
<i>US Department of Housing and Urban Development - Passed thru the County of Bergen-</i>															
CDBG Grant	14.208	N/A	\$ 440,718	Various	Various	\$ (257,602)	\$ -	\$ -	\$ -	\$ -	\$ (257,602)	\$ -	\$ -		
<i>US Department of Homeland Security - Passed thru the State of NJ Division of Law & Public Safety -</i>															
Emergency Preparedness Grant	97.004	N/A	270,278	Various	Various	(30,648)	-	-	-	-	(30,648)	-	-		
Federal and State Grant Fund															
<i>US Department of Justice -</i>															
COPS Fast	16.710	N/A	2,410	01/01/04	12/31/04	2,410	-	(2,410)	-	-	-	-	-		
Edward J. Byrne Memorial Justice Assist. Grant	16.738	N/A	43,175	01/01/10	12/31/10	-	-	-	-	-	(43,175)	43,175	-		
<i>US Department of Environmental Protection - Passed thru the State of NJ Department of Environmental Protection-</i>															
Stormwater Management Grant	66.605	N/A	5,155	Various	Various	5,155	-	(5,155)	-	-	(43,175)	43,175	-		
											Total Federal Financial Assistance	\$ (280,685)	\$ (7,565)	\$ (331,425)	\$ 43,175

*Expenditures less than \$500,000; U.S. Office of Management and Budget (OMB) Circular A-133 (Revised, June 27, 2003), Audit not applicable.

BOROUGH OF PARAMUS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended December 31, 2010

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period From	Grant Period To	Balance December 31, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2010	Deferred Revenue December 31, 2010	Due to Grantor at December 31, 2010
<i>State of N.J., Department of Community Affairs --</i>													
Consolidated Municipal Property Tax Relief Aid	082-495-6020	\$ 616,911	01/01/10	12/31/10	\$ -	\$ -	\$ 616,911	\$ (616,911)	\$ -	\$ -	\$ -	\$ -	\$ -
LEA Rebates	022-100-6120	148,759	01/01/10	12/31/10	-	-	148,759	(148,759)	-	-	-	-	-
<i>State of N.J., Department of Treasury --</i>													
Energy Receipts Tax	082-100-6020	3,439,398	01/01/10	12/31/10	-	-	3,439,398	(3,439,398)	-	-	-	-	-
Hotel Fees		389,619	01/01/10	12/31/10	-	-	389,619	(389,619)	-	-	-	-	-
Veterans & Senior Citizens	082-495-6020	342,044	01/01/10	12/31/10	-	-	342,044	(342,044)	-	-	-	-	-
<i>State of N.J., Department of Environmental Protection --</i>													
Clean Communities Program	042-4900-765-004	38,996	01/01/10	12/31/10	-	-	38,996	(38,996)	-	-	-	-	-
<i>State of N.J., Department of Law and Public Safety --</i>													
Safe & Secure Community Program	P4615	60,000	01/01/10	12/31/10	-	-	-	(60,000)	-	-	(60,000)	-	-
Safe & Secure Community Program	P4615	30,000	01/01/09	12/31/09	30,000	-	-	(28,205)	(1,795)	-	-	-	-
<i>State of N.J., Department of Human Services --</i>													
<i>Passed thru the County of Bergen --</i>													
Municipal Alliance on Alcoholism & Drug Abuse	20-00139	15,759	01/01/10	12/31/10	-	-	15,759	(6,787)	(8,972)	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse	20-00139	3,940	01/01/10	12/31/10	-	-	3,940	(1,428)	(2,512)	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse	20-00139	16,765	01/01/09	12/31/09	(16,765)	-	-	16,765	16,765	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse	20-00139	17,500	01/01/07	12/31/07	(5,791)	-	-	-	5,791	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse	20-00139	17,500	01/01/06	12/31/06	(17,500)	-	8,647	-	8,653	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse	20-00139	21,875	01/01/05	12/31/05	(6,131)	-	6,131	-	-	-	-	-	-
Total State Financial Assistance \$ (16,187) \$ 5,010,204 \$ (5,072,147) \$ 18,130 \$ (60,000) \$ - \$ - \$ -													
Total \$ (222,325) \$ 5,010,204 \$ (5,272,147) \$ 18,130 \$ (466,138) \$ - \$ - \$ -													

*Expenditures less than \$500,000; N.J. Office of Management and Budget (OMB) Circular 04-04 Audit not applicable.

BOROUGH OF PARAMUS
NOTES TO SCHEDULES OF STATE AND FEDERAL FINANCIAL ASSISTANCE
Year Ended December 31, 2010

Note 1 - General

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

Note 2 - Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3 - Relationship to General-Purpose Financial Statements

Organization

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

Basis of Accounting

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

Current Fund Grants -

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

Trust Fund and Capital Fund Grants -

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

Local Contributions

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

**BOROUGH OF PARAMUS
NOTES TO SCHEDULES OF STATE AND FEDERAL FINANCIAL ASSISTANCE
Year Ended December 31, 2010**

Note 3 - Relationship to General-Purpose Financial Statements (continued)

Expenditures

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

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2010 to December 31, 2010.

Note 4 - Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5 - Federal and State Loans Outstanding

The municipality did not have any federal and state loans outstanding at of December 31, 2010.

Note 6 - Contingencies

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

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2010**

Section I -- Summary of Auditors' Results

Financial Statements

- A) Type of auditors' report issued: Unqualified
- B) Internal control over financial reporting:
1. Material weakness(es) identified? yes no
 2. Reportable condition(s) identified that are not considered to be material weakness(es)? yes none reported
- C) Noncompliance material to financial statements noted? yes no

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2010**

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

Federal Awards

****NOT APPLICABLE - EXPENDITURES UNDER \$500,000****

A) Internal control over major programs:

- 1. Material weakness(es) identified? _____ yes _____ no
- 2. Reportable condition(s) identified that are
not considered to be material weakness(es)? _____ yes _____ none reported

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

- C) Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ yes _____ no

D) Identification of major programs:

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

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

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

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2010**

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

State Awards

****NOT APPLICABLE - EXPENDITURES UNDER \$500,000****

A) Internal control over major programs:

- 1. Material weakness(es) identified? _____ yes _____ no
- 2. Reportable condition(s) identified that are
not considered to be material weakness(es)? _____ yes _____ none reported

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

- C) Any audit findings disclosed that are required
to be reported in accordance with
NJ OMB Circular Letter 04-04? _____ yes _____ no

D) Identification of major programs:

<u>Program Number(s)</u>	<u>Name of State Program or Cluster</u>

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

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

**BOROUGH OF PARAMUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2010**

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

Current Year

Federal Awards:

There were no findings or questioned costs identified.

State Awards:

There were no findings or questioned costs identified.

Prior Year

Federal Awards:

There were no prior year findings or questioned costs.

State Awards:

There were no prior year findings or questioned costs.

**BOROUGH OF PARAMUS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2010**

1. The Chief Financial Officer did not implement and maintain a general fixed asset accounting system as per *Technical Accounting Directive #85-02*.

Status - Unresolved

BOROUGH OF PARAMUS
Comprehensive Annual Financial Report
General Comments and Recommendations Section

**BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

Revenues/Receipts Cycle

Municipal Court

The reconciled balance in the Municipal Court Bail Account was not proven to the ACS Computer System on a monthly basis.

There are bank reconciling items which need to be reviewed, identified and cleared of record.

There are tickets assigned but not issued over 180 days.

That tickets recorded as "Other" case status.

Ticket assignment records were incomplete.

There is only one signature required on the Municipal Court General Account.

There is a shortage in the Municipal Court General Account which has existed for at least 2 years.

**BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

Expenditures/Disbursements Cycle

An encumbrance system was not implemented in accordance with Technical Accounting Directive #85-01.

The Local Public Contract Law was not adhered to with regard to Affordable Housing Home Improvement Program expenditures.

A claims account was utilized which did not provide a clear audit trail.

Affordable Housing checks were prepared and approved months before work was performed.

**BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

Payroll Cycle

State statutes pertaining to employee contribution to health insurance premiums were not strictly adhered to.

Detail salary worksheets/records were not maintained.

Not all timesheets contained the proper department head approvals.

**BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

Capital Assets

A fixed asset system has not been implemented in accordance with Technical Accounting Directive #85-02.

**BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

Golf Course Utility

Complete comprehensive and functioning internal control systems are not in place for all applicable cycles.

**BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

Swimming Pool Utility

Complete comprehensive and functioning internal control systems are not in place for all applicable cycles.

**BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

Status of Prior Years' Recommendations

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

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

**DI MARIA & DI MARIA LLP
Accountants and Consultants**

Frank Di Maria

**Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463**

June 30, 2011

**BOROUGH OF PARAMUS
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2010**

Cash Cycle

Chief Financial Officer

Bank reconciliations are not being performed promptly after month-end; the payroll account has not been reconciled in over 2 years.

Deposits are not being made within 48 hours of receipt as required by N.J.S.A. 40:5-15.

There are dormant unreconciled bank accounts on hand with significant balances.