

BOROUGH OF PALISADES PARK

**Financial Statements with
Supplementary Information
December 31, 2021
(With Independent Auditors' Reports Thereon)**

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BOROUGH OF PALISADES PARK

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BOROUGH OF PALISADES PARK

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 9,823,588	10,855,606
Cash - Change Funds	A-5	250	250
Due from State of New Jersey - Ch. 20, PL 1971	A-7	55,167	54,592
		<u>9,879,005</u>	<u>10,910,448</u>
Receivables and other assets with full reserves:			
Delinquent Property Taxes Receivable	A-8	677,772	833,068
Foreclosed Property	A-9	275,000	275,000
Revenue Accounts Receivable	A-10	229,605	65,503
Interfund Receivables	A-11	6,134	2,059
		<u>1,188,511</u>	<u>1,175,630</u>
		<u>11,067,516</u>	<u>12,086,078</u>
Deferred Charges:			
Special Emergency	A-12	310,735	800,000
		<u>310,735</u>	<u>800,000</u>
		<u>11,378,251</u>	<u>12,886,078</u>
Federal and State Grant Fund:			
Due from Current Fund	A-26	284,771	240,499
		<u>284,771</u>	<u>240,499</u>
		<u>\$ 11,663,022</u>	<u>13,126,577</u>

BOROUGH OF PALISADES PARK

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Liabilities:			
Encumbrances Payable	A-3,A-19	347,307	249,457
Appropriation Reserves	A-3,A-13	987,911	2,564,665
Interfund Payables	A-11	163,845	537
Tax Overpayments	A-14	137,303	10,871
Prepaid Taxes	A-15	556,689	536,392
Due to County for Added Taxes	A-18		16,618
Sewer Charges Payable-Fort Lee	A-20	20,776	20,776
Due to Public Library	A-21	741,668	641,936
Reserve for:			
Tax Sale Premiums	A-22	162,500	114,100
Maintenance of Public Library	A-23	46,031	45,876
Miscellaneous Reserves	A-24	2,325	314,226
Due to Federal and State Grant Fund	A-25	284,771	240,499
		<u>3,451,126</u>	<u>4,755,953</u>
Reserves for receivables and other assets	A	1,188,511	1,175,630
Fund balance	A-1	<u>6,738,614</u>	<u>6,954,495</u>
		<u>7,927,125</u>	<u>8,130,125</u>
		<u>11,378,251</u>	<u>12,886,078</u>
Federal and State Grant Fund:			
Due to General Capital Fund	A-26		18,025
Appropriated Grant Reserves	A-28	228,935	191,015
Unappropriated Grant Reserves	A-29	55,836	31,459
		<u>284,771</u>	<u>240,499</u>
		<u>\$ 11,663,022</u>	<u>13,126,577</u>

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

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

Current Fund

Year Ended December 31,

	<u>2021</u>	<u>2020</u>
Revenue and other income realized:		
Fund balance utilized	\$ 3,490,000	3,150,000
Miscellaneous revenue anticipated	3,675,171	2,611,434
Receipts from delinquent taxes	825,056	626,665
Receipts from current taxes	50,588,678	49,689,891
Non-budget revenues	346,217	379,101
Other credits to income:		
Special Emergency - COVID-19 Revenue Losses		600,000
Unexpended balance of appropriation reserves and encumbrances	2,113,931	1,989,187
Liabilities cancelled	10,790	5,950
Interfunds returned	2,059	190,029
Total revenue and other income	<u>61,051,902</u>	<u>59,242,257</u>
Expenditures:		
Budget and emergency appropriations:		
Appropriations within "CAPS":		
Operations:		
Salaries and wages	9,105,032	8,691,936
Other expenses	7,194,575	7,038,286
Deferred charges and statutory expenditures	2,373,750	2,435,695
Appropriations excluded from "CAPS":		
Operations:		
Salaries and wages	50,000	50,000
Other expenses	4,103,087	3,886,957
Capital improvements	100,000	100,000
Municipal debt service	1,011,481	983,886
Deferred charges	489,265	50,000
Judgements	443,048	
County taxes	8,279,178	7,983,849
Amount due county for added and omitted taxes	20,875	16,618
Local district school tax	24,434,348	24,470,056
Tax Court Judgements	112,948	104,072
Revenue Refunds	10,196	
Settlements	50,000	
Total expenditures	<u>57,777,783</u>	<u>55,811,355</u>
Excess in revenue	<u>3,274,119</u>	<u>3,430,902</u>

BOROUGH OF PALISADES PARK
Comparative Statement of Operations and Changes
in Fund Balance-Regulatory Basis

Current Fund

Year Ended December 31,

	<u>2021</u>	<u>2020</u>
Fund balance, January 1	<u>6,954,495</u>	<u>6,673,593</u>
	10,228,614	10,104,495
Decreased by utilization as anticipated revenue	<u>3,490,000</u>	<u>3,150,000</u>
Fund balance, December 31	<u>\$ 6,738,614</u>	<u>6,954,495</u>

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 3,490,000	3,490,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	72,000	68,250	(3,750)
Other	200	1,465	1,265
Fees and permits:			
Construction Code Official	450,000	498,040	48,040
Other	200,000	215,829	15,829
Municipal Court - fines and costs	550,000	386,638	(163,362)
Interest and costs on taxes	95,000	166,224	71,224
Parking Meters	200,000	213,459	13,459
Interest on investments and deposits	20,000	12,659	(7,341)
Recreation Fees	2,500	14,280	11,780
Energy Receipts Tax	30,828	30,828	
Consolidated Municipal Property Tax Relief Act	918,162	918,162	
Parking Meters	50,000	50,000	
Bulletproof Vest Partnership Program	2,745	2,745	
Recycling Tonnage Grant	42,896	42,896	
Municipal Alliance	4,507	4,507	
Body Armor Grant	3,606	3,606	
General Capital Fund Balance	26,900	26,900	
Local Housing Inspections	7,000	18,689	11,689
Sewer Connection Fees	90,000	76,624	(13,376)
American Rescue Plan	923,370	923,370	
Total miscellaneous revenues	<u>3,689,714</u>	<u>3,675,171</u>	<u>(14,543)</u>
Receipts from delinquent taxes	<u>800,000</u>	<u>825,056</u>	<u>25,056</u>
Amount to be raised by taxes for support of municipal purposes	<u>18,340,996</u>	<u>18,638,537</u>	<u>297,541</u>
Total budget revenues	<u>\$ 26,320,710</u>	<u>26,628,764</u>	<u>308,054</u>
Non-budget revenues		<u>346,217</u>	
		<u>\$ 26,974,981</u>	

BOROUGH OF PALISADES PARK
Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2021

Analysis of Realized Revenue

Allocation of current tax collections:

Revenue from collections	\$	50,588,678
Allocated to school and county taxes		<u>33,150,141</u>
Balance for support of municipal budget appropriations		17,438,537
Add reserve for uncollected taxes		<u>1,200,000</u>
Amount for support of municipal budget	\$	<u><u>18,638,537</u></u>
Receipts from delinquent taxes:		
Delinquent tax collections	\$	<u><u>825,056</u></u>

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Seepage Pits	\$	6,000
LEA Rebate		23,871
CARES Act Reimbursements - Bergen County		124,676
FEMA Reimbursement - Coronavirus Pandemic		31,898
Bid Specs		1,170
Fines		200
Vision Cable		125,891
Miscellaneous		<u>32,511</u>
	\$	<u><u>346,217</u></u>

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administrative and Executive:					
Salaries and Wages	960,000	1,170,000	1,167,292	2,708	
Printing and Supplies	12,500	12,610	12,610		
Miscellaneous Expense	210,000	125,000	120,157	4,843	
Website Maintenance	50,000	50,000	40,200	9,800	
Preparation of Tax Map	50,000	50,000	18,800	31,200	
Financial Administration:					
Salaries and Wages	180,000	65,000	63,738	1,262	
Other Expenses	65,000	90,000	85,051	4,949	
Collection of Taxes:					
Salaries and Wages	185,000	220,000	219,620	380	
Other Expenses	20,000	20,000	17,553	2,447	
Assessment of Taxes:					
Salaries and Wages	33,000	33,000	31,483	1,517	
Other Expenses	68,000	2,400	2,043	357	
Legal-Tax Appeals	75,000	90,000	88,512	1,488	
Legal Services and Costs:					
Other Expenses	230,000	430,000	375,075	54,925	
Engineering Services and Costs:					
Other Expenses	20,000	8,000	5,100	2,900	

BOROUGH OF PALISADES PARK, N.J.
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	6,500	6,540	6,533	7	
Other Expenses	17,500	3,800	3,680	120	
Zoning Board of Adjustment:					
Salaries and Wages	15,000	15,000	14,813	187	
Other Expenses	25,000	2,200	1,916	284	
Zoning Officer					
Salaries and Wages	20,400	19,400	18,618	782	
Housing Inspector					
Salaries and Wages	16,000				
Rent Leveling Board:					
Salaries and Wages	4,400	4,900	4,770	130	
Other Expenses	200	200		200	
Municipal Court					
Salaries and Wages	200,000	200,400	200,385	15	
Other Expenses	40,000	50,600	50,597	3	
Public Defender					
Salaries and Wages	2,500	2,500	2,500		
Health Standards Act N.J.A.C. 12:100-4.2					
Other Expenses	1,000				

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Safety:					
Police:					
Salaries and Wages	5,010,000	4,960,000	4,893,428	66,572	
Clothing Allowance	25,000				
Miscellaneous Other Expenses	245,000	305,000	304,433	567	
Police Cars	70,000	70,000	27,867	42,133	
Communications					
Other Expenses	20,000	20,000	15,251	4,749	
Emergency Management					
Other Expenses	30,000	20,000	3,509	16,491	
Qualified Purchasing Agent					
Salaries and Wages	33,000	35,000	34,715	285	
Fire:					
Salaries and Wages	110,000	75,000	23,347	51,653	
Salaries and Wages - Stipends	170,000	201,000	200,436	564	
Clothing Allowance	70,000	60,785	36,030	24,755	
Miscellaneous Other Expenses	125,000	187,000	183,221	3,779	
Uniform Fire Safety Act:					
Salaries and Wages	110,000	133,000	131,590	1,410	
Other Expenses	32,500	32,500	30,094	2,406	

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and Wages	715,000	1,088,000	1,088,000		
Salaries and Wages - Overtime	85,000	85,000	79,320	5,680	
Other Expenses	140,000	210,000	187,807	22,193	
Garbage and Trash Removal:					
Trash Removal - Contractual	1,400,000	1,311,549	1,302,468	9,081	
Sanitary Landfill	12,000	152,000	141,345	10,655	
Windsor Road Garbage Removal	20,000	20,000	20,000		
Roosevelt Ave - Garbage	20,000				
Park Development West	15,155	15,155	15,155		
Recycling:					
Salaries and Wages	20,000				
Other Expenses	5,000				
Public Buildings and Grounds:					
Other Expenses	50,000	90,000	35,121	54,879	
Snow Removal - Other Expenses	40,000	65,000	62,745	2,255	
Sewer System:					
Sewer repairs and rehabilitation	15,000	15,000	7,600	7,400	
Board of Health					
Salaries and Wages	180,000	195,000	193,944	1,056	
Other Expenses	20,000	20,000	15,431	4,569	

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Housing Officer					
Salaries and Wages	4,000				
Environmental Commission (NJSA 40:56A-1 etc.):					
Salaries and Wages	2,650	2,650	2,481	169	
Other Expenses					
Tree Removal	12,000	27,000	26,875	125	
Animal Welfare:					
Other Expenses	35,000	32,000	29,537	2,463	
Recreation and Education:					
Salaries and Wages	60,000	51,000	50,344	656	
Other Expenses	60,000	40,000	29,708	10,292	
Senior Citizen Committee:					
Salaries and Wages	35,000	2,100	2,006	94	
Other Expenses	6,000	6,000	5,862	138	
Parks and Playgrounds:					
Salaries and Wages	3,000				
Other Expenses	7,500	7,500	6,035	1,465	
Summer Youth Program					
Other Expenses	24,000	22,785	22,135	650	
Town Historian					
Salaries and Wages	5,500	5,510	5,503	7	

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Replacement and Repairs all Departments:					
Other Expenses	1,000				
Police Administration Hearings:					
Other Expenses	50,000				
Parking Lot Rental					
Other Expenses	40,000	32,000	31,613	387	
Traffic Control Other Expenses	1,000				
Anniversary or Holiday					
Other Expenses	40,000	25,000	22,746	2,254	
Grants Person					
Other Expenses	36,000	39,600	39,600		
Insurance:					
Other Insurance Premiums	412,091	634,892	634,892		
Group Insurance for Employees	2,300,000	1,900,000	1,826,391	73,609	
Workers Compensation	336,635				
Uniform Construction Code Officials					
Salaries and Wages	136,239	125,239	124,149	1,090	
Building Inspector					
Salaries and Wages	91,633	176,633	171,871	4,762	
Other Expenses	34,000	24,000	16,389	7,611	
Plumbing Inspector					
Salaries and Wages	18,000	40,000	36,463	3,537	

BOROUGH OF PALISADES PARK, N.J.
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Electrical Inspector					
Salaries and Wages	15,000	18,000	17,909	91	
Fire Sub-Code Officials					
Salaries and Wages	15,000	16,300	16,194	106	
Code Enforcement Officer					
Salaries and Wages	136,000	22,000	20,508	1,492	
Elevator Inspection					
Salaries and Wages	13,000	9,000	8,536	464	
Elevator Sub-Code					
Salaries and Wages		4,500	4,131	369	
Building Inspection					
Salaries and Wages	50,000	100,000	96,404	3,596	
Building Sub-Code Official					
Salaries and Wages	16,000				
COAH Enforcement					
Salaries and Wages	18,360	3,360	2,969	391	
Zoning Official					
Salaries and Wages	500				
State Housing					
Salaries and Wages	17,500	20,000	19,776	224	

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
UNCLASSIFIED:					
Utilities:					
Electricity	120,000	80,000	66,151	13,849	
Street Lighting	130,000	90,000	77,489	12,511	
Telephone	265,000	312,000	296,902	15,098	
Water	12,000	12,000	3,387	8,613	
Natural Gas	50,000	15,000	13,564	1,436	
Fire Hydrant Service	150,000	190,000	177,832	12,168	
Diesel	1,000	6,000	5,735	265	
Gasoline	170,000	170,000	148,147	21,853	
Total Operations within "CAPS"	<u>16,225,263</u>	<u>16,299,608</u>	<u>15,644,137</u>	<u>655,471</u>	
B. Contingent					
Total Operations Including Contingent-within "CAPS"	<u>16,225,263</u>	<u>16,299,608</u>	<u>15,644,137</u>	<u>655,471</u>	
Detail:					
Salaries & Wages	8,693,182	9,105,032	8,953,776	151,256	
Other Expenses (Including Contingent)	<u>7,532,081</u>	<u>7,194,576</u>	<u>6,690,361</u>	<u>504,215</u>	
	<u>16,225,263</u>	<u>16,299,608</u>	<u>15,644,137</u>	<u>655,471</u>	

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
DEFERRED CHARGES:					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	540,808	540,908	540,822	86	
Police and Firemen's Retirement System	1,328,342	1,330,842	1,329,762	1,080	
Social Security System (O.A.S.I.)	612,000	502,000	482,328	19,672	
Unemployment Compensation Insurance	30,000				
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>2,511,150</u>	<u>2,373,750</u>	<u>2,352,912</u>	<u>20,838</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>18,736,413</u>	<u>18,673,358</u>	<u>17,997,049</u>	<u>676,309</u>	
Operations - Excluded from "CAPS" Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985) Other Expenses	1,109,566	1,109,566	923,755	185,811	

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfe-</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Sewer Rent:					
Borough of Ridgefield	230,000	230,000	121,709	108,291	
Borough of Fort Lee	17,500	17,500		17,500	
Bergen County Utilities Authority					
Service Charges - Contractual	2,384,712	2,443,887	2,443,887		
Total Other Operations - Excluded from "CAPS"	3,741,778	3,800,953	3,489,351	311,602	
Interlocal Municipal Service Agreements:					
Ridgefield Contractual Services:					
Other Expenses	34,500	38,380	38,380		
Palisades Park Board of Education					
School Security - Other Expenses	50,000	50,000	50,000		
Bergen County					
911 Dispatch - Other Expenses	160,000	160,000	160,000		
Total Interlocal Agreements Excluded from "CAPS"	244,500	248,380	248,380		
Additional Appropriations Offset by					
Revenues (N.J.S. 40A:4-45.3h)	50,000	50,000	50,000		
Parking Meters:					
Salaries and Wages					
Total Additional Appropriations Offset by	50,000	50,000	50,000		
Revenues (N.J.S. 40A:4-45.3h)					

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public and Private Programs Offset by Revenues					
Body Armor Grant					
Police - Other Expenses	3,606	3,606	3,606		
Municipal Alliance					
Other Expenses	4,507	4,507	4,507		
Bullet Proof Vest					
Other Expenses	2,745	2,745	2,745		
Recycling Tonnage					
Other Expenses	42,896	42,896	42,896		
Total Public and Private Programs Offset by Revenues	53,754	53,754	53,754		
Total Operations-Excluded from "CAPS"	4,090,032	4,153,087	3,841,485	311,602	
Detail:					
Salaries and Wages	50,000	50,000	50,000		
Other Expenses	4,040,032	4,103,087	3,791,485	311,602	
	<u>4,090,032</u>	<u>4,153,087</u>	<u>3,841,485</u>	<u>311,602</u>	
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	100,000	100,000	100,000		
Total Capital Improvements Excluded from "CAPS"	100,000	100,000	100,000		

BOROUGH OF PALISADES PARK, N.J.
Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	930,000	930,000	730,000		200,000
Interest on Bonds	275,000	275,000	231,638		43,362
Interest on Notes	50,000	50,000	49,843		157
Total Municipal Debt Service-Excluded from "CAPS"	<u>1,255,000</u>	<u>1,255,000</u>	<u>1,011,481</u>		<u>243,519</u>
Deferred Charges:					
Special Emergency Authorization	489,265	489,265	489,265		
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>489,265</u>	<u>489,265</u>	<u>489,265</u>		
Judgements	450,000	450,000	443,048		6,952

BOROUGH OF PALISADES PARK, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	6,384,297	6,447,352	5,885,279	311,602	250,471
Subtotal General Appropriations Reserve for Uncollected Taxes	25,120,710	25,120,710	23,882,328	987,911	250,471
Total General Appropriations	<u>\$ 26,320,710</u>	<u>26,320,710</u>	<u>25,082,328</u>	<u>987,911</u>	<u>250,471</u>

Adopted Budget \$ 26,320,709

Reserve for Uncollected Taxes	1,200,000
Reserve for Encumbrances	347,307
Federal and State Grant Fund	53,754
Deferred Charges	489,265
Cash	<u>22,992,002</u>
	<u>\$ 25,082,328</u>

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BOROUGH OF PALISADES PARK

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Animal License Fund:			
Cash	B-2	\$ 6,332	5,755
Due from Board of Health	B-4	257	250
Due from State of New Jersey	B-6	49	50
		<u>6,638</u>	<u>6,055</u>
Assessment Trust Fund:			
Due from Current Fund	B-8	<u>204</u>	<u>204</u>
Other Trust Fund:			
Cash	B-2	3,535,706	3,060,536
Due from Capital Fund	B-7		71,004
Interfund - Due from Current Fund	B-7	2,906	
Intrafund - Affordable Housing Trust	B-7	378	12,342
		<u>3,538,990</u>	<u>3,143,882</u>
Law Enforcement Trust Fund:			
Cash	B-2	<u>781</u>	<u>781</u>
Library Trust Fund:			
Cash	B-2	<u>59,047</u>	<u>46,374</u>
		<u>\$ 3,605,660</u>	<u>3,197,296</u>

BOROUGH OF PALISADES PARK

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-3	\$ 3,119	4,620
Due to Current Fund	B-5	3,519	1,435
		<u>6,638</u>	<u>6,055</u>
Assessment Trust Fund:			
Fund Balance	B-1	<u>204</u>	<u>204</u>
Other Trust Fund:			
Due to Current Fund	B-7	1,500	624
Intrafund - Affordable Housing Rental Income	B-7	378	12,342
Reserve for:			
Other Trust Deposits	B-9	<u>3,537,112</u>	<u>3,130,916</u>
		<u>3,538,990</u>	<u>3,143,882</u>
Law Enforcement Trust Fund:			
Reserve for Law Enforcement expenditures	B-10	<u>781</u>	<u>781</u>
Library Trust Fund:			
Reserve for Library expenditures	B-11	51,742	43,569
Reserve for Donations - Restricted	B-12	7,305	2,805
		<u>59,047</u>	<u>46,374</u>
		<u>\$ 3,605,660</u>	<u>3,197,296</u>

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

Comparative Statement of Changes in Fund Balance - Regulatory Basis

Assessment Trust Funds

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Balance - January 1,	\$ <u>204</u>	<u>204</u>
Balance - December 31,	\$ <u><u>204</u></u>	<u><u>204</u></u>

See accompanying notes to financial statements.

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BOROUGH OF PALISADES PARK
Comparative Balance Sheet - Regulatory Basis
General Capital Fund
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash	C-2,C-3	\$ 1,431,431	2,138,482
Grants Receivable			
Community Development Block Grant	C-5	143,470	53,470
Bergen County Open Space Trust Fund	C-6	233,897	182,647
State of New Jersey Department of Transportation	C-7	259,397	259,397
Due from Current Fund	C-13		333
Due from Federal and State Grant Fund	C-14		18,025
Deferred Charges to Future Taxation:			
Funded	C-4	7,840,000	8,570,000
Unfunded	C-8	6,874,356	5,704,481
		<u>\$ 16,782,551</u>	<u>16,926,835</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-16	7,840,000	8,570,000
Bond Anticipation Notes Payable	C-17	3,984,000	3,280,000
Improvement Authorizations:			
Funded	C-10	1,332,358	1,530,093
Unfunded	C-10	2,701,328	2,749,181
Due to Shade Tree Preservation Trust	C-12		71,004
Due to Current Fund	C-13	1,115	
Reserve for Payment of Debt	C-11	5	5
Reserve for Grants Receivable	C-15	636,764	495,514
Capital Improvement Fund	C-9	240,215	204,115
Fund Balance	C-1	46,766	26,923
		<u>\$ 16,782,551</u>	<u>16,926,835</u>

There were bonds and notes authorized but not issued on December 31, 2020 of \$2,890,356 and \$2,424,481 at December 31, 2020 (per exhibit C-18).

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

Comparative Statement of Changes in Fund Balance-Regulatory Basis

General Capital Fund

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Balance - December 31,	\$ <u>26,923</u>	<u>14,072</u>
Increased by:		
Premium on Note Sale	<u>46,743</u>	<u>26,851</u>
	73,666	40,923
Decreased by:		
Utilitized as Budget Revenue	<u>26,900</u>	<u>14,000</u>
Balance - December 31,	\$ <u><u>46,766</u></u>	<u><u>26,923</u></u>

See accompanying notes to financial statements

BOROUGH OF PALISADES PARK

Comparative Balance Sheet - Regulatory Basis

Swimming Pool Utility Fund

Years ended December 31, 2021 and 2020

	Ref.	2021	2020
<u>Assets</u>			
Operating Fund:			
Cash	D-6	\$ 194,476	219,400
Petty Cash			200
Due from Current Fund	D-8	160,735	
		<u>355,211</u>	<u>219,600</u>
Deferred Charges-			
Special Emergency Authorization	D-11	230,000	230,000
		<u>585,211</u>	<u>449,600</u>
Capital Fund:			
Cash	D-5,D-6	505,540	497,292
Interfund Receivable - Swim Pool Operating	D-10	8,000	8,000
Fixed Capital	D-12	3,318,997	3,318,997
Fixed Capital Authorized and Uncompleted	D-13	837,238	837,238
		<u>4,669,775</u>	<u>4,661,527</u>
		<u>\$ 5,254,986</u>	<u>5,111,127</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves	D-4,D-7	\$ 160,781	230,773
Encumbrances Payable	D-4,D-7	5,656	652
Accrued Interest	D-9	7,892	8,246
Interfund Payable - Swim Pool Capital	D-10	8,000	8,000
Fund Balance	D-1	402,882	201,929
		<u>585,211</u>	<u>449,600</u>
Capital Fund:			
Improvement Authorizations - Funded	D-14	34,684	34,684
Improvement Authorizations - Unfunded	D-14	760,957	760,957
Reserve for Amortization	D-15	3,141,817	3,133,817
Bond Anticipation Notes Payable	D-16	684,000	692,000
Deferred Reserve for Amortization	D-17	37,700	37,700
Fund Balance	D-2	10,617	2,369
		<u>4,669,775</u>	<u>4,661,527</u>
		<u>\$ 5,254,986</u>	<u>5,111,127</u>

There were bonds and notes authorized but not issued on December 31, 2021 and December 31, 2020 in the amount of \$292,718 and \$292,718 respectively (per Exhibit D-18).

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

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

Swimming Pool Utility Fund

For the Years Ended December 31,

	<u>2021</u>	<u>2020</u>
Revenue and other income realized:		
Fund balance utilized	\$	107,765
Membership fees	351,919	219,892
American Rescue Plan	160,735	
Miscellaneous revenues	542	639
COVID-19 Special Emergency		230,000
Other credits to income:		
Liabilities cancelled	1,254	7,150
Unexpended balance of appropriation reserves	227,079	113,869
Total income	<u>741,529</u>	<u>679,315</u>
Expenditures:		
Operations:		
Salaries and wages	320,000	320,000
Other expenses	200,000	200,000
Deferred Charges		
Debt service	19,000	37,765
Membership Refunds	1,576	4,096
Total expenditures	<u>540,576</u>	<u>561,861</u>
Excess	200,953	117,454
Fund balance, January 1	<u>201,929</u>	<u>192,240</u>
	402,882	309,694
Decreased by utilization as anticipated revenue	<u> </u>	<u>107,765</u>
Fund balance, December 31	<u>\$ 402,882</u>	<u>201,929</u>

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

Comparative Statement of Changes in Capital Fund Balance - Regulatory Basis

Swimming Pool Utility Capital Fund

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Balance - December 31,	\$ 2,369	2,368
Increased by:		
Premium received on Note Sale	<u>8,248</u>	<u>1</u>
Balance - December 31,	<u>\$ 10,617</u>	<u>2,369</u>

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

Statement of Revenues-Regulatory Basis

Swimming Pool Utility Fund

Year ended December 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Membership fees	\$ 400,000	351,919	(48,081)
American Rescue Plan - Revenue Losses	160,735	160,735	
Miscellaneous revenues	<u> </u>	<u>542</u>	<u>542</u>
	<u>\$ 560,735</u>	<u>513,196</u>	<u>(47,539)</u>
		Cash Receipts 352,461	
		Due from Current Fund <u>160,735</u>	
		<u>\$ 513,196</u>	

Analysis of Membership Revenues

Interest on Investments	\$ <u>542</u>
	<u>\$ 542</u>

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK
Statement of Expenditures-Regulatory Basis

Swimming Pool Utility Fund

Year ended December 31, 2021

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	Budget after modifi- cation	Paid or charged	<u>Reserved</u>	Unexpended Balance Cancelled
Operating:					
Salaries and wages	\$ 320,000	320,000	228,351	91,649	
Other expenses	200,000	200,000	130,868	69,132	
	<u>520,000</u>	<u>520,000</u>	<u>359,219</u>	<u>160,781</u>	
Debt Service:					
Principal on Notes	29,735	29,735	8,000		21,735
Interest on Notes	11,000	11,000	11,000		
	<u>40,735</u>	<u>40,735</u>	<u>19,000</u>		<u>21,735</u>
	<u>\$ 560,735</u>	<u>560,735</u>	<u>378,219</u>	<u>160,781</u>	<u>21,735</u>
Adopted Budget		<u>560,735</u>			
		<u>\$ 560,735</u>			
		Encumbrances	5,656		
		Accrued Interest	11,000		
		Due to Swimming Pool Capital Fund	8,000		
		Cash Disbursed	<u>353,563</u>		
			<u>\$ 378,219</u>		

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

Comparative Balance Sheet-Regulatory Basis

Payroll Account

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash	\$ <u>15,815</u>	<u>18,590</u>
	<u>\$ 15,815</u>	<u>18,590</u>
<u>Reserves</u>		
	\$	
Reserve for Net Payroll	8,180	6,514
Payroll Deductions and Withholdings	<u>7,635</u>	<u>12,076</u>
	<u>\$ 15,815</u>	<u>18,590</u>

See accompanying notes to financial statements.

BOROUGH OF PALISADES PARK

Comparative Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Land	\$ 6,866,186	5,494,992
Building	3,557,832	3,557,832
Vehicles and Equipment	<u>10,709,956</u>	<u>11,759,185</u>
	<u>\$ 21,133,974</u>	<u>20,812,009</u>
Investment in General Fixed Assets	<u>\$ 21,133,974</u>	<u>20,812,009</u>

See accompanying notes to financial statements.

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BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

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

The Borough has the following funds and account group:

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

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

Assessment Trust Fund - This fund is used to account for the collection of special assessments for improvements.

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

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

Law Enforcement Trust Fund - This fund is used to account for receipt and disbursement of funds related to the U.S. Equitable Forfeiture Sharing Program.

Library Trust Fund - This fund is used to account for receipts and donations collected and used to offset miscellaneous expenses and book purchases made by the Library.

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

Payroll Account - This fund is to account for the receipt and disbursement of net payroll and all payroll deductions and withholdings.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

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

Swim Pool Utility Fund - is used to account for the operations and acquisition of the capital facilities and municipally owned utility.

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the current year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Basis of Accounting, (continued)

taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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

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

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Basis of Accounting, (continued)

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2021 and 2020, the Governing Body approved additional revenues and appropriations of \$-0- and \$36,612, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2021 and 2020.

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

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

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

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

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Basis of Accounting, (continued)

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

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

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

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

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

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

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

No depreciation has been provided for in the financial statements.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

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

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

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

Use of Estimates

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

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

C. Basic Financial Statements

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2021, \$-0- of the Borough's bank balance of \$15,919,097 was exposed to custodial credit risk. As of December 31, 2020, \$-0- of the Borough's bank balance of \$17,062,031 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 3. MUNICIPAL DEBT

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

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$8,570,000		\$730,000	\$7,840,000	\$755,000
Other Liabilities:					
Compensated Absences Payable	1,567,141	480,089	225,951	1,821,279	
Deferred PERS/PFRS Pension Obligation	<u>176,961</u>	<u> </u>	<u>45,910</u>	<u>131,051</u>	<u>50,916</u>
	<u>\$10,314,102</u>	<u>\$480,089</u>	<u>\$1,001,861</u>	<u>\$9,792,330</u>	<u>\$805,916</u>
	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	\$9,285,000		\$715,000	\$8,570,000	\$730,000
Other Liabilities:					
Compensated Absences Payable	1,852,206	217,301	502,366	1,567,141	
Deferred PERS/PFRS Pension Obligation	<u>219,134</u>	<u> </u>	<u>42,173</u>	<u>176,961</u>	<u>45,910</u>
	<u>\$11,356,340</u>	<u>\$217,301</u>	<u>\$1,259,539</u>	<u>\$10,314,102</u>	<u>\$775,910</u>

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

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BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

<u>Issued:</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General - bonds, notes and loans	\$11,824,000	\$11,850,000	\$12,565,000
Swimming Pool	<u>684,000</u>	<u>692,000</u>	<u>700,000</u>
Total Issued	12,508,000	12,542,000	13,265,000
<u>Less:</u>			
Funds Temporarily Held to Pay			
Bonds and Notes	<u>5</u>	<u>5</u>	<u>6</u>
Net Debt Issued	<u>12,507,995</u>	<u>12,541,995</u>	<u>13,264,994</u>
<u>Authorized But Not Issued</u>			
General - bonds, notes and loans	2,890,356	2,424,481	1,698,706
Swimming pool - bonds and notes	<u>292,718</u>	<u>292,718</u>	<u>292,718</u>
Total Authorized But Not Issued	<u>3,183,074</u>	<u>2,717,199</u>	<u>1,991,424</u>
 Net Bonds and Notes Issued and Authorized But Not Issued	 <u>\$15,691,069</u>	 <u>\$15,259,194</u>	 <u>\$15,256,418</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of (.442)% for 2021.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$	\$	\$
Swimming Pool Utility Debt	976,718	614,709	362,009
General Debt	<u>14,714,356</u>	<u>5</u>	<u>14,714,351</u>
	<u>\$15,691,074</u>	<u>\$614,714</u>	<u>\$15,076,360</u>

Net debt of \$15,076,360 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$3,414,175,577 equals 0.442%.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of (.472%)% for 2020.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Swimming Pool Utility Debt	\$113,000	\$113,000	\$
School District Debt	984,718	412,412	572,306
General Debt	<u>14,274,481</u>	<u>5</u>	<u>14,274,476</u>
	<u>\$15,372,199</u>	<u>\$525,417</u>	<u>\$14,846,782</u>

Net debt of \$14,846,784 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$3,142,732,266 equals 0.472%.

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

	<u>2021</u>	<u>2020</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$119,496,145	\$109,995,629
Net Debt	<u>15,076,360</u>	<u>14,846,782</u>
Remaining Borrowing Power	<u>\$104,419,785</u>	<u>\$95,148,847</u>

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

	<u>2021</u>	<u>2020</u>
Cash receipts from fees, rents or other charges for year	\$513,196	\$328,296
Deductions:		
Operating and Maintenance Cost	520,000	520,000
Debt Service	<u>19,000</u>	<u>37,765</u>
Total Deductions	<u>539,000</u>	<u>1,078,000</u>
Excess in Revenue - Self-Liquidating	<u>(\$25,804)</u>	<u>(\$749,704)</u>

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

General Obligation Bonds

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

Paid by Current Fund.

	<u>2021</u>	<u>2020</u>
<u>General serial bonds:</u>		
\$3,735,000 General Improvement Bonds - with an interest rate of 2.00% to 4.00% issued April 5, 2011, due through April 15, 2025	\$1,265,000	\$1,905,000
\$8,125,000 General Improvement Bonds - with an interest rate of 2.00% to 3.00% issued April 1, 2017, due through April 1, 2032	<u>6,575,000</u>	<u>7,380,000</u>
	<u>\$7,840,000</u>	<u>\$9,285,000</u>

Aggregate bonded debt service requirements are as follows:

<u>Year</u>	<u>General Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	755,000	210,388	965,388
2023	780,000	188,688	968,688
2024	830,000	165,644	995,644
2025	855,000	141,175	996,175
2026	640,000	120,800	760,800
2027-2031	3,315,000	340,875	3,655,875
2032	<u>665,000</u>	<u>9,975</u>	<u>674,975</u>
	<u>\$7,840,000</u>	<u>\$1,177,545</u>	<u>\$9,017,545</u>

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

At December 31, 2021 and 2020, the Borough had authorized but not issued debt as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$2,890,356	\$2,424,481
Swim Pool Capital Fund	292,718	292,718

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2021 and 2020, the Borough had \$3,984,000 and \$3,280,000, respectively, in outstanding general capital bond anticipation notes, and \$684,000 and \$692,000 Swim Pool Utility bond anticipation notes.

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

<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
BNY Mellon Capital Markets, LLC	\$	\$4,668,000	\$	\$4,668,000
TD Securities, LLC	<u>3,972,000</u>		<u>3,972,000</u>	<u>0</u>
	<u>\$3,972,000</u>	<u>\$4,668,000</u>	<u>\$3,972,000</u>	<u>\$4,668,000</u>
<u>2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Jeffries LLC	\$3,280,000	\$	\$3,280,000	\$0
Township of East Brunswick, NJ	700,000		700,000	0
TD Securities, LLC	<u>0</u>	<u>3,972,000</u>		<u>3,972,000</u>
	<u>\$3,980,000</u>	<u>\$3,972,000</u>	<u>\$3,980,000</u>	<u>\$3,972,000</u>

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 5. LOCAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Palisades Park has elected to defer school taxes as follows:

	Local District School Tax Balance December 31,	
	<u>2021</u>	<u>2020</u>
Balance of Tax	\$12,425,044	\$12,009,304
Deferred	<u>12,425,044</u>	<u>12,000,185</u>
Tax Payable	<u>\$0</u>	<u>\$63,340</u>

NOTE 6. PENSION PLANS

Description of Plans:

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

Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Benefits Provided, (continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System (PFRS)

Plan Description

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

Benefits Provided

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

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2021	\$524,721	\$1,274,363
2020	453,369	1,169,960
2019	466,782	1,100,873

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

Contribution Requirements, (continued)

The following pension information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

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

Public Employees Retirement System (PERS)

At December 31, 2020, the Borough had a liability of \$7,821,958 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was .0479657397 percent, which was an increase of .0013568709 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$453,369. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$142,425	\$27,662
Changes of assumptions	253,753	3,275,128
Net difference between projected and actual earnings on pension plan investments	267,361	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>880,602</u>	<u>50,661</u>
Total	<u>\$1,544,141</u>	<u>\$3,353,451</u>

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

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

Year ended June 30:	
2021	\$(981,513)
2022	(894,841)
2023	(511,379)
2024	(206,793)
2025	(44,725)

Changes in Proportion

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

Additional Information

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Borough's Proportion	.0479657397%	.0466088688%

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

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

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

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

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$9,862,460	\$7,821,958	\$6,090,536

Pension Plan Fiduciary Net Position

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2020, the Borough had a liability of \$14,739,420 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was .1140705556 percent, which was a decrease of .001754385 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$1,169,960. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$148,598	\$52,898
Changes of assumptions	37,092	3,951,550
Net difference between projected and actual earnings on pension plan investments	864,241	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>566,658</u>	<u>292,549</u>
Total	<u>\$1,616,589</u>	<u>\$4,296,997</u>

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

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

Year ended June 30:	
2021	\$(1,378,771)
2022	(930,504)
2023	(378,815)
2024	(143,103)
2025	(123,325)

Changes in Proportion

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

Additional Information

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Borough's Proportion	.1140705556%	.1158249408%

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Actuarial Assumptions

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

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Long-Term Rate of Return, (continued)

trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Discount Rate

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

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

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

	<u>June 30, 2020</u>		
	<u>1%</u> <u>Decrease</u> <u>6.00%</u>	<u>At Current</u> <u>Discount Rate</u> <u>7.00%</u>	<u>1%</u> <u>Increase</u> <u>8.00%</u>
Borough's proportionate share of the pension liability	\$20,354,796	\$14,739,420	\$10,075,421

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 6. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Special Funding Situation - PFRS

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

At December 31, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,287,491 and \$2,238,172, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$259,241 and \$260,057, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$176,021 and \$150,806, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 6, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

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

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

Total OPEB Liability

The following other post employment benefit information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other post employment benefit information is available.

At December 31, 2020, the Borough had a liability of \$22,734,769 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2020 the Borough's proportion was .126680000 percent which was an increase of .006857000% from its proportion measured as of June 30, 2019.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

For the year ended December 31, 2020, the Borough recognized OPEB expense (Benefit) of \$(16,537). At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$598,816	\$4,233,638
Changes of assumptions	3,400,406	5,055,862
Net difference between projected and actual earnings on OPEB plan investments	14,438	
Changes in proportion	<u>1,990,341</u>	<u>2,858,675</u>
Total	<u>\$6,004,001</u>	<u>\$12,148,175</u>

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

Year ended June 30:	
2021	\$(1,222,107)
2021	(1,223,215)
2022	(1,225,006)
2023	(1,226,643)
2024	(836,415)
Thereafter	457,546

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.87, 8.05, 8.14 and 8.04 years for 2020, 2019, 2018 and 2017 amounts, respectively.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 7. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	June 30, 2020		
	1% Decrease <u>1.21%</u>	At Current Discount Rate <u>2.21%</u>	1% Increase <u>3.21%</u>
Borough's proportionate share of Net OPEB liability	\$26,877,301	\$22,734,769	\$19,455,579

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

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

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of Net OPEB liability	\$18,813,045	\$22,734,769	\$27,870,321

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 8. FUND BALANCE APPROPRIATED

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

	<u>2022</u>	<u>2021</u>
Current Fund	\$3,490,000	\$3,490,000
Swimming Pool Utility	172,800	-0-

NOTE 9. FIXED ASSETS

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

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
General Fixed Assets:				
Land and Land Improvements	\$5,494,992	\$1,371,194	\$	\$6,866,186
Building and Building Improvements	3,557,832			3,557,832
Machinery and Equipment	<u>11,759,185</u>	<u>222,648</u>	<u>1,271,877</u>	<u>10,709,956</u>
	<u>\$20,812,009</u>	<u>\$1,593,842</u>	<u>\$1,271,877</u>	<u>\$21,133,974</u>
Investment in Fixed Assets	<u>\$20,812,009</u>			<u>\$21,133,974</u>

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Fixed Assets:				
Land and Land Improvements	\$5,494,992	\$	\$	\$5,494,992
Building and Building Improvements	3,557,832			3,557,832
Machinery and Equipment	<u>10,954,620</u>	<u>855,325</u>	<u>50,760</u>	<u>11,759,185</u>
	<u>\$20,007,444</u>	<u>\$855,325</u>	<u>\$50,760</u>	<u>\$20,812,009</u>
Investment in Fixed Assets				<u>\$20,812,009</u>

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 10. ACCRUED SICK AND VACATION BENEFITS

The Borough permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$1,821,279 and \$1,567,141 as of December 31, 2021 and 2020, respectively. The amount is not reported either as a liability or an expenditure.

NOTE 11. INTERFUND BALANCES AND ACTIVITY

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

\$1,115	Due to the Current Fund from the General Capital Fund for interest earned on investments.
160,735	Due to the Swim Pool Operating Fund from the Current Fund for Swim Pool's share of American Rescue Plans funds received in Current Fund.
3,519	Due to the Current Fund from the Animal License Trust Fund for the current years' statutory excess.
204	Due to the Assessment Trust Fund from the Current Fund for the collection of assessments received in the Current Fund.
1,500	Due to the Current Fund from the UFC Fines Trust account for non-dedicated penalties deposited in error..
240	Due to the Developer's Escrow Trust Fund from the Current Fund for deposit errors less interest earned..
2,666	Due to the Unemployment Trust Fund from the Current Fund for employee deductions deposited in Current in error..
284,771	Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures made.
378	Due to Affordable Housing Rental Trust from Affordable Housing Security Trust to transfer security deposits utilized as last month's rent.
<u>8,000</u>	Due to Swim Pool Capital from Swim Pool Operating for the budget appropriation - Note Principal paydown..
<u>\$463,128</u>	

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

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2021 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Palisades Park is a member of the Bergen County Joint Insurance Fund (BCJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The BCJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

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

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

In 2021, the MEL agreed to advance the Borough's share of \$245,000 with respect to settlements reached in various litigation proceedings. A repayment agreement and promissory note was executed on January 28, 2021 for the repayment of this advance in \$35,000 installments starting in 2021 through 2026.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 13. TAXES COLLECTED IN ADVANCE

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

	<u>Balance Dec 31, 2021</u>	<u>Balance Dec 31, 2020</u>
Prepaid Taxes	<u>\$556,689</u>	<u>\$536,392</u>
Cash Liability for Taxes Collected in Advance	<u>\$556,689</u>	<u>\$536,392</u>

NOTE 14. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021 and 2020, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance Dec. 31, 2021</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Years' Budget</u>
Current Fund:			
Special Emergencies -			
Reassessment of Real Property	\$150,000	\$50,000	\$100,000
COVID Related Revenue Losses	<u>160,735</u>	<u>120,000</u>	<u>40,735</u>
Swimming Pool Utility:			
Special Emergencies -			
COVID Related Revenue Losses	<u>230,000</u>	<u>46,000</u>	<u>184,000</u>
Total Deferred Charges	<u>\$540,735</u>	<u>\$216,000</u>	<u>\$324,735</u>

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 14. DEFERRED CHARGES, (continued)

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Subsequent</u> <u>Year Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years' Budget</u>
Current Fund:			
Special Emergencies -			
Reassessment of Real Property	\$200,000	\$50,000	\$150,000
COVID Related Revenue Losses	<u>600,000</u>		<u>600,000</u>
Swimming Pool Utility:			
Special Emergencies -			
COVID Related Revenue Losses	<u>230,000</u>	_____	<u>230,000</u>
Total Deferred Charges	<u>\$1,030,000</u>	<u>\$50,000</u>	<u>\$980,000</u>

NOTE 15. LITIGATION

The Borough is a defendant in various legal proceedings. A portion of these cases, if decided against the Borough, would be covered by insurance. Any judgements not covered by insurance would be raised by future taxation. The Borough expects such amounts, if any, to be immaterial.

NOTE 16. COMMITMENTS AND CONTINGENCIES

There are numerous tax appeal litigations pending at December 31, 2021. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals which are currently estimated to be \$516,500. Any successful appeals would be raised through future taxation.

BOROUGH OF PALISADES PARK
Notes to Financial Statements
Years Ended December 31, 2021 and 2020
(continued)

NOTE 17. OTHER MATTERS

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Palisades Park. The Borough has identified several risks as a result of this pandemic, including possible delays in the collection of real estate taxes and swim pool membership fees, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs. During 2021, the Borough received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Palisades Park is \$2,168,209 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment of \$1,084,105 was received in July of 2021 and the second installment will be received one year after the receipt of the first installment.

As allowed by New Jersey Statutes, the Borough adopted a Special Emergency appropriation in 2020 in the amount of \$600,000 in the current fund and \$230,000 in the Swimming Pool Utility for projected loss of revenues to help mitigate the financial effects on the Borough. In 2021, \$439,265 of the Special Emergency in Current Fund was cancelled via resolution of the governing body. The Borough will continue to monitor the situation closely.

NOTE 18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through June 30, 2022, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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SUPPLEMENTARY DATA

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BOROUGH OF PALISADES PARK

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax rate	\$ <u>1.584</u>	<u>1.543</u>	<u>1.979</u>
Apportionment of tax rate:			
Municipal	0.530	0.517	0.680
Library	0.034	0.032	0.042
County	0.256	0.245	0.305
Local school	<u>0.764</u>	<u>0.749</u>	<u>0.984</u>

Assessed valuation

2021	\$ 3,249,843,976
2020	3,268,465,130
2019	2,390,107,158

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2021	\$ 51,606,692	50,588,678	98.03%
2020	50,569,158	49,689,891	98.26%
2019	48,838,439	48,089,290	98.47%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31,</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2021	\$	677,772	677,772	1.31%
2020		833,068	833,068	1.65%
2019		594,587	594,587	1.22%

BOROUGH OF PALISADES PARK

Supplementary Data

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2021 by foreclosure or deed as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2021	\$	275,000
2020		275,000
2019		275,000

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2021	\$	6,738,614	3,490,000
	2020		6,954,495	3,490,000
	2019		6,673,593	3,150,000
	2018		6,499,169	3,000,000
	2017		6,350,819	2,750,000
Swimming Pool Utility Fund:	2021	\$	402,882	172,800
	2020		201,929	
	2019		192,240	107,765
	2018		211,902	132,200
	2017		169,480	132,200

Comparison of Swimming Pool Utility Fees

<u>Year</u>		<u>Member- ship fees budgeted</u>	<u>Cash collection</u>
2021	\$	400,000	351,919
2020		450,000	219,892
2019		419,294	505,346
2018		400,000	484,214
2017		300,000	404,692

BOROUGH OF PALISADES PARK

Supplementary Data

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of Bond</u>
Christopher Chung	Mayor		
Cynthia Pirrera	Councilwoman		
Chong Paul Kim	Councilman		
Jongchul Lee	Councilman		
Frank Donohue	Councilman		
Andy Min	Councilman		
Michael Viertri	Councilman		
David Lorenzo	Administrator		
Gina Kim	Borough Clerk		
John L. Schettino	Attorney		
Roy Riggitano	Chief Finance Officer		
Michael Apicella	Tax Collector	\$ 1,250,000	(A) The Hartford Ins. Co.
Austin Ashley	Director - Department of Public Works		
Thomas O'Malley	Construction Official		
Joseph Rotolo	Magistrate	1,000,000	(A)
Serina M. Ruberto	Court Administrator	1,000,000	(A)
Joan Meo	Deputy Court Administrator	1,000,000	(A)

(A) - The tax collector position is covered by an individual bond issued through The Hartford Insurance Company. In addition, the position is also covered under the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000, subject to a \$1,000 deductible. There are no individual bonds with respect to court officials. They are covered solely under the Municipal Excess Liability Joint Insurance Fund.

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BOROUGH OF PALISADES PARK

Schedule of Cash - Collector - Treasurer

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020		\$ 10,855,606
Increased by receipts:		
Petty Cash Returned	\$ 1,525	
Taxes Receivable	50,848,342	
Prepaid Taxes	556,689	
Revenue Accounts Receivable	3,621,417	
Due from State of N.J. - Senior Citizens' and Veterans' Deductions	28,425	
Miscellaneous Revenue Not Anticipated	346,217	
Tax Overpayments	139,509	
Tax Sale Premiums	75,000	
Grants Receivable	22,649	
Unappropriated Grants	55,482	
Reserve for Free Public Library	10,768	
Interfunds	165,701	
Miscellaneous Reserves	<u>3,094</u>	
		<u>55,874,818</u>
		66,730,424
Decreased by disbursements:		
2021 Appropriations	22,992,002	
2020 Appropriation Reserves	579,040	
Petty cash advanced	1,525	
Interfunds	333	
County taxes	8,279,178	
County taxes - Added & Omitted	37,493	
Local district school tax	24,434,348	
Tax overpayment refunds	2,287	
Tax Title Lien Premiums	26,600	
Tax court judgements	112,948	
Revenue Refunds	10,196	
Settlements	50,000	
Reserve for Free Public Library	10,613	
Miscellaneous Reserves	314,995	
Due to Public Library	21,419	
Due to General Capital - Federal and State Grant Fund	18,025	
Appropriated Grant Reserves	<u>15,834</u>	
		<u>56,906,836</u>
Balance, December 31, 2021		<u>\$ 9,823,588</u>

BOROUGH OF PALISADES PARK

Schedule of Change Fund

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020	\$ <u>250</u>
Balance, December 31, 2021	\$ <u><u>250</u></u>
Municipal Court	100
Tax Collector	100
Police Clerk	50
	\$ <u><u>250</u></u>

Schedule of Petty Cash

Current Fund

Year ended December 31, 2021

Increased by:	
Petty Cash Advances	\$ <u>1,525</u>
Decreased by:	
Petty Cash Returned	\$ <u><u>1,525</u></u>
Clerk	200
Board of Health	125
Recreation	300
Tax Office	100
Police	300
Library	200
Department of Public Works	200
Municipal Court	100
	\$ <u><u>1,525</u></u>

BOROUGH OF PALISADES PARK

**Schedule of Due (to)/ from State of New Jersey -
Chapter 20, P.L. 1971**

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020		\$	54,592
Increased by:			
Senior Citizen Deductions per Tax Billings	\$	8,500	
Veteran Deductions per Tax Billings		20,750	
Deductions Allowed by Tax Collector		<u>1,250</u>	
			<u>30,500</u>
			85,092
Decreased by:			
Deductions disallowed by Tax Collector		1,500	
State share of Senior Citizens and Veteran's Deductions received in Cash		<u>28,425</u>	
			<u>29,925</u>
Balance, December 31, 2021		\$	<u><u>55,167</u></u>

BOROUGH OF PALISADES PARK

**Schedule of Taxes Receivable and Analysis of
Property Tax Levy**

Current Fund

Year ended December 31, 2021

Year of levy	Balance, Dec. 31, 2020	2021 Levy	2021 Added	2020 Collections	2021 Cancelled	Balance, Dec. 31, 2021
2020	833,068			825,056	8,012	
2021		51,477,529	129,163	536,392	340,242	677,772
	<u>\$ 833,068</u>	<u>51,477,529</u>	<u>129,163</u>	<u>536,392</u>	<u>348,254</u>	<u>677,772</u>
			Cash received	50,848,342		
			Senior citizens' and veterans' deductions	29,000		
				<u>\$ 50,877,342</u>		

Analysis of 2021 Property Tax Levy

Tax yield - general purpose tax:

General property tax	51,477,529
Added and omitted taxes	129,163
	<u>\$ 51,606,692</u>

Tax levy:

Local district school tax (abstract)	24,850,088
County tax (abstract)	8,279,178
Due county for added taxes (54:4-63.1 et seq.)	20,875
Local tax for municipal purposes (abstract)	18,340,996
Additional tax levied	115,555
	<u>\$ 51,606,692</u>

BOROUGH OF PALISADES PARK

Schedule of Foreclosed Property

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020 \$ 275,000

Balance, December 31, 2021 \$ 275,000

Analysis of Balance

Block 428, Lot 3 \$ 275,000

BOROUGH OF PALISADES PARK

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	<u>Accrued</u>	<u>Collected</u>	Balance, Dec. 31, <u>2021</u>
Borough Clerk:				
Liquor licenses	\$	68,250	68,250	
Licenses - other		1,465	1,465	
Fees and permits - other		302,939	215,829	87,110
Construction Code Official - fees and permits	47,651	561,538	498,040	111,149
Municipal Court - fines and costs	17,852	400,132	386,638	31,346
Interest and Costs on Taxes		166,224	166,224	
Parking Meters		213,459	213,459	
Interest on investments		12,659	12,659	
Recreation Fees		14,280	14,280	
Energy Receipts Tax		918,162	918,162	
Consolidated Municipal Property Tax Relief Act		30,828	30,828	
Parking Meters		50,000	50,000	
General Capital Fund Balance		26,900	26,900	
Local Housing Inspections		18,689	18,689	
Sewer Connection Fees		76,624	76,624	
American Rescue Plan		923,370	923,370	
	<u>\$ 65,503</u>	<u>3,785,519</u>	<u>3,621,417</u>	<u>229,605</u>
		Cash	<u>3,621,417</u>	
			<u>\$ 3,621,417</u>	

BOROUGH OF PALISADES PARK

Schedule of Interfunds

Current Fund

Year ended December 31, 2021

	Due (from)/to Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due (from)/to Balance <u>Dec. 31, 2021</u>
General Capital Fund	\$ 333	1,448		(1,115)
Swim Pool Utility Operating			160,735	160,735
Animal License Trust Fund	(1,435)	3,519	1,435	(3,519)
Assessment Trust Fund	204			204
Other Trust Funds -				
UFC Fines Trust Account		1,500		(1,500)
Developers Escrow	(624)	129	993	240
Unemployment Compensation Trust			2,666	2,666
	\$			
	<u>(1,522)</u>	<u>6,596</u>	<u>165,829</u>	<u>157,711</u>
Due from	(2,059)	6,134	2,059	(6,134)
Due to	<u>537</u>	<u>462</u>	<u>163,770</u>	<u>163,845</u>
	\$			
	<u>(1,522)</u>	<u>6,596</u>	<u>165,829</u>	<u>157,711</u>
Statutory Excess	\$	3,519		
Cash Receipts			163,642	
Interfunds Returned - Cash Receipts			2,059	
Cash Disbursements		333		
Deposit errors		1,500		
Interest Earned on Investments		<u>1,244</u>	<u>128</u>	
		\$	<u>6,596</u>	<u>165,829</u>

BOROUGH OF PALISADES PARK

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

Current Fund

Year Ended December 31, 2021

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2020</u>	<u>Reduced in 2021</u>	<u>Balance, Dec. 31, 2021</u>
Nov. 29, 2019	Reassessment of Real Property	250,000	50,000	200,000	50,000	150,000
Dec. 16, 2020	COVID - 19 Revenue Losses	600,000	120,000	600,000	439,265	160,735
				<u>\$ 800,000</u>	<u>489,265</u>	<u>310,735</u>

BOROUGH OF PALISADES PARK, N.J.

Schedule of 2020 Appropriation Reserves

Current Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 4,214	4,214		4,214
Town Historian	117	117		117
Financial Administration	14,118	14,118		14,118
Qualified Purchasing Agent	2,296	2,296		2,296
Collection of Taxes	2,858	2,858		2,858
Assessment of Taxes	434	434		434
Planning Board	157	157		157
Zoning Board of Adjustment	618	618		618
Zoning Officer	3,493	3,493		3,493
Housing Inspector	546	546		546
Rent Leveling Board	269	269		269
Municipal Court	6,380	6,380		6,380
Public Defender	2,500	2,500		2,500
Police	375,134	363,145		363,145
Fire	67,345	67,345		67,345
Fire - Stipends	28,285	28,285		28,285
Uniform Fire Safety Act (PL 1983, C.383)	1,157	1,157		1,157
Road Repair and Maintenance	93	93		93
Recycling	20,241	20,241		20,241
Board of Health	853	853		853
Environmental Commission	2,650	2,650		2,650
Recreation	11,633	11,633		11,633
Senior Citizen Committee	34,912	34,912		34,912
Parks and Playgrounds	1,200	1,200		1,200
Uniform Construction Code Officials	21,003	2,606		2,606
Building Inspector	4,569	4,569		4,569
Plumbing Inspector	1,899	1,899		1,899
Electrical Inspector	3,578	3,578		3,578
Fire Sub-Code Official	3,378	3,378		3,378
Code Enforcement Officer	6,143	6,143		6,143
Elevator Inspection	3,238	3,238		3,238
Zoning Official	500	500		500
State Housing Inspector	1,984	1,984		1,984
Total Salaries and Wages Within "CAPS"	<u>627,795</u>	<u>597,409</u>		<u>597,409</u>

BOROUGH OF PALISADES PARK, N.J.

Schedule of 2020 Appropriation Reserves

Current Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Within "CAPS":				
Administrative and Executive:				
Stationery, Printing & Advertising	8,044	11,309	2,362	8,947
Miscellaneous	68,332	78,121	11,105	67,016
Website Maintenance	9,784	9,784		9,784
Preparation of Tax Map	735	735		735
Financial Administration	5,105	5,105		5,105
Collection of Taxes	6,387	11,123	4,570	6,553
Assessment of Taxes	64,920	64,920		64,920
Assessment of Taxes - Legal - Tax Appeals	27,750	27,750	825	26,925
Legal Services and Costs	8,896	24,070	22,724	1,346
Engineering Services and Costs	3,000	33,000	8,250	24,750
Planning Board	12,965	14,054	415	13,639
Zoning Board of Adjustment	2,082	2,082	198	1,884
Building Inspector	21,766	23,418	1,740	21,678
Rent Leveling Board	400	400		400
Municipal Court	5,293	21,717	21,222	495
Health Standards Act N.J.A.C. 12:100-42	1,000	1,000		1,000
Police:				
Miscellaneous	984	50,102	27,621	22,481
Purchase of Police Vehicles	2,547	2,547		2,547
Communications	84	1,246	787	459
Emergency Management Services	16,454	20,701	7,118	13,583
Fire:				
Clothing Allowance	5,648	5,648		5,648
Miscellaneous	8,627	63,403	52,367	11,036
Uniform Fire Safety Act:				
Other Expenses	5,051	6,412	627	5,785
Road Repairs and Maintenance	480	28,883	27,116	1,767
Sanitation:				
Trash Removal - Contractual	1,364	99,364	98,833	531
Sanitary Landfill	33	5,985	5,952	33
Park Development West	15,155	15,155	15,155	
Recycling	1,650	1,650		1,650
Public Buildings and Grounds:				
Other Expenses	2,073	18,171	15,911	2,260
Snow Removal	26,122	42,640	15,219	27,421
Sewer Repairs and Rehabilitation	5,435	5,500	65	5,435

BOROUGH OF PALISADES PARK, N.J.

Schedule of 2020 Appropriation Reserves

Current Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Board of Health	7,097	8,095	2,506	5,589
Environmental Commission:				
Tree Removal	4,025	4,025		4,025
Animal Control	3,888	18,507	14,618	3,889
Recreation	46,609	47,407	306	47,101
Senior Citizen Committee	4,770	5,865		5,865
Parks and Playgrounds:				
Other Expenses	3,572	3,572		3,572
Summer Youth Program	21,160	21,160		21,160
Replacement and Repairs - All Departments	1,000	1,000		1,000
Parking Lot Rental:				
Other Expenses	8,504	8,504		8,504
Traffic Control - Other Expenses	1,000	1,000		1,000
Celebration of Public Events	23,843	29,372	11,162	18,210
Insurance :				
Other Insurance Premiums	55,264	55,264	55,264	
Group Insurance Plan for Employees	115,336	5,336		5,336
Utilities:				
Electricity	54,711	19,714	11,459	8,255
Street Lighting	34,549	34,548	27,151	7,397
Telephone and Telegraph	68	25,106	23,638	1,468
Water	7,829	7,829	279	7,550
Natural Gas	38,303	38,303	3,605	34,698
Fire Hydrant Service	91,641	66,694		66,694
Diesel	247	1,247	788	459
Gasoline	48,460	48,460		48,460
Total Other expenses Within "CAPS"	<u>910,042</u>	<u>1,147,003</u>	<u>490,958</u>	<u>656,045</u>
Statutory Expenditures:				
Public Employees' Retirement System	6,318	6,318		6,318
Police and Firemen's Retirement System	653	653		653
Social Security System (O.A.S.I.)	244,902	300,616		300,616
Unemployment Compensation Insurance	109,649	109,649		109,649
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>361,522</u>	<u>417,236</u>		<u>417,236</u>

BOROUGH OF PALISADES PARK, N.J.

Schedule of 2020 Appropriation Reserves

Current Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Excluded From "CAPS":				
Maintenance of Free Public Library	142,149	179,320	179,320	
Borough of Ridgefield - Sewer Rent	141,028	141,028	27,538	113,490
Borough of Fort Lee - Sewer Rent	14,150	14,150	2,375	11,775
Bergen County Utilities Authority:				
Service Charges - Contractual	283,479	283,476		283,476
Ridgefield Contractual Services	34,500	34,500		34,500
Palisades Park Board of Education School Security	50,000			
Total Other Expenses Excluded from "CAPS"	<u>665,306</u>	<u>652,474</u>	<u>209,233</u>	<u>443,241</u>
Total Reserves Excluded from "CAPS"	<u>665,306</u>	<u>652,474</u>	<u>209,233</u>	<u>443,241</u>
Total Reserves	<u>\$ 2,564,665</u>	<u>2,814,122</u>	<u>700,191</u>	<u>2,113,931</u>
		Appropriation reserves 2,564,665		
		Encumbrances 249,457		
		<u>\$ 2,814,122</u>		
		Transferred to Reserve for Due to Library	121,151	
		Cash Disbursements	<u>579,040</u>	
			<u>\$ 700,191</u>	

BOROUGH OF PALISADES PARK

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020		\$	10,871
Increased by:			
Cash Receipts			<u>139,509</u>
			150,380
Decreased by:			
Overpayments Refunded	\$	2,287	
Liability Cancelled		<u>10,790</u>	
			<u>13,077</u>
Balance, December 31, 2021		\$	<u><u>137,303</u></u>

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020		\$	536,392
Increased by:			
Payment of 2022 Taxes			<u>556,689</u>
			1,093,081
Decreased by:			
Applied to 2021 Taxes			<u>536,392</u>
Balance, December 31, 2021		\$	<u><u>556,689</u></u>

BOROUGH OF PALISADES PARK
Schedule of Local District School Taxes Payable
Current Fund
Year ended December 31, 2021

Balance, December 31, 2020			
School Tax Deferred	\$	12,009,304	
School Tax Payable			
School Tax Deferred		\$	12,009,304
Increased by:			
Levy - School Year July 1, 2021 to June 30, 2022			24,850,088
			36,859,392
Decreased by:			
Cash disbursements			24,434,348
Balance, December 31, 2021		\$	12,425,044
School Tax Payable	\$		
School Taxes Deferred		12,425,044	
			\$ 12,425,044
<u>2021 School Tax Deferred:</u>			
Tax Paid		\$	24,434,348
Tax Payable at 12/31/21			
Amount charged to 2021 Operations			24,434,348

BOROUGH OF PALISADES PARK

Schedule of County Taxes Payable

Current Fund

Year ended December 31, 2021

Increased by:		
2021 General County Levy	\$	7,948,822
Open Space Tax		<u>330,356</u>
		<u>8,279,178</u>
Decreased by:		
Cash Disbursements	\$	<u><u>8,279,178</u></u>

**Schedule of Due County for
Added and Omitted Taxes**

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020	\$	16,618
Increased by:		
County Share of Added and Omitted Taxes		<u>20,875</u>
		37,493
Decreased by:		
Cash Disbursements	\$	<u><u>37,493</u></u>

BOROUGH OF PALISADES PARK

Schedule of Encumbrances

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020	\$ 249,457
Increased by:	
Transfer from 2021 Budget	<u>347,307</u>
	596,764
Decreased by:	
Transferred to Appropriation Reserves	<u>249,457</u>
Balance, December 31, 2021	<u><u>\$ 347,307</u></u>

**Schedule of Amount Due to the Borough of Fort Lee
Sewer Rent Payable**

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020	<u>\$ 20,776</u>
Balance, December 31, 2021	<u><u>\$ 20,776</u></u>

BOROUGH OF PALISADES PARK

**Schedule of Amount Due to Public Library -
Balance of Municipal Appropriation**

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020	\$	641,936
Increased by:		
Transfer from Appropriation Reserves		<u>121,151</u>
		763,087
Decreased by:		
Cash Disbursements		<u>21,419</u>
Balance, December 31, 2021	\$	<u><u>741,668</u></u>

BOROUGH OF PALISADES PARK

Schedule of Reserve for Tax Sale Premiums

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020	\$	114,100
Increased by:		
Tax Sale Premiums Collected		<u>75,000</u>
		189,100
Decreased by:		
Redemptions Paid		<u>26,600</u>
Balance, December 31, 2021	\$	<u><u>162,500</u></u>

**Schedule of Reserve for Maintenance
of Free Public Library**

Current Fund

Year ended December 31, 2021

Balance, December 31, 2020	\$	45,876
Increased by:		
State Aid Received		<u>10,768</u>
		56,644
Decreased by:		
Cash Disbursements		<u>10,613</u>
Balance, December 31, 2021	\$	<u><u>46,031</u></u>

BOROUGH OF PALISADES PARK

Schedule of Miscellaneous Reserves

Current Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2021</u>
Parking Offenses Adjudication Act	\$ 61,901	3,094	64,995	
Settlements	250,000		250,000	
Seized and Forfeiture Funds	1,750			1,750
Preparation of Master Plan	275			275
Preparation of Tax Map	300			300
	<u>\$ 314,226</u>	<u>3,094</u>	<u>314,995</u>	<u>2,325</u>
		Cash Receipts 3,094		
		Cash Disbursements	<u>314,995</u>	
		<u>\$ 3,094</u>	<u>314,995</u>	

BOROUGH OF PALISADES PARK

Schedule of Due (from)/to Federal and State Grant Fund

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	240,499
Increased by:			
Grants Received - Unappropriated	\$	55,482	
Grants Receivable		<u>22,649</u>	
			<u>78,131</u>
			318,630
Decreased by:			
Interfund paid by Current Fund		18,025	
Cash Disbursements		<u>15,834</u>	
			<u>33,859</u>
Balance - December 31, 2021		\$	<u><u>284,771</u></u>

Schedule of Due (from)/to General Capital Fund -

Federal and State Grant Fund

Year Ended December 31, 2021

Balance - December 31,		\$	<u>18,025</u>
Decreased by:			
Cash Disbursements	\$	<u>18,025</u>	

BOROUGH OF PALISADES PARK

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended December 31, 2021

<u>Purpose</u>	<u>Budget Revenue Realized</u>	<u>Decreased</u>
Municipal Alliance	\$ 4,507	4,507
Body Armor Replacement Fund	3,606	3,606
Recycling Tonnage Grant	20,247	20,247
Recycling Tonnage Grant	22,649	22,649
Bulletproof Vest Partnership Program	<u>2,745</u>	<u>2,745</u>
	<u>\$ 53,754</u>	<u>53,754</u>
	Cash Receipts	22,649
	Unappropriated Reserves	<u>31,105</u>
		<u>\$ 53,754</u>

BOROUGH OF PALISADES PARK
Schedule of Appropriated Grant Reserves
Federal and State Grant Fund
Year ended December 31, 2021

<u>Grant</u>	Balance Dec. 31, <u>2020</u>	<u>Budget</u>	<u>Expenditures</u>	Balance Dec. 31, <u>2021</u>
Domestic Violence Training Grant	\$ 1,224			1,224
BCUA Recycling Grant	4,976			4,976
Alcohol Education and Rehabilitation	10,845			10,845
Alcohol Education and Rehabilitation	1,750			1,750
Body Armor Replacement Fund	2,072		2,072	
Body Armor Replacement Fund	3,594		3,594	
Body Armor Replacement Fund		3,606	3,606	
Bulletproof Vest Partnership Program	2,339		2,339	
Bulletproof Vest Partnership Program	3,215		238	2,977
Bulletproof Vest Partnership Program		2,745	2,745	
Priority Health	4,639			4,639
Drunk Driver Protection Grant	672			672
Influenza A H1N1 Virus Prevention Grant	17,222			17,222
Impaired Driving Countermeasures	1,258			1,258
Clean Communities	39,097		1,231	37,866
Clean Communities	3,406			3,406
Clean Communities	11,887			11,887
Clean Communities	9		9	
Drunk Driving Enforcement Fund	14,270			14,270
Recycling Tonnage Grant	20,322			20,322
Recycling Tonnage Grant	20,247			20,247
Recycling Tonnage Grant	21,734			21,734
Recycling Tonnage Grant		42,896		42,896
Alcohol Education and Rehabilitation	3,980			3,980
Municipal Alliance		4,507		4,507
NJ Forestry Grant	2,257			2,257
	<u>\$ 191,015</u>	<u>53,754</u>	<u>15,834</u>	<u>228,935</u>
Adopted Budget		<u>53,754</u>		
		<u>\$ 53,754</u>		
		Cash Disbursements	<u>15,834</u>	
			<u>\$ 15,834</u>	

BOROUGH OF PALISADES PARK

Schedule of Unappropriated Grant Reserves

Federal and State Grant Fund

Year ended December 31, 2021

<u>Grant</u>	Balance Dec. 31, <u>2020</u>	Transferred to 2021 <u>Budget</u>	<u>Received</u>	Balance Dec. 31, <u>2021</u>
Alcohol Education & Rehabilitation	\$		3,181	3,181
Highway Safety - Udrive, Utext, Upay			9,180	9,180
Clean Communities			29,266	29,266
Federal Bullet Proof Vest Partnership Fund			5,142	5,142
Body Armor			2,833	2,833
Highway Safety - Drive Sober Get Pulled Over			5,880	5,880
Bulletproof Vest Partnership Program	2,745	2,745		
Recycling Tonnage Grant	20,247	20,247		
Municipal Alliance	4,861	4,507		354
Body Armor	3,606	3,606		
	<u>\$ 31,459</u>	<u>31,105</u>	<u>55,482</u>	<u>55,836</u>
		Cash Receipts	<u>55,482</u>	
			\$ <u>55,482</u>	

BOROUGH OF PALISADES PARK

Schedule of Cash - Collector-Treasurer

Trust Funds

Year ended December 31, 2021

	Animal License Fund	Other Trust Funds	Law Enforcement Trust Fund	Library Trust Fund
Balance - December 31, 2020	\$ 5,755	3,060,536	781	46,374
Increased by receipts:				
Interest earned	3	129		99
Due from Board of Health	2,009			
Library Receipts				9,208
Library Receipts - Donations				9,500
Interfunds		84,846		
Other Trust Funds		605,414		
	<u>2,012</u>	<u>690,389</u>	<u> </u>	<u>18,807</u>
	7,767	3,750,925	781	65,181
Decreased by disbursements:				
Interfunds	1,435	13,335		
Other Trust Funds		201,884		
Library Trust				6,134
	<u>1,435</u>	<u>215,219</u>	<u> </u>	<u>6,134</u>
Balance - December 31, 2021	\$ <u>6,332</u>	<u>3,535,706</u>	<u>781</u>	<u>59,047</u>

BOROUGH OF PALISADES PARK

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

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020		\$	4,620
Increased by:			
Cat License Fees	\$	174	
Dog License Fees		1,761	
Late Fees		80	
Interest Earned		<u>3</u>	
			<u>2,018</u>
			6,638
Decreased by:			
Statutory Excess			<u>3,519</u>
Balance - December 31, 2021		\$	<u><u>3,119</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	2,017
2020	<u>1,102</u>
	\$ <u><u>3,119</u></u>

BOROUGH OF PALISADES PARK

**Schedule of Amount Due from
Board of Health -
Animal License Trust Fund**

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020		\$	250
Increased by:			
License Fees Collected			<u>2,534</u>
			2,784
Decreased by:			
Dog and Cat Fees Disbursed to Trust	\$	2,009	
State Fees		<u>518</u>	
			<u>2,527</u>
Balance - December 31, 2021		\$	<u><u>257</u></u>

BOROUGH OF PALISADES PARK
Schedule of Amount Due from/(to) Current Fund

Animal License Trust Fund

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$ (1,435)
Increased by:	
Statutory Excess	<u>3,519</u>
	(4,954)
Decreased by:	
Paid to Current	<u>1,435</u>
Balance - December 31, 2021	\$ <u><u>(3,519)</u></u>

Schedule of Amount Due from
State of New Jersey - Department of Health
Animal License Trust Fund

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$ 50
Increased by:	
Paid to State	<u>518</u>
	568
Decreased by:	
Fees Collected	<u>519</u>
Balance - December 31, 2021	\$ <u><u>49</u></u>

BOROUGH OF PALISADES PARK

Schedule of Interfunds

Other Trust Funds

Year ended December 31, 2021

	Due from/(to) Balance Dec. 31, 2020	Increased	Decreased	Due from/(to) Balance Dec. 31, 2021
General Capital Fund:	\$			
Other Trust Fund:				
Tree Preservation Trust	71,004		71,004	
Current Fund:				
Other Trust Fund:				
Escrow	(624)	993	129	240
UFC Fines			1,500	(1,500)
Unemployment Compensation Insurance		2,666		2,666
Intrafunds:				
Affordable Housing Trust - Affordable Housing Rental	12,342		12,342	
Affordable Housing Rental Income - Affordable Housing Trust	(12,342)	12,342		
Affordable Housing Rental Income - (from Security Deposits)			378	(378)
Affordable Housing Security Deposits - (to Rental Income)		378		378
	<u>70,380</u>	<u>16,379</u>	<u>85,353</u>	<u>1,406</u>
Due from	83,346	3,284	83,346	3,284
Due to	<u>(12,966)</u>	<u>13,095</u>	<u>2,007</u>	<u>(1,878)</u>
	<u>\$ 70,380</u>	<u>16,379</u>	<u>85,353</u>	<u>1,406</u>
			84,846	
Cash Receipts			84,846	
Cash Disbursements		13,335		
Deposit Error		2,666		
Reclass security deposit to rental income		378	378	
Interest Earned on Investments			129	
		<u>\$ 16,379</u>	<u>85,353</u>	

BOROUGH OF PALISADES PARK

Schedule of Amount Due From Current Fund

Assessment Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>204</u>
Balance - December 31, 2021	\$ <u><u>204</u></u>

BOROUGH OF PALISADES PARK

Schedule of Reserve for Other Trust Funds

Trust Funds

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2021</u>
Developers Escrow Deposits	\$ 463,131	182,393	116,879	528,645
Unemployment Insurance Benefits	145,191	15,698	16,136	144,753
Recycling	3,016	19,401	11,820	10,597
Public Defender Fees	47,653	1,200		48,853
U.F.C. Fines & Penalties	9,258			9,258
Centennial Fund	8,011	4		8,015
Tree Preservation	174,474	33,184	1,483	206,175
Memorial Fund	26,123	13		26,136
Veteran's Memorial Fund	10,100			10,100
Night out against Crime	5,258	9,800	10,534	4,524
Parking Offenses Adjudication Account		64,995		64,995
Affordable Housing Trust	2,136,455	223,503	85	2,359,873
Affordable Housing Rental Income	97,278	57,474	44,569	110,183
Affordable Housing Security Deposits	4,968	415	378	5,005
	<u>\$ 3,130,916</u>	<u>608,080</u>	<u>201,884</u>	<u>3,537,112</u>
		Cash Receipts		
		605,414		
		Cash Disbursements	201,884	
		Due from Current Fund		
		2,666		
		<u>\$ 608,080</u>	<u>201,884</u>	

BOROUGH OF PALISADES PARK
Schedule of Reserve for Department of Justice -
Equitable Sharing Forfeitures

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$	<u>781</u>
Balance - December 31, 2021	\$	<u><u>781</u></u>

Schedule of Reserve for Library Trust Fund Expenditures

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$	43,569
Increased by:		
Interest Earned	\$	99
Cash Receipts		<u>9,208</u>
		<u>9,307</u>
		52,876
Decreased by:		
Cash Disbursements	\$	1,098
Service Charges		<u>36</u>
		<u>1,134</u>
Balance - December 31, 2021	\$	<u><u>51,742</u></u>

BOROUGH OF PALISADES PARK

Schedule of Reserve for Library Donations - Restricted

Trust Funds

Year ended December 31, 2021

Balance - December 31, 2020	\$	2,805
Increased by:		
Donation received		<u>9,500</u>
		12,305
Decreased by:		
Cash Disbursements		<u>5,000</u>
Balance - December 31, 2021	\$	<u><u>7,305</u></u>

Analysis of Balance

Sandy Farber Memorial Donation	305
Jubilee Church Donation	2,000
Korean Language Education Program	<u>5,000</u>
	<u><u>\$ 7,305</u></u>

BOROUGH OF PALISADES PARK

Schedule of Cash - Collector-Treasurer

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020		\$	2,138,482
Increased by receipts:			
Due to/from Current Fund	\$	1,448	
Due from Federal and State Grant Fund		18,025	
Unappropriated Grant Received		103,725	
Bond Anticipation Notes		704,000	
Premium on Note Sale		46,743	
Capital Improvement Fund		<u>100,000</u>	
			<u>973,941</u>
			3,112,423
Decreased by disbursements:			
Improvement Authorizations		1,583,088	
Due to Shade Tree Preservation Trust		71,004	
Capital Surplus - Current Fund Budget Revenue		<u>26,900</u>	
			<u>1,680,992</u>
Balance - December 31, 2021		\$	<u><u>1,431,431</u></u>

BOROUGH OF PALISADES PARK

Schedule of Analysis of Cash

General Capital Fund

December 31, 2021

Capital Improvement Fund	\$	240,215
Due from/(to) Current Fund		1,115
Reserve for payment of debt		5
Due from Bergen County Open Space Trust Fund		(233,897)
Due from Bergen County Community Development		(143,470)
Due from State of New Jersey		(259,397)
Reserve for Grants Receivable		636,764
Fund Balance		46,766

Improvement authorizations:

<u>Ordinance number</u>	<u>Improvement description</u>	
987	Acquisition of Cab and Chassis	(903)
1214	Rehabilitation of Affordable Housing	(24,946)
1358	Acquisition of New & Replacement Equipment	(1)
1502/1523	Installation of a Salt Storage Shed	(1,975)
1508	Construction of a Parking Deck Structure	457,560
1582	2012 Road Improvement Program	153,223
1603	Reconstruction of Lindbergh School Athletic Track Phase II	6,620
1604	Improvements to Centre Place	(717)
1609	Pumper Rescue Fire Truck	6,986
1623	2014 Road Improvement Program	41,967
1624	Lindbergh Elementary School Safe Route to School Project	950
1625/18-2016	Improvements to Columbus Park	16,237
1627	Acquisition of New Pickup Trucks and Roll-On/ Roll-Off Truck	4,360
1629	Resurfacing of Hillside Avenue	177,369
1633	Various Improvements to East/West Edsall Blvd.	147,285
1639	Acq. of Equip, Machinery & Technology Equipment	4,372
1644	Emergency Generator at Municipal Building	12,613
1645	Classroom Construction at Library	1,782
1646	2015 Road Improvement Program	1,230
1649/20-		
2016/6-2017	Acq. of Property for Use as Parking Lot for Library	(69,515)
1653	Acq. of New Ladder Truck	21,168
15-2016	Road Resurfacing and Utility Improvements	143,306
23-2016/3-2018	Resurfacing of 8th and 9th Streets	(32,460)
2018-1	Improvements to Columbus Park	18,773
2018-2	Resurfacing of East Homestead Avenue	98,409

BOROUGH OF PALISADES PARK

Schedule of Analysis of Cash

General Capital Fund

December 31, 2021

2019-2	Resurfacing of East & West Edsall Blvd.	(304,355)
2019-4	Improvements to Tussi Park	(150,153)
2019-8	Improvements to Columbus Park	(76,861)
2019-13	Acquisition of Machinery & Equipment, Information Technology Equipment & Vehicles	(9,000)
2019-15	Acquisition of Real Property	387,771
2020-02	Resurfacing of Pembroke Court	(4,463)
2020-05	Various Public Improvements	160,419
2020-08	Various Improvements to Columbus Park	7,632
2021-06	Imps. To West Ruby Avenue & Fairview St.	5,327
2021-07	Various Improvements to Lindbergh Field	5,189
2021-14	Various Public Improvements	<u>(61,869)</u>
		<u>\$ 1,431,431</u>

BOROUGH OF PALISADES PARK

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ 8,570,000
Decreased by:	
Budget Appropriations:	
Serial Bonds	<u>730,000</u>
Balance - December 31, 2021	<u><u>\$ 7,840,000</u></u>

Schedule of Community Development Block Grants Receivable

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ 53,470
Increased by:	
Grant Awards	<u>90,000</u>
Balance - December 31, 2021	<u><u>\$ 143,470</u></u>

Analysis of Balance

Ord. 2021-06: Imps. To West Ruby Avenue & Fairview Street	90,000
Ord. 2020-02: Resurfacing of Pembroke Way	<u>53,470</u>
	<u><u>\$ 143,470</u></u>

BOROUGH OF PALISADES PARK

Schedule of Due from Bergen County Open Space Trust Fund

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ 182,647
Increased by:	
Grant Awards	51,250
Balance - December 31, 2021	\$ 233,897

Analysis of Balance

Ord. 2021-7: Lindbergh Field Improvements	51,250
Ord. 2019-4: Tussi Park Imps.	71,125
Ord. 2019-8: Columbus Park Imps.	35,397
Ord. 2020-08: Columbus Park Improvements	76,125
	\$ 233,897

BOROUGH OF PALISADES PARK

**Schedule of Grants Receivable
State of New Jersey**

General Capital Fund

Year ended December 31, 2021

<u>Improvement description</u>	Balance, Dec. 31 <u>2020</u>	Balance, Dec. 31 <u>2021</u>
<u>State Department of Transportation:</u>		
Ord. 1633 - Various Improvements to East and West Edsall Boulevard (Sec. 2,3,4) - 2014	\$ 46,397	46,397
Ord. 2019-2 - Imps. to East and West Edsall Blvd	213,000	213,000
	<u>\$ 259,397</u>	<u>259,397</u>

BOROUGH OF PALISADES PARK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2021

Ordinance number	Improvement description	Balance, Dec. 31, 2020	2021 Authorizations	Decreased	Balance, Dec. 31, 2021	Bond Anticipation Notes	Expended	Unex- pended improve- ment authori- zations
987	Acquisition of Cab & Chassis	\$ 903			903		903	
1214	Rehabilitation of Affordable Housing	24,946			24,946		24,946	
1358	Acquisition of New & Replacement Equipment	1			1		1	
1523	Installation of a Salt Storage Shed	1,975			1,975		1,975	
1604	Improvements to Centre Place	1,448			1,448		717	731
1633	Various Improvements to East & West Edsall Blvd (Sec. 2,3,4)	46,396			46,396			46,396
1645	Construction of Classrooms at Free Public Library	385,000			385,000			385,000
2016-23	Resurfacing of 8th & 9th Streets	1,587			1,587		1,587	
2017-6	Additional Approp: Acquisition of Property (1649/2016-20)	76,100			76,100		69,515	6,585
2018-01	Improvements to Columbus Park	24,825			24,825			24,825
2018-02	Resurfacing of East Homestead Avenue	33,300			33,300			33,300
2018-03	Additional Appropriation: 2016-23 Road Resurfacing	428,500			428,500	250,000	30,873	147,627
2019-2	Resurfacing of East/West Edsall Blvd	450,000		103,725	346,275		304,355	41,920
2019-4	Improvements to Tussi Park	152,000			152,000		150,153	1,847
2019-8	Improvements to Columbus Park	104,700			104,700		76,861	27,839
2019-13	Acquisition of Machinery & Equipment, Information Technology Equipment & Vehicles	1,611,000			1,611,000	1,602,000	9,000	
2019-15	Acquisition of Real Property	1,428,000			1,428,000	1,428,000		
2020-02	Resurfacing of Pembroke Way	71,800			71,800		4,463	67,337
2020-05	Various Public Improvements	704,000			704,000	704,000		
2020-08	Various Improvements to Columbus Park	158,000			158,000			158,000
2021-06	Imps. To West Ruby Avenue & Fairview Street		114,200		114,200			114,200
2021-07	Various Improvements to Lindbergh Field		121,400		121,400			121,400

BOROUGH OF PALISADES PARK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2021

Ordinance number	Improvement description	Balance, Dec. 31, 2020	2021 Authorizations	Decreased	Balance, Dec. 31, 2021	Bond Anticipation Notes	Expenditures	Unexpended improvement authorizations
2021-14	Various Public Improvements	\$ 5,704,481	1,038,000	103,725	1,038,000	3,984,000	61,869	976,131
			1,273,600		6,874,356		737,218	2,153,138
			<u>1,273,600</u>					

2021 Improvement Authorizations \$ 1,273,600
 \$ 1,273,600

Unappropriated Grants Received \$ 103,725

Improvement Authorizations - Unfunded \$ 2,701,328
 Less: Unexpended balance of Bond Anticipation Note Proceeds
 Ord. 2019-15 \$ 387,771
 Ord. 2020-05 160,419

548,190
 \$ 2,153,138

BOROUGH OF PALISADES PARK
Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$ 204,115
Increased by:	
2021 Budget Appropriation	<u>100,000</u>
	304,115
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>63,900</u>
Balance - December 31, 2021	<u><u>\$ 240,215</u></u>

BOROUGH OF PALISADES PARK

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2021

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, December 31, 2020		2021 authorizations	Balance, December 31, 2021	
				Funded	Unfunded		Funded	Unfunded
1508	Construction of a Parking Deck Structure	April 15, 2008	750,000 \$	483,483			457,560	
1582	2012 Road Improvement Program	Sept. 18, 2012	666,680	165,783			153,223	
1603	Reconstruction of Lindbergh School Athletic Track, Phase II	Sept. 17, 2013	112,160	6,620			6,620	
1604	Improvements to Centre Place	Sept. 17, 2013	125,000		731			731
1609	New Pumper Rescue Fire Truck	Dec. 17, 2013	867,000	6,986			6,986	
1623	2014 Road Improvement Program	Aug. 26, 2014	155,000	41,967			41,967	
1624	Lindbergh School Safe Route to School Project	Sept. 23, 2014	280,000	950			950	
1625/18-		Oct. 28, 2014, Sept. 27, 2016	40,000	16,237			16,237	
1616	Improvements to Columbus Park	27, 2016	40,000	16,237			16,237	
1627	Acq. of New Pickup & Roll-On/Roll-Off Truck	Nov. 25, 2014	283,500	4,360			4,360	
1629	Resurfacing of Hillside Avenue	Nov. 25, 2014	270,000	177,369			177,369	
1633	Various Improvements to East/West Edsall Blvd.	Feb. 24, 2015	701,000	147,285	46,396		147,285	46,396
1639	Acq. of Equip, Machinery & Technology Equipment	May 26, 2015	704,500	4,372			4,372	
1644	Emergency Generator at Municipal Building	July 28, 2015	127,000	12,613			12,613	
1645	Classroom Construction at Library	July 28, 2015	422,000	1,782	385,000		1,782	385,000
1646	2015 Road Improvement Program	July 28, 2015	210,000	1,230			1,230	
1649/20-		Aug. 25, 2015, Oct. 25, 2016, Mar. 28, 2017	550,000		6,585			6,585
2016	Acq. of Property for Use as Parking Lot for Library	Nov. 24, 2015	1,210,000	68,358			21,168	
1653	Acq. of New Ladder Truck	Jul. 26, 2016	270,000	191,361			143,306	
2016-15	Road Resurfacing and Utility Improvements	Dec. 13, 2016, Feb. 27, 2018	680,000		204,528			147,627
23-2016/3-		27, 2018	680,000		204,528			147,627
2018	Resurfacing of 8th and 9th Streets	Feb. 27, 2018	45,000	18,773	24,825		18,773	24,825
2018-1	Improvements to Columbus Park	Feb. 27, 2018	140,000	99,737	33,300		98,409	33,300
2018-2	Resurfacing of East Homestead Avenue	Feb. 27, 2018	140,000	99,737	33,300		98,409	33,300

BOROUGH OF PALISADES PARK
Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2021

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, December 31, 2020		2021 authorizations	Paid or charged	Balance, December 31, 2021	
				Funded	Unfunded			Funded	Unfunded
2019-2	Resurfacing of East & West Edsall Blvd.	Feb. 26, 2019	450,000	69,934			28,014	41,920	
2019-4	Improvements to Tussi Park	Mar. 26, 2019	160,000	1,847				1,847	
2019-8	Improvement to Columbus Park	Jul. 23, 2019	110,000	27,839				27,839	
2019-13	Acquisition of Machinery & Equipment, Information Technology Equipment & Vehicles	Sept. 24, 2019	1,692,000	10,614			10,614		
2019-15	Acquisition of Real Property	Oct. 22, 2019	1,500,000	1,428,000			1,110,637		387,771
2020-02	Resurfacing of Pembroke Way	Mar. 24, 2020	75,470	71,800			6,757		67,337
2020-05	Various Public Improvements	Sept. 22, 2020	740,000	279,782			119,363		160,419
2020-08	Various Improvements to Columbus Park	Dec. 16, 2020	166,125	158,000			493	7,632	158,000
2021-06	Imps. To West Ruby Avenue & Fairview St.	Jun. 22, 2021	120,000		120,000		473	5,327	114,200
2021-07	Various Improvements to Lindbergh Field	Jun. 22, 2021	127,500		127,500		911	5,189	121,400
2021-14	Various Public Improvements	Jun. 22, 2021	1,090,000		1,090,000		113,869		976,131
			\$ 1,530,093	2,749,181	1,337,500	1,583,088	1,332,358	2,701,328	
				Capital Improvement Fund \$ 63,900					
				Deferred charges to future taxation - unfunded 1,273,600					
				\$ 1,337,500					
				Cash Disbursements			1,583,088		

Exhibit C-11

BOROUGH OF PALISADES PARK
Schedule of Reserve for Payment of Debt
General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>5</u>
Balance - December 31, 2021	\$ <u><u>5</u></u>

Exhibit C-12

Schedule of Due from/(to) Shade Tree Preservation Trust Fund

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>(71,004)</u>
Decreased by:	
Cash Disbursed	\$ <u><u>71,004</u></u>

BOROUGH OF PALISADES PARK
Schedule of Due from/(to) Current Fund
General Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	333
Increased by:		
Cash Receipts	\$	333
Interest on Investments		<u>1,115</u>
		<u>1,448</u>
Balance - December 31, 2021	\$	<u><u>(1,115)</u></u>

Schedule of Due from/(to) Federal and State Grant Fund
General Capital Fund
Year ended December 31, 2021

Balance - December 31, 2020	\$	<u>18,025</u>
Decreased by:		
Cash Receipts	\$	<u><u>18,025</u></u>

BOROUGH OF PALISADES PARK

Schedule of Reserve for Grants Receivable

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$	495,514
Increased by:		
Grant Awards		<u>141,250</u>
Balance - December 31, 2021	\$	<u><u>636,764</u></u>
Bergen County Open Space Trust Fund		233,897
State of NJ Department of Transportation		259,397
Bergen County - Community Development Block Grant		<u>143,470</u>
	\$	<u><u>636,764</u></u>

BOROUGH OF PALISADES PARK

Schedule of General Serial Bonds

General Capital Fund

Year ended December 31, 2021

Purpose	Date of issue	Amount of original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec.31, 2020	Decreased	Balance, Dec.31, 2021
			Date	Amount				
General Improvements	April 5, 2011	3,735,000	Apr. 15, 2022	320,000	4.000%	1,585,000	320,000	1,265,000
			Apr. 15, 2023-25	315,000	4.000%			
General Improvements	April 1, 2017	8,125,000	Apr. 1, 2022	435,000	2.00%	6,985,000	410,000	6,575,000
			Apr. 1, 2023	465,000	2.00%			
			Apr. 1, 2024	515,000	2.25%			
			Apr. 1, 2025	540,000	2.25%			
			Apr. 1, 2026	640,000	2.50%			
			Apr. 1, 2027	660,000	2.50%			
			Apr. 1, 2028	660,000	2.75%			
			Apr. 1, 2029	660,000	2.75%			
			Apr. 1, 2030	665,000	3.00%			
			Apr. 1, 2031	670,000	3.00%			
Apr. 1, 2032	665,000	3.00%						
						\$ 8,570,000	730,000	7,840,000

BOROUGH OF PALISADES PARK

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended December 31, 2021

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of issue of original notes</u>	<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2021</u>						
2018-3	Addl Appr. 2016-23 (Resurfacing of 8th & 9th Streets)	Dec. 20, 2019	Mar. 19, 2021	Mar. 18, 2022	1.50%	\$ 250,000	250,000	250,000	250,000						
2019-13	Acquisition of Machinery & Equipment, Information undertaking of alterations to the Cleveland Firehouse	Dec. 20, 2019	Mar. 19, 2021	Mar. 18, 2022	1.50%	1,602,000	1,602,000	1,602,000	1,602,000						
2019-15	Acquisition of Real Property	Dec. 20, 2019	Mar. 19, 2021	Mar. 18, 2022	1.50%	1,428,000	1,428,000	1,428,000	1,428,000						
2020-05	Various Public Improvements	Mar. 19, 2021	Mar. 19, 2021	Mar. 18, 2022	1.50%		704,000		704,000						
						\$ 3,280,000	3,984,000	3,280,000	3,984,000						
							<table border="0"> <tr> <td>Cash</td> <td>704,000</td> </tr> <tr> <td>Renewed</td> <td>3,280,000</td> </tr> <tr> <td></td> <td>3,984,000</td> </tr> </table>		Cash	704,000	Renewed	3,280,000		3,984,000	
Cash	704,000														
Renewed	3,280,000														
	3,984,000														

BOROUGH OF PALISADES PARK

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year ended December 31, 2021

Ordinance number	Improvement description	Balance, Dec. 31 2020	Increased by 2021 Authorizations	Decreased in 2021	Balance, Dec. 31 2021
987	Acquisition of Cab & Chassis	\$ 903			903
1214	Rehabilitation of Affordable Housing	24,946			24,946
1358	Acquisition of New & Replacement Equipment	1			1
1523	Installation of a Salt Storage Shed	1,975			1,975
1604	Improvement of Centre Place	1,448			1,448
1633	Various Improvements to East and West Edsall Blvd	46,396			46,396
1645	Construction of Classrooms at Free Public Library	385,000			385,000
2016-23	Resurfacing of 8th and 9th Streets	1,587			1,587
2017-6	Additional Approp: Acquisition of Property (1649/2016-20)	76,100			76,100
2018-1	Improvements to Columbus Park	24,825			24,825
2018-2	Resurfacing of East Homestead Avenue	33,300			33,300
2018-3	Additional Appropriation: 2016-23	178,500			178,500
2019-2	Resurfacing of East & West Edsall Blvd	450,000		103,725	346,275
2019-4	Improvements to Tussi Park	152,000			152,000
2019-8	Improvements to Columbus Park	104,700			104,700
2019-13	Acquisition of Machinery & Equipment, Information Technology Equipment and Vehicles	9,000			9,000
2020-02	Resurfacing of Pembroke Way	71,800			71,800
2020-05	Various Public Improvements	704,000		704,000	
2020-08	Various Improvements to Columbus Park	158,000			158,000
2021-06	Imps. To West Ruby Avenue & Fairview St.		114,200		114,200
2021-07	Various Improvements to Lindbergh Field		121,400		121,400
2021-14	Various Public Improvements		1,038,000		1,038,000
		<u>\$ 2,424,481</u>	<u>1,273,600</u>	<u>807,725</u>	<u>2,890,356</u>
	Improvement Authorizations		<u>1,273,600</u>		
			<u>\$ 1,273,600</u>		
	Unappropriated Grants Received			103,725	
	Bond Anticipation Notes Issued			704,000	
				<u>\$ 807,725</u>	

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BOROUGH OF PALISADES PARK

Schedule of Analysis of Cash

Swimming Pool Utility Capital Fund

December 31, 2021

Due from Swimming Pool Operating	\$	(8,000)
Fund Balance		10,617

Improvement authorizations:

<u>Ordinance</u> <u>number</u>	<u>Improvement description</u>	
1210	Various Swim Pool Improvements	(39,833)
1313	Various Swim Pool Improvements	1,704
1465	Various Swim Pool Improvements	137
1483	Various Swim Pool Improvements	253
1495	Various Swim Pool Improvements	5,977
2016-2/2017-7	Various Swim Pool Improvements	(122,210)
2018-17	Rehabilitation of Municipal Pool Complex	656,895
		<u>\$ 505,540</u>

BOROUGH OF PALISADES PARK

Schedule of Cash - Collector-Treasurer

Swimming Pool Utility Fund

Year ended December 31, 2021

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	\$ <u>219,400</u>	<u>497,292</u>
Increased by receipts:		
Membership Fees	351,919	
Petty Cash	400	
Miscellaneous	542	
Interfund:		
Due from Swim Pool Operating		18,100
Bond Anticipation Notes		684,000
Premium on Note Sale		8,248
	<u>352,861</u>	<u>710,348</u>
	572,261	1,207,640
Decreased by disbursements:		
2021 Appropriations	353,563	
Appropriation Reserves	4,346	
Accrued Interest	10,100	
Due to Swim Pool Capital	8,000	
Petty Cash	200	
Refunds	1,576	
Interest on Bond Anticipation Notes		10,100
Bond Anticipation Notes		692,000
	<u>377,785</u>	<u>702,100</u>
Balance - December 31, 2021	\$ <u><u>194,476</u></u>	<u><u>505,540</u></u>

BOROUGH OF PALISADES PARK

Schedule of 2020 Reserves - Operating Fund

Swimming Pool Utility Fund

Year ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>transfers</u>	Paid or <u>charged</u>	Balance <u>lapsed</u>
Salaries and Wages	\$ 137,142	137,142		137,142
Other expenses	<u>93,631</u>	<u>94,283</u>	<u>4,346</u>	<u>89,937</u>
	<u>\$ 230,773</u>	<u>231,425</u>	<u>4,346</u>	<u>227,079</u>
Appropriation Reserves		230,773		
Encumbrances		<u>652</u>		
		<u>\$ 231,425</u>		

BOROUGH OF PALISADES PARK
Schedule of Due from Current Fund
Swimming Pool Utility Operating Fund
Year ended December 31, 2021

Increased by:	
Budget Revenue	\$ <u>160,735</u>
Balance - December 31, 2021	\$ <u><u>160,735</u></u>

BOROUGH OF PALISADES PARK

Schedule of Accrued Interest

Swimming Pool Utility Operating Fund

Year ended December 31, 2021

Balance - December 31, 2020		\$	8,246
Increased by:			
Budget Appropriation			<u>11,000</u>
			19,246
Decreased by:			
Cash Disbursements	\$	10,100	
Cancelled to Operations		<u>1,254</u>	
			<u>11,354</u>
Balance - December 31, 2021		\$	<u><u>7,892</u></u>

Required Amount

Balance				
<u>Outstanding</u>	<u>Issued</u>	<u>Days</u>	<u>Rate</u>	<u>Accrual</u>
684,000	3/19/20	281	1.50%	<u><u>7,980</u></u>

BOROUGH OF PALISADES PARK
Schedule of Interfund Receivables/(Payable)
Swimming Pool Utility Fund
Year ended December 31, 2021

	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	\$ <u>(8,000)</u>	<u>8,000</u>
Increased by:		
Budget Appropriation - Paydown on Notes	\$ 8,000	
Interest on Notes	10,100	
Cash Receipts		18,100
	<u>18,100</u>	<u>18,100</u>
	(26,100)	26,100
Decreased by:		
Cash Disbursements	<u>18,100</u>	<u>18,100</u>
Balance - December 31, 2021	\$ <u><u>(8,000)</u></u>	<u><u>8,000</u></u>

BOROUGH OF PALISADES PARK

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

Current Fund

Year Ended December 31, 2021

<u>Date</u>	<u>Purpose</u>	<u>Amount</u>	<u>1/5 of Net</u>	<u>Balance,</u>	<u>Balance,</u>
<u>Authorized</u>	<u>Authorized</u>	<u>Authorized</u>	<u>Amount</u>	<u>Dec. 31,</u>	<u>Dec. 31,</u>
				<u>2020</u>	<u>2021</u>
Dec. 16, 2020	COVID - 19 Revenue Loss	230,000	46,000 \$	230,000	230,000

BOROUGH OF PALISADES PARK

Schedule of Fixed Capital

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>3,318,997</u>
Balance - December 31, 2021	\$ <u><u>3,318,997</u></u>
<u>Analysis of Balance</u>	
Swim Pool Improvements	\$ <u><u>3,318,997</u></u>

**Schedule of Fixed Capital Authorized
and Uncompleted**

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020	\$ <u>837,238</u>
Balance - December 31, 2021	\$ <u><u>837,238</u></u>
<u>Analysis of Balance</u>	
Ord. 1210	167
Ord. 1313	1,704
Ord. 1465	137
Ord. 1483	253
Ord. 1495	5,977
Ord. 2017-7	79,000
Ord. 2018-17	<u>750,000</u>
	\$ <u><u>837,238</u></u>

BOROUGH OF PALISADES PARK

Schedule of Improvement Authorizations

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

Ordinance number	Improvement description	Date	Ordinance	Amount	Balance December 31, 2020		Balance December 31, 2021	
					Funded	Unfunded	Funded	Unfunded
1210	Various Swim Pool Improvements	April 11, 1996		50,000	\$			
1313	Various Swim Pool Improvements	March 12, 1999		35,000		1,704	1,704	167
1465	Various Swim Pool Improvements	Feb. 21, 2006		250,000		137	137	
1483	Various Swim Pool Improvements	Mar. 20, 2007		200,000		253	253	
1495	Various Swim Pool Improvements	Oct. 16, 2007		100,000		5,977	5,977	
2016-2/2017-7	Various Swim Pool Improvements	Feb. 23, 2016		320,000				
		Mar. 28, 2017		79,000			46,790	
2018-17	Rehabilitation of the Municipal Swimming Pool Complex	Nov. 27, 2018		750,000		26,613	26,613	714,000
						\$ 34,684	34,684	760,957

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

Balance - December 31, 2020	\$ 3,133,817
Increased by:	
Budget Appropriation -	
Paydown on Bond Anticipation Notes	<u>8,000</u>
Balance - December 31, 2021	<u><u>\$ 3,141,817</u></u>

BOROUGH OF PALISADES PARK

Schedule of Bond Anticipation Notes Payable

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of issue of original notes</u>	<u>Date of issue</u>	<u>Date of Maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2021</u>
2016-2	Various Swim Pool Improvements	Apr. 15, 2016	Mar. 19, 2021	Mar. 18, 2022	1.50%	61,718	53,718	61,718	53,718
2018-17	Rehabilitation of the Municipal Swim Pool Complex	Nov. 27, 2018	Mar. 19, 2021	Mar. 18, 2022	1.50%	630,282	630,282	630,282	630,282
						\$ 692,000	684,000	692,000	684,000
						Budget Appropriation - Paydown on Notes Renewal \$ 8,000 684,000 684,000 692,000			

BOROUGH OF PALISADES PARK

Schedule of Deferred Reserve for Amortization

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2021</u>
1313	Various Swim Pool Improvements	Mar. 12, 1999	\$ 1,700	1,700
2018-17	Rehabilitation of the Municipal Swimming Pool Complex	Nov. 27, 2018	36,000	36,000
			<u>\$ 37,700</u>	<u>37,700</u>

BOROUGH OF PALISADES PARK

Schedule of Bonds and Notes Authorized but not Issued

Swimming Pool Utility Capital Fund

Year ended December 31, 2021

<u>Ordinance number</u>	<u>Improvement description</u>	Balance Dec. 31, <u>2020</u>	Balance Dec. 31, <u>2021</u>
1210	Various Swim Pool Improvements	40,000	40,000
2016-2	Various Swim Pool Improvements	90,000	90,000
2017-7	Additional Appropriation: 2016-2	79,000	79,000
2018-17	Rehabilitation of the Municipal Swimming Pool Complex	<u>83,718</u>	<u>83,718</u>
		<u>\$ 292,718</u>	<u>292,718</u>

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BOROUGH OF PALISADES PARK

PART II

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

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

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WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Palisades Park in the County of Bergen as of and for the year ended December 31, 2021 and the related notes to the financial statements, and have issued our report thereon dated June 30, 2022, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


Compliance and Other Matters

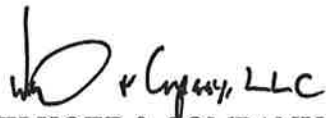
As part of obtaining reasonable assurance about whether the Borough of Palisades Park's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

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


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


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

June 30, 2022



BOROUGH OF PALISADES PARK

Schedule of Expenditures of State Awards

Year ended December 31, 2021

State funding department	State program	Grant number	Grant year	Allocation or grant award amount	Receipts	Expended	MEMO Cumulative Total Expenditures
Federal and State Grant Fund: Department of Community Affairs	Domestic Violence Training		2009	1,224			
			2019	3,000			
			2021	22,649	22,649		
			2020	20,247			
			2019	20,247			
			2015	20,322			20,498
Department of Environmental Protection Agency	NJ Forest Service - Green Community Grant	FS18-001	2014	21,335			
			2009	21,399			21,000
			2021	29,266	29,266		
			2020	27,484		9	27,484
			2019	30,479			18,592
			2017	28,534			27,134
	Clean Communities		2016	33,587			31,581
			2014	24,168			15,939
			2013	31,021			8,071
			2012	21,953			17,632
			2011	22,300			20,048
			2010	21,340		51,915	21,226
					1,231		
					1,240		
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	9735-760-098-Y900-001-X100	2021	3,181	3,181		
		9735-760-098-Y900-001-X100	2020	1,750			
		9735-760-098-Y900-001-X100	2019	1,929			
		9735-760-098-Y900-001-X100	2018	2,051			
		9735-760-098-Y900-001-X100	2017	1,608			
		9735-760-098-Y900-001-X100	2016	1,692			
		9735-760-098-Y900-001-X100	2015	2,593			
		9735-760-098-Y900-001-X100	2014	2,245			
		9735-760-098-Y900-001-X100	2012	755			
		9735-760-098-Y900-001-X100	2011	755			1,695
		9735-760-098-Y900-001-X100	2010	955			
		9735-760-098-Y900-001-X100	2009	2,356		3,181	825
					3,181		

BOROUGH OF PALISADES PARK
Schedule of Expenditures of State Awards

Year ended December 31, 2021

State funding department	State program	Grant number	Grant year	Allocation or grant award amount	Receipts	Expended	MEMO Cumulative Total Expenditures
Department of Law and Public Safety	Drunk Driving Enforcement Fund	6400-100-078-6400		17,589			3,319
	Division of Criminal Justice						
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2021	2,833	2,833		
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2020	3,606		3,606	3,606
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2019	3,594		3,594	3,594
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2014	2,946		63	2,946
	Body Armor Fund	1020-718-066-1020-001-YCJS-6120	2008	6,533	2,833	2,009	6,533
					2,833	9,272	
Bergen County Pass Through Grants: Department of Health and Senior Services	Municipal Alliance		2020	4,861			
					57,929	10,512	
Total State Financial Assistance - Federal and State Grant Fund							
General Capital Fund: Department of Transportation	East/West Edsall Blvd - (2014 Municipal Aid)		Ord. 1633	149,000			149,000
	East/West Edsall Blvd - Sec. 5 (2016 Municipal Aid)	16-480-078-6320-AMF-6010		155,500			155,500
	East Edsall Blvd - Sec. 6 (2017 Municipal Aid)			165,627			
	West Edsall Blvd - Sec. 7 (2018 Municipal Aid)	18-480-078-6320-10-AM2	Ord. 2019-2	213,000			213,000
	East Edsall Blvd - Sec. 8 (2019 Municipal Aid)			192,000	103,725		103,725
	West Palisades Blvd (2020 Municipal Aid)	20-480-078-6320-10-AN8-6010		169,000			
	Palisades Blvd (2021 Municipal Aid)			200,000			
Total State Financial Assistance - General Capital Fund					103,725	103,725	
Total State Financial Assistance				\$ 161,654		114,237	
Other Financial Assistance County of Bergen	Open Space Trust Fund						
	Ord. 2018-1 - Columbus Park	03-200-56-130-910, 17-00191	2017	18,025			18,025
	Ord. 2019-4 - Tussi Park	03-200-56-130-910, 18-00247	2019	71,125			71,125
	Ord. 2019-8 - Columbus Park	03-200-56-130-910, 19-00072	2019	35,397			35,397
	Ord 2020-08 - Columbus Park	03-200-56-130-910, 19-00544	2020	76,125			
	BCUA - Municipal Recycling Grant		2009	4,976			
Total Other Financial Assistance							
Total State and Other Financial Assistance				\$ 161,654		114,237	

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

BOROUGH OF PALISADES PARK

Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

Federal Grantor General Capital Fund:	Federal Program	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Year	Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures
(1) Department of Housing and Urban Development	Community Development Block Grant Resurfacing of Pembroke Way, 2020-2 West Ruby and Fairview St., 2021-6	14.218		21-213-750-155-49-86 21-213-751-155-49-86	7/1/19-6/30/20 7/1/20-6/30/21	53,470 90,000			
Total Federal Financial Assistance - General Capital Fund									
Current Fund:									
(2) Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) Coronavirus Pandemic		97.036			2021		31,898	31,898	37,762
(1) U.S. Department of the Treasury Coronavirus Aid, Relief and Economic CARES Act		21.019			2021		124,676	124,676	124,676
(2) U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds		21.027			3/13/21-12/31/24	2,168,209	923,370	923,370	923,370
Total Current Fund									
Federal and State Grant Fund:									
(2) Department of Health and Human Services	Local Public Health Emergency Response to H1N1 Public Health Priority Funding	93.069 93.069			2009 2009	104,746 5,746			94,999 1,107
U.S. Department of Justice	Bulletproof Vest Partnership Program	16.607			2021	5,143	5,142		
	Bulletproof Vest Partnership Program	16.607			2020	458			
	Bulletproof Vest Partnership Program	16.607			2019	2,745		2,745	2,745
	Bulletproof Vest Partnership Program	16.607			2018	2,287			
	Bulletproof Vest Partnership Program	16.607			2017	1,385		238	1,153
	Bulletproof Vest Partnership Program	16.607			2012	2,700	5,142	2,339	2,700
Total Federal Financial Assistance - Federal and State Grant Fund									
(2) U.S. Department of Transportation National Highway Traffic Safety Administration	Overlimit Under Arrest Alcohol Impaired Driving Countermeasures Incentive Grant	20.616 20.616 20.601 20.601			2021 2021 2015 2010	5,880 9,180 1,258 4,350	5,880 9,180		3,678
Total Federal Financial Assistance - Federal and State Grant Fund									
							15,060	20,202	5,322

BOROUGH OF PALISADES PARK

Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

Federal Grantor	Federal Program	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Year	Grant Award Amount	Receipts	Expended	MEMO Cumulative Total Expenditures
General Capital Fund:									
Trust Funds:									
U.S. Department of Justice	Equitable Sharing Program	16-922			2018	15,172			14,416
Swim Pool Utility Fund:									
(2) U.S. Department of the Treasury	Coronavirus State and Local Fiscal Recovery Funds	21-027			2021-2024	2,168,209	160,735	160,735	160,735
							\$ 1,260,881	1,246,001	

(1) Passed through the County of Bergen
 (2) Passed through the State of New Jersey

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

**BOROUGH OF PALISADES PARK
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$1,079,944	\$	\$1,079,944
Federal and State Grant Fund	5,322	10,512	15,834
General Capital Fund		103,725	103,725
Swim Pool Utility Fund	<u>160,735</u>	<u> </u>	<u>160,735</u>
Total Current Fund	<u>\$1,246,001</u>	<u>\$114,237</u>	<u>\$1,360,238</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

**BOROUGH OF PALISADES PARK
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(continued)**

NOTE 5. INDIRECT COST RATE

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

**BOROUGH OF PALISADES PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Adverse - USGAAP
Unmodified - regulatory

Internal control over financial reporting:

- | | | |
|---|-----------|-------------------|
| 1. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> no |
| 2. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |

Noncompliance material to financial statements noted?

_____ yes _____ X no

Federal Awards Section

Dollar threshold used to determine type A programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes _____ X no

Type of auditors' report on compliance for major programs:

unmodified

Internal Control over compliance:

- | | | |
|---|-----------|---------------------|
| 1. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> none |
| 2. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

_____ yes _____ X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program

_____ 21,027 _____

Coronavirus State and Local
Fiscal Recovery Funds

**BOROUGH OF PALISADES PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021
(continued)**

State Awards

Not Applicable

**BOROUGH OF PALISADES PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(continued)**

Section II – Financial Statement Findings

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

NONE

**BOROUGH OF PALISADES PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(continued)**

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

NONE

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior year findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 15-08, as amended.

Finding 2016-001, 2017-001, 2018-001, 2019-001, and 2020-001

The swim pool office did not maintain daily receipt transaction reports detailing type of fee received, from whom it was received and the amount. Swim Pool collections are deposited directly by the swim pool office staff; bank reconciliations are performed by the finance office but only based on actual bank statement activity. No reconciliation between daily transaction reports and deposits made is performed.

Status

Resolved

**BOROUGH OF PALISADES PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(continued)**

Financial Statement Findings

NONE

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BOROUGH OF PALISADES PARK

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

BOROUGH OF PALISADES PARK

GENERAL COMMENTS, (continued)

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On July 1, 2020, the threshold with a qualified purchasing agent was increased to \$44,000.

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

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

Road Improvements East Edsall Boulevard (Sections 8)

Collection and Disposal of Solid Waste and Recycling

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 4, 2021 adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

BOROUGH OF PALISADES PARK

GENERAL COMMENTS, (continued)

"NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Palisades Park, that taxes due the Borough shall be payable February 1st, May 1st, August 1st and November 1st each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the taxpayer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% on any amount in excess of \$1,500;

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from due date the interest shall be waived except if the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in this Resolution."

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 8, 2021 and was complete.

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

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of liens</u>
2021	0
2020	0
2019	0

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

Suggestions to Management:

1. A second authorizing signature be added to the following Borough accounts:
 - a. Health Department Revenue Account
 - b. Municipal Court Bail and Fines Account
2. Stale outstanding checks in the Net Payroll, be voided by resolution.
3. All prior year inter-funds be liquidated.
4. Health and Dental benefit charges for library employees be charged ratably per month to the library appropriation.
5. The use of manual purchase orders should be discontinued.

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**BOROUGH OF PALISADES PARK
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

COMMENTS

Finance/Treasurer/Accounts Payable:

1. *There are General Capital Fund and Swim Pool Capital improvement authorizations greater than five years old that have unfunded portions outstanding.
2. *There is a significant amount of unexpended appropriated grant balances.
3. Not all improvement authorization balances per the client general ledger are in agreement with the budgetary subsidiary records.
4. The inactive swim pool café account should be closed and all funds transferred to the Swim Pool Operating account.
5. Not all depositories utilized by the Borough were included in the designated depositories resolution.
6. Contracts awarded via resolution are not being encumbered against the designated budget appropriation and/or approved improvement authorization; bills are processed ratably as received in violation of Technical Accounting Directive No. 1.
7. Fees related to the Parking Offenses Adjudication Act are not being maintained in a separate trust fund as required by NJSA 39:4-139.9(a).

Administration:

1. The Borough's sick leave supplemental compensation policies do not comply with N.J.S.A. 40A:9-10.4

Payroll

1. *There were instances in which the health benefits deductions did not agree to calculations as performed by audit staff.
2. Not all overtime is paid in a timely manner.

Municipal Court

1. A review of the December monthly management report indicated that there were an excessive amount of tickets assigned over 180 days and complaints eligible for warrant.

Departments

1. A detailed analysis of cash collected by the clerk's office was not maintained for the year under audit.

**BOROUGH OF PALISADES PARK
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

RECOMMENDATIONS

Finance/Treasurer/Accounts Payable:

1. That unfunded improvement authorizations over 5 years old, where projects have been completed, be funded through either a budget appropriation or through the issuance of temporary or permanent debt.
2. Greater effort be made to expend available appropriated grant reserves.
3. Improvement Authorization balances per the general ledger be compared to the budgetary subsidiary ledgers and adjustments be made to ensure agreement.
4. The inactive swim pool café account be closed and the funds be transferred to the Swim Pool Operating Account.
5. The authorized depository resolution be amended to include the following banks:
 - a. Freedom Bank
 - b. Mariner's Bank
 - c. NJ Cash Management
6. All contracts awarded via resolution be encumbered for the contract amount against the designated budget appropriation and/or approved improvement authorization in accordance with Technical Accounting Directive No. 1.
7. A dedication by rider be filed and a trust account be established to account for fees collected in accordance with the Parking Offenses Adjudication Act.

Administration:

1. Borough sick leave supplemental payment policies be amended and brought into compliance with State Law, N.J.S.A. 40A:9-10.4.

Payroll:

1. The proper health insurance premiums amounts be utilized in the calculation of the employee's share of health benefits deduction.
2. Greater effort be made to remit overtime payments in a timely manner.

Municipal Court

1. Policies be implemented to clear the back-log of complaints and/or tickets that are eligible for warrant or dismissal and those tickets assigned not issued over 180 days be recalled and either re-assigned or destroyed.

Departments

1. An analysis of cash collected, detailing type, amount and date of receipt be maintained by the Clerk's office and provided for audit review.

STATUS OF PRIOR YEARS' AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior years' recommendations and corrective action was taken on all except those with an "**".

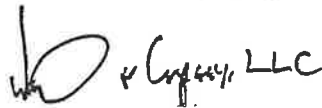
ACKNOWLEDGMENT

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

Respectfully submitted,



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



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

June 30, 2022

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