

**BOROUGH OF FAIR LAWN**

**Financial Statements With  
Supplementary Information  
December 31, 2022**

**(With Independent Auditors' Report Thereon)**

# **BOROUGH OF FAIR LAWN**

## **Table of Contents**

### **Part I**

<b><u>Exhibit</u></b>		<b><u>Page</u></b>
	Independent Auditor's Report	1-4
	<b><u>FINANCIAL STATEMENTS</u></b>	
	<b><u>Current Fund</u></b>	
A	Comparative Balance Sheet - Regulatory Basis	5-6
A-1	Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	8-10
A-3	Statement of Expenditures - Regulatory Basis	11-20
	<b><u>Trust Funds</u></b>	
B	Balance Sheet - Regulatory Basis	21-22
	<b><u>General Capital Fund</u></b>	
C	Balance Sheet - Regulatory Basis	23
C-1	Statement of Changes in Fund Balance - Regulatory Basis	24
	<b><u>Water Utility Operating Fund</u></b>	
D	Balance Sheet - Regulatory Basis	25-26
D-1	Statement of Operations and Changes in Fund Balance - Regulatory Basis	27
D-2	Schedule of Fund Balance - Regulatory Basis	28
D-3	Statement of Revenues - Regulatory Basis	29
D-4	Statement of Expenditures - Regulatory Basis	30
	<b><u>General Fixed Assets Account Group</u></b>	
E	Statement of General Fixed Assets - Regulatory Basis	31
	<b><u>Net Payroll and Withholdings</u></b>	
F	Comparative Statement of Net Payroll and Withholdings Payable	32
	Notes to Financial Statements	33-74
	Supplementary Data	75-83

# **BOROUGH OF FAIR LAWN**

## **Table of Contents, (continued)**

### **Part I, (continued)**

<b><u>Exhibit</u></b>		<b><u>Page</u></b>
<b><u>SUPPLEMENTARY INFORMATION</u></b>		
<b><u>Current Fund</u></b>		
A-4	Schedule of Cash - Collector-Treasurer	84
A-5	Schedule of Cash - Change Fund	85
A-6	Schedule of Cash - Petty Cash	85
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	86
A-8	Schedule of Tax Title Liens	87
A-9	Schedule of Other Liens Receivable	87
A-10	Schedule of Due from FEMA	88
A-11	Schedule of Property Acquired for Taxes - Assessed Valuation	88
A-12	Schedule of Revenue Accounts Receivable	89
A-13	Schedule of Interfunds	90
A-14	Schedule of Appropriation Reserves	91-94
A-15	Schedule of Encumbrances Payable	95
A-16	Schedule of Accounts Payable	96
A-17	Schedule of Reserve for Other Expenditures	97
A-18	Schedule of Reserve for Library Expenditures	98
A-19	Schedule of Amount Due (to)/from State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976	99
A-20	Schedule of Amount Due to the State of New Jersey - Construction Training Fees	100
A-21	Schedule of Tax Overpayments	101
A-22	Schedule of Local School District Tax Payable	102
A-23	Schedule of County Taxes Payable	102
A-24	Schedule of Special Improvement District Taxes Payable	103
A-25	Schedule of Prepaid Taxes	104
A-26	Schedule of Interfunds - Federal and State Grant Fund	105
A-27	Schedule of Grants Receivable	106
A-28	Schedule of Unappropriated Reserves for Grants	107
A-29	Schedule of Appropriated Reserves for Grants	108-109
A-30	Schedule of Encumbrances Payable	110
<b><u>Trust Funds</u></b>		
B-1	Schedule of Cash	111
B-2	Schedule of Prepaid Dog Licenses	112
B-3	Schedule of Animal Trap Deposits	112
B-4	Schedule of Due to State of New Jersey	113
B-5	Schedule of Interfunds Receivable/(Payable)	114

# **BOROUGH OF FAIR LAWN**

## **Table of Contents, (continued)**

### **Part I, (continued)**

<b><u>Exhibit</u></b>		<b><u>Page</u></b>
B-6	Schedule of Sundry Reserve and Deposits	115
B-7	Schedule of Escrow Reserve and Deposits	116
B-8	Schedule of Donation Reserve and Deposits	117
B-9	Schedule of Reserve for Animal Trust Fund Expenditures	118
B-10	Schedule of Reserve for State Unemployment Insurance Trust Fund Expenditures	119
B-11	Schedule of Reserve for Worker's Compensation Trust Fund Expenditures	120
B-12	Schedule of Reserve for Liability Insurance Trust Fund Expenditures	121
B-13	Schedule of Reserve for Health Benefits Plan Trust Fund Expenditures	122
B-14	Schedule of Reserve for Council on Affordable Housing Expenditures	123
B-15	Schedule of Reserves for Library Expenditures	124
B-16	Schedule of Restricted Reserves for Library Expenditures	125
B-17	Schedule of Reserve for Cafeteria Plan Expenditures	126
B-18	Schedule of Service Award Contributions Receivable	127
B-19	Schedule of Net Assets Available for Benefits	128
B-20	Schedule for Veteran Affairs Expenditures	129
B-21	Schedule of Reserve for Open Space	130
B-22	Schedule of Reserve for Storm Recovery	131

### **General Capital Fund**

C-2	Schedule of Cash	132
C-3	Analysis of Cash	133-134
C-4	Schedule of County Grants Receivable	135
C-5	Schedule of Federal and State Grants Receivable	136
C-6	Schedule of Deferred Charges to Future Taxation – Funded	137
C-7	Schedule of Deferred Charges to Future Taxation – Unfunded	138
C-8	Schedule of General Serial Bonds Payable	139
C-9	Schedule of Capital Leases Payable	140
C-10	Schedule of Reserve for Special Reserves	141
C-11	Schedule of Improvement Authorizations	142-144
C-12	Schedule of Reserve for Encumbrances Payable	145
C-13	Schedule of Reserve for Unappropriated State Grant - New Jersey Stormwater Management Grant	146
C-14	Schedule of Capital Improvement Fund	147
C-15	Schedule of Interfunds	148
C-16	Schedule of Reserve for Grants Receivable	149
C-17	Schedule of Bonds and Notes Authorized But Not Issued	150

# **BOROUGH OF FAIR LAWN**

## **Table of Contents, Continued**

### **Part I, (continued)**

<b><u>Exhibit</u></b>		<b><u>Page</u></b>
	<b><u>Water Utility Fund</u></b>	
D-5	Schedule of Cash – Treasurer	151
D-6	Analysis of Cash	152
D-7	Schedule of Interfunds - Operating Fund	153
D-8	Schedule of Consumers' Accounts Receivable - Operating Fund	154
D-9	Schedule of Inventory – Material and Supplies	154
D-10	Schedule of Fixed Capital	155
D-11	Schedule of Fixed Capital Authorized and Uncompleted	156
D-12	Schedule of 2021 Appropriation Reserves	157
D-13	Schedule of Water Rent Overpayments	158
D-14	Schedule of Accrued Interest on Bonds and Notes	159
D-15	Schedule of Reserve for Encumbrances Payable	160
D-16	Schedule of Improvement Authorizations	161
D-17	Schedule of Interfunds - Capital Fund	162
D-18	Schedule of Capital Improvement Fund	163
D-19	Schedule of Reserve for Amortization	163
D-20	Schedule of Deferred Reserve for Amortization	164
D-21	Schedule of Water Utility Serial Bonds	165-166
D-22	Schedule of Bonds and Notes Authorized But Not Issued	167

### **Part II**

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	168-169
General Comments	170-173
Comments and Recommendations	174
Status of Prior Year Audit Findings/Recommendations	175
Acknowledgment	175

**BOROUGH OF FAIR LAWN**

**\* \* \* \* \***

**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2022**



# WIELKOTZ & COMPANY <sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. MCNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE  
POMPTON LAKES, NEW JERSEY 07442  
PHONE: (973)-835-7900  
FAX: (973)-835-7900  
EMAIL: OFFICE@W-CPA.COM  
WWW.W-CPA.COM

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Borough Council  
Borough of Fair Lawn  
Fair Lawn, NJ 07410

### **Report on the Financial Statements**

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Fair Lawn, as of December 31, 2022 and 2021, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Fair Lawn as of December 31, 2022 and 2021, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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





As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Fair Lawn on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

As described in Note 15 of the financial statement, the Borough of Fair Lawn participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$2,000,693 and \$2,383,798 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2022 and 2021, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Responsibilities of Management for the Financial Statements***

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

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





***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



Honorable Mayor and  
Members of the Borough Council  
Page 4.

***Other Matters***

***Other Information***

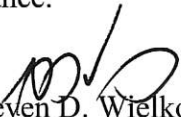
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fair Lawn's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.


The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2023 on our consideration of the Borough of Fair Lawn's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Fair Lawn's internal control over financial reporting and compliance.

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

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

April 10, 2023



## BOROUGH OF FAIR LAWN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 35,477,442	34,410,275
Change Fund	A-5	<u>705</u>	<u>705</u>
		<u>35,478,147</u>	<u>34,410,980</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	805,142	604,021
Tax Title Liens	A-8	20,408	20,059
Other Liens Receivable	A-9	629	629
Due from FEMA	A-10		47,703
Property Acquired for Taxes - Assessed Valuation	A-11	73,260	73,260
Revenue Accounts Receivable	A-12	14,411	15,492
Interfund Accounts Receivable	A-13	<u>5,155,177</u>	<u>8,594,507</u>
		<u>6,069,027</u>	<u>9,355,671</u>
		<u>41,547,174</u>	<u>43,766,651</u>
Federal and State Grant Fund:			
Cash	A-4	3,680,580	2,015,083
Grants Receivable	A-27	<u>666,578</u>	<u>717,570</u>
		<u>4,347,158</u>	<u>2,732,653</u>
		<u>\$ 45,894,332</u>	<u>46,499,304</u>

## BOROUGH OF FAIR LAWN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	\$ 2,073,575	1,700,738
Encumbrances Payable	A-3/A-15	2,376,199	1,622,431
Accounts Payable	A-16	625,454	571,404
Reserve for Other Expenditures	A-17	7,783,459	7,850,653
Reserve for Library Expenditures	A-18	288,774	345,528
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-19	206,065	204,275
Construction Training Fees	A-20	25,468	12,990
Tax Overpayments	A-21	2,479	3,956
Local School Taxes Payable	A-22		620,862
County Taxes Payable	A-23	76,707	106,071
SID Taxes Payable	A-24		3,052
Prepaid Taxes	A-25	936,174	1,082,193
		<u>14,394,354</u>	<u>14,124,153</u>
Reserve for Receivables	Contra	6,069,027	9,355,671
Fund Balance	A-1	<u>21,083,793</u>	<u>20,286,827</u>
		<u>41,547,174</u>	<u>43,766,651</u>
Federal and State Grant Fund:			
Unappropriated Reserve for Grants	A-28	12,541	1,726,588
Appropriated Reserve for Grants	A-29	4,202,171	794,638
Encumbrances Payable	A-30	109,104	208,791
Interfund Accounts Payable	A-26	23,342	2,636
		<u>4,347,158</u>	<u>2,732,653</u>
		<u>\$ 45,894,332</u>	<u>46,499,304</u>

See accompanying notes to financial statements.

## BOROUGH OF FAIR LAWN, N.J.

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

## Current Fund

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 9,875,000	\$ 6,150,000
Miscellaneous Revenue Anticipated	12,926,572	10,875,291
Receipts from Delinquent Taxes	606,740	914,310
Receipts from Current Taxes	149,218,747	148,462,915
Non-Budget Revenue	810,622	1,019,460
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,488,016	2,569,446
Prior Year Interfunds Returned	3,598,128	8,179,679
Due from FEMA	47,703	23,818
Appropriated Grants Cancelled	52,282	600
Special Improvement District Taxes Cancelled	3,052	
Local School District Taxes Payable Cancelled	620,862	91,200
Total Revenues and Other Income	<u>179,247,724</u>	<u>178,286,719</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	22,927,211	21,912,990
Other Expenses	22,921,624	18,795,376
Capital Improvement Fund	1,123,500	3,135,000
Municipal Debt Service	4,930,910	3,697,129
Deferred Charges and Statutory Expenditures -		
Municipal	5,862,695	5,201,000
Local District School Tax	96,317,475	95,457,198
County Taxes including Added Taxes	13,836,444	13,782,611
Special Improvement District Taxes including Added Taxes	275,081	269,176
Municipal Open Space Tax	217,955	215,283
Prior Year Seniors & Vet Deductions	3,360	4,632
Due from FEMA		47,703
Interfunds Advanced	9,315	8,575,272
Refunds		30,039
Grants Receivable Cancelled	42,967	600
Tax Overpayments	107,221	
Total Expenditures	<u>168,575,758</u>	<u>171,124,009</u>
Excess (Deficit) Revenue Over Expenditures	10,671,966	7,162,710
Fund Balance, January 1,	<u>20,286,827</u>	<u>19,274,117</u>
	30,958,793	26,436,827
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>9,875,000</u>	<u>6,150,000</u>
Fund Balance, December 31,	<u>\$ 21,083,793</u>	<u>\$ 20,286,827</u>

See accompanying notes to the financial statements.

**BOROUGH OF FAIR LAWN, N.J.**  
**Statement of Revenues - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2022**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 9,875,000	9,875,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	40,000	43,010	3,010
Other	16,000	23,052	7,052
Fees and Permits	390,000	456,567	66,567
Fines and Costs:			
Municipal Court	170,000	209,320	39,320
Interest and Costs on Taxes	175,205	175,424	219
Interest on Investments and Deposits	120,000	406,041	286,041
Tax and Assessment Searches	60	10	(50)
Memorial Pool	200,000	370,388	170,388
Sewer User Charges	60,000	16,258	(43,742)
Cable Television Fees	385,000	388,979	3,979
Uniform Fire Safety Act	208,000	254,418	46,418
Hotel Tax	40,000	164,661	124,661
Ambulance	450,000	488,330	38,330
Consolidated Municipal Property Tax Relief Aid	26,389	26,389	
Energy Receipts Tax	3,718,144	3,718,144	
Uniform Construction Code Fees	1,085,000	1,270,463	185,463
Board of Education - Resource Officers	450,000	522,835	72,835
Board of Education - Maintenance Garage	30,000	39,125	9,125
Public and Private Revenues Offset with Appropriations			
Body Armor Replacement	2,715	2,715	
Click It or Ticket	7,000	7,000	
Distracted Driving - U Text U Drive U Pay	10,500	10,500	
Municipal Alliance on Alcoholism and Drug Abuse-2021	5,754	5,754	
Municipal Alliance on Alcoholism and Drug Abuse-2022	5,754	5,754	
Clean Communities	68,887	68,887	
Pedestrian Safety Grant - 2021	25,000	25,000	
Bergen County Food Security Task Force Sustainability	11,205	11,205	
Recreation Opportunities for Individuals w/ Disabilities	6,060	6,060	
Fire Prevention Grant	5,000	5,000	
Strengthening Local Health Capacity - 2023	274,735	274,735	
Sustainable New Jersey	2,000	2,000	
National Opioid Settlement Fund	14,371	14,371	
Bergen County Stigma Free	1,000	1,000	
American Rescue Plan	3,443,177	3,443,177	
Trust-Self Insurance Reserve	470,000	470,000	
Total Miscellaneous Revenues	11,916,956	12,926,572	1,009,616

## BOROUGH OF FAIR LAWN, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Receipts from Delinquent Taxes	<u>575,000</u>	<u>606,740</u>	<u>31,740</u>
Subtotal General Revenues	<u>22,366,956</u>	<u>23,408,312</u>	<u>1,041,356</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes Minimum Library Tax	<u>36,826,073</u> <u>1,875,101</u>	<u>41,871,792</u>	<u>3,170,618</u>
Total Amount to be Raised by Taxation	<u>38,701,174</u>	<u>41,871,792</u>	<u>3,170,618</u>
Budget Totals	61,068,130	65,280,104	4,211,974
Non-Budget Revenue	<u>                    </u>	<u>810,622</u>	<u>810,622</u>
	<u>\$ 61,068,130</u>	<u>66,090,726</u>	<u>5,022,596</u>

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 149,218,747
Allocated to School and County Taxes	\$ 110,153,919
Special District Taxes	275,081
Municipal Open Space Taxes	<u>217,955</u>
	<u>110,646,955</u>
Balance for Support of Municipal Budget Appropriations	38,571,792
Add : Appropriation - Reserve for Uncollected Taxes	<u>3,300,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 41,871,792</u>
Receipts from Delinquent Taxes:	
Delinquent Taxes	<u>606,740</u>
	<u>\$ 606,740</u>



**BOROUGH OF FAIR LAWN, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2022**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Analysis of Non-budget Revenues</u>			
Recreation Fees	\$ 249,104		
Copies, Maps and Plans	3,367		
Sale of Assets	1,794		
Police Fees	5,121		
Traffic Lights	1,408		
Dumpster Fees	4,600		
List of Property Owners	550		
Misc	7,645		
Property Maintenance Charges	766		
Bad Check	475		
Mail Reimbursement	1,021		
Cell Tower Revenue	169,793		
DMV Fees	2,500		
Offsets not applied	207,547		
Tax Sale Fees	977		
FEMA	144,049		
Towing	2,200		
PVSC	2,186		
Vending Machines	149		
Bus Shelter Revenue	2,400		
County Snow Plowing	<u>2,970</u>		
		\$ <u>810,622</u>	

See accompanying notes to the financial statements.

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 404,000	404,000	401,098	2,902	
Other Expenses	141,800	181,800	157,083	24,717	
Mayor and Council:					
Salaries and Wages	30,000	30,000	29,999	1	
Other Expenses	276,300	306,300	265,249	41,051	
Municipal Clerk:					
Salaries and Wages	269,500	282,000	278,199	3,801	
Other Expenses	102,800	92,800	63,291	29,509	
Financial Administration:					
Salaries and Wages	489,000	489,000	486,005	2,995	
Other Expenses	142,900	142,900	137,020	5,880	
Collection of Taxes:					
Salaries and Wages	261,600	304,100	302,418	1,682	
Other Expenses	40,600	40,600	38,729	1,871	
Assessment of Taxes:					
Salaries and Wages	175,900	177,900	176,813	1,087	
Other Expenses	32,500	32,500	29,293	3,207	
Legal Services and Cost:					
Other Expenses	375,000	400,000	346,197	53,803	
Labor Attorney:					
Other Expenses	35,000	35,000	27,172	7,828	
Engineering Services and Costs:					
Salaries and Wages	449,200	369,200	361,408	7,792	
Other Expenses	122,000	145,000	115,170	29,830	

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<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 et seq.)					
Planning Board:					
Other Expenses	42,900	37,900	25,135	12,765	
Zoning Board of Adjustment:					
Other Expenses	39,000	39,000	32,999	6,001	
Insurance:					
Self Insurance Program					
Liability Insurance (N.J.S.A. 40:10-12)	550,000	550,000	550,000		
Workers Compensation Insurance					
(N.J.S.A. 40:10-12)	550,000	510,500	419,036	91,464	
Group Insurance Plan for Employee's:					
Health Insurance	4,835,500	4,268,500	4,138,351	130,149	
Other Insurance Premiums	115,700	115,700	98,631	17,069	
Unemployment Compensation Insurance					
(N.J.S.A. 43:21-3)	100,000	100,000	100,000		
Public Safety:					
Police:					
Salaries and Wages	10,578,500	10,519,500	10,110,424	409,076	
Other Expenses	639,350	669,350	646,772	22,578	
Police Dispatch:					
Salaries and Wages	479,000	479,000	454,091	24,909	
Emergency Management:					
Salaries and Wages	118,300	123,800	123,630	170	
Other Expenses	125,600	125,600	119,148	6,452	
Fire:					
Salaries and Wages	271,100	261,100	215,747	45,353	
Other Expenses	280,560	290,560	289,870	690	

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Ambulance:					
Salaries and Wages	200,000	189,000	150,225	38,775	
Other Expenses	163,600	174,600	151,031	23,569	
Uniform Fire Safety Act: (P.L. 1983 Chap. 383)					
Salaries and Wages	193,000	214,000	198,275	15,725	
Other Expenses	31,350	31,350	28,131	3,219	
Municipal Prosecutor:					
Salaries and Wages	31,000	31,000	30,750	250	
Municipal Court					
Salaries and Wages	321,000	316,000	307,509	8,491	
Other Expenses	27,850	27,850	21,053	6,797	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	914,000	904,000	874,974	29,026	
Other Expenses	223,750	273,750	256,561	17,189	
Shade Tree:					
Salaries and Wages	208,000	93,000	83,772	9,228	
Other Expenses	240,150	292,150	265,960	26,190	
Electrical Services:					
Salaries and Wages	113,000	114,500	110,882	3,618	
Other Expenses	21,650	21,650	17,708	3,942	
Public Buildings and Grounds:					
Salaries and Wages	183,700	183,700	176,032	7,668	
Other Expenses	399,750	429,750	415,948	13,802	
Maintenance Garage:					
Salaries and Wages	360,700	360,700	343,594	17,106	
Other Expenses	189,250	249,250	225,967	23,283	

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Community Services Act:					
Other Expenses	18,000	18,000	10,008	7,992	
Administration of Public Works:					
Salaries and Wages	246,700	251,700	251,595	105	
Other Expenses	144,650	155,650	155,484	166	
Sanitation:					
Sewer System:					
Salaries and Wages	542,000	582,000	555,881	26,119	
Other Expenses	250,600	470,600	423,070	47,530	
Recycling:					
Salaries and Wages	404,200	394,200	379,006	15,194	
Other Expenses	517,450	517,450	502,927	14,523	
Health and Human Services:					
Health Department:					
Salaries and Wages	421,500	371,500	348,206	23,294	
Other Expenses	61,900	51,900	36,400	15,500	
Other Expenses - Animal Control	74,500	74,500	71,435	3,065	
Administration of Social Services:					
Salaries and Wages	40,100	55,100	44,873	10,227	
Other Expenses	1,400	1,400	354	1,046	
Mental Health Program (N.J.S.A. 40:5-9):					
Contractual	12,200	12,200	12,200		
Recreation and Parks:					
Recreation:					
Salaries and Wages	1,626,000	1,921,000	1,887,205	33,795	
Other Expenses	132,000	152,000	140,821	11,179	
Recreation-Special Clubs					
Other Expenses	61,000	61,000	59,233	1,767	

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Parks and Playgrounds:					
Salaries and Wages	695,000	725,000	707,520	17,480	
Other Expenses	181,900	221,900	220,332	1,568	
Celebration of Public Events:					
Other Expenses	121,000	121,000	114,142	6,858	
Veterans' Service Bureau:					
Other Expenses	18,800	18,800	17,810	990	
Unclassified:					
Terminal Leave:					
Salaries and Wages	40,000	40,000	39,843	157	
Salaries and Wages Adjustment	244,000				
Postage:					
Other Expenses	65,000	65,000	63,106	1,894	
Utility Expenses and Bulk Purchases					
Electricity	540,000	530,000	450,815	79,185	
Heating Oil	12,000	17,000	13,353	3,647	
Gas	94,500	94,500	86,467	8,033	
Gasoline	175,000	253,200	232,048	21,152	
Diesel	60,000	70,400	70,366	34	
Street Lighting	350,000	350,000	302,611	47,389	
Telephone, Internet & Communication Lines	295,000	318,400	316,947	1,453	
Cable/TV	30,000	40,000	36,888	3,112	
Landfill and Solid Waste Disposal Costs					
Garbage and Trash Removal:					
Contractual	1,265,000	1,265,000	1,252,393	12,607	
Other Expenses	1,351,500	1,351,500	1,201,931	149,569	

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	900,500	865,500	840,073	25,427	
Other Expenses	23,200	23,200	16,599	6,601	
Public Defender					
Salaries and Wages	11,700	11,700	9,350	2,350	
Total Operations within "CAPS"	36,923,660	36,902,160	35,068,642	1,833,518	
B. Contingent	1,000	1,000		1,000	
Total Operations Including Contingent-within "CAPS"	36,924,660	36,903,160	35,068,642	1,834,518	
Detail:					
Salaries & Wages	21,222,200	21,063,200	20,279,397	783,803	
Other Expenses (Including Contingent)	15,702,460	15,839,960	14,789,245	1,050,715	
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	1,777,000	1,777,000	1,776,491	509	
Social Security System (O.A.S.I.)	1,100,000	1,100,000	1,039,662	60,338	
Consolidated Police and Firemen's Pension	2,000	2,000		2,000	
Police and Firemen's Retirement System of N.J.	2,725,000	2,725,000	2,709,245	15,755	
DCRP	17,000	17,000	5,240	11,760	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	5,621,000	5,621,000	5,530,638	90,362	



## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<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 within "CAPS"	42,545,660	42,524,160	40,599,280	1,924,880	
Passaic Valley Sewer Commission:					
Share of Costs	1,950,000	1,950,000	1,920,354	29,646	
Maintenance of Free Public Library					
Salaries and Wages	1,407,511	1,414,011	1,402,815	11,196	
Other Expenses	1,069,541	1,063,041	992,119	70,922	
LOSAP Program					
Contribution	104,000	104,000	103,070	930	
Recycling Tax Appropriation	43,500	43,500	38,864	4,636	
Interlocal Service Agreements					
Board of Education					
Police - Salaries and Wages	450,000	450,000	450,000		
Maintenance Garage - Other Expenses	30,000	30,000	26,341	3,659	
Total Other Operations - Excluded from "CAPS"	5,054,552	5,054,552	4,933,563	120,989	
Public and Private Programs Offset by Revenues					
Clean Communities Program Grant - 2022	68,887	68,887	68,887		
Body Armor Replacement Program - 2022	2,715	2,715	2,715		
Distracted Driving Grant - 2022	10,500	10,500	10,500		
Click It or Ticket	7,000	7,000	7,000		
Municipal Alliance on Alcoholism and Drug Abuse - 21	5,754	5,754	5,754		
Municipal Alliance - Match - 21	5,000	5,000	1,439	3,561	
Municipal Alliance on Alcoholism and Drug Abuse - 22	5,754	5,754	5,754		
Municipal Alliance - Match - 22	1,450	1,450	1,438	12	

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<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 (continued)					
Sustainable NJ	2,000	2,000	2,000		
Strengthening Public Health Capacity - 2023	274,735	274,735	274,735		
Bergen County Food Security Task Force Sustainability	11,205	11,205	11,205		
Bergen County Stigma Free	1,000	1,000	1,000		
National Opioid Settlement	14,371	14,371	14,371		
Fire Prevention Grant	5,000	5,000	5,000		
Pedestrian Safety Grant - 2021	25,000	25,000	25,000		
Recreation Opportunities for Individuals w/ Disabilities	6,060	6,060	6,060		
ROID - Match	1,515	1,515	1,515		
American Rescue Plan Recovery	3,443,177	3,443,177	3,443,177		
Total Public and Private Programs Offset by Revenues	3,891,123	3,891,123	3,887,550	3,573	
Total Operations-Excluded from "CAPS"	8,945,675	8,945,675	8,821,113	124,562	
Detail:					
Salaries and Wages	1,857,511	1,864,011	1,852,815	11,196	
Other Expenses	7,088,164	7,081,664	6,968,298	113,366	
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	340,000	340,000	340,000		
Construction of Facilities	470,000	470,000	470,000		
Acquisition of Equipment	300,000	313,500	289,367	24,133	
Total Capital Improvements Excluded from "CAPS"	1,110,000	1,123,500	1,099,367	24,133	

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	3,278,000	3,278,000	3,278,000		
Interest on Bonds	930,000	930,000	929,297		703
Bergen County Improvement Authority					
Payment of Bond Principal	590,000	590,000	590,000		
Interest on Bonds	127,100	135,100	133,613		1,487
Total Municipal Debt Service-Excluded from "CAPS"	<u>4,925,100</u>	<u>4,933,100</u>	<u>4,930,910</u>		<u>2,190</u>
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"					
(1) DEFERRED CHARGES:					
Deferred Charges Unfunded Ord. 2281-2013	<u>241,695</u>	<u>241,695</u>	<u>241,695</u>		
Total Deferred Charged and Statutory Expenditures-Municipal exclude from "CAPS"	<u>241,695</u>	<u>241,695</u>	<u>241,695</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>15,222,470</u>	<u>15,243,970</u>	<u>15,093,085</u>	<u>148,695</u>	<u>2,190</u>
Subtotal General Appropriations	57,768,130	57,768,130	55,692,365	2,073,575	2,190

## BOROUGH OF FAIRLAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Reserve for Uncollected Taxes	<u>3,300,000</u>	<u>3,300,000</u>	<u>3,300,000</u>		
Total General Appropriations	\$ <u>61,068,130</u>	<u>61,068,130</u>	<u>58,992,365</u>	<u>2,073,575</u>	<u>2,190</u>
Adopted Budget \$	60,647,678				
Appropriation by 40:A4-87	<u>420,452</u>				
	\$ <u>61,068,130</u>				
Reserve for Uncollected Taxes \$	3,300,000				
Federal and State Grants	3,887,550				
Interfunds	246,087				
Encumbrances	2,376,199				
Cash	<u>49,182,529</u>				
	\$ <u>58,992,365</u>				

See accompanying notes to the financial statements.

## BOROUGH OF FAIR LAWN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2022 and 2021

	<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Animal Trust Fund:				
Cash		B-1	<u>72,779</u>	<u>76,102</u>
Other Trust Funds:				
Cash		B-1	<u>11,045,422</u>	<u>11,128,513</u>
Open Space				
Cash		B-1	<u>476,874</u>	<u>285,826</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):				
Cash in Plan		B-1	1,902,655	2,280,728
Service Award Contributions Receivable		B-18	<u>98,038</u>	<u>103,070</u>
			<u>2,000,693</u>	<u>2,383,798</u>
			<u>\$ 13,595,768</u>	<u>13,874,239</u>

Liabilities, Reserves & Fund Balance

Animal Trust Fund:				
Prepaid Licenses		B-2	4,441	5,402
Animal Trap Deposits		B-3	7,840	7,840
Due to State of New Jersey		B-4	637	382
Interfund Accounts Payable		B-5	16,166	19,464
Reserve for Animal Trust Fund Expenditures		B-9	<u>43,695</u>	<u>43,014</u>
			<u>72,779</u>	<u>76,102</u>

## BOROUGH OF FAIR LAWN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves &amp; Fund Balance (Cont...)</u>			
Other Trust Fund:			
Due to State of New Jersey	B-4	10	905
Interfund Accounts Payable	B-5	40,013	34,371
Sundry Reserve and Deposits	B-6	489,498	519,142
Escrow Reserves and Deposits	B-7	821,051	629,235
Donation Reserves and Deposits	B-8	561,309	519,568
Reserve for Unemployment Compensation			
Insurance Expenditures	B-10	921,873	841,758
Reserve for:			
Worker's Compensation Expenditures	B-11	2,366,098	2,469,397
Liability Insurance Expenditures	B-12	3,696,986	3,906,989
Health Benefits Plan	B-13	9,016	479,016
Council on Affordable Housing Trust			
Reserve for Expenditures	B-14	1,060,631	684,452
Reserve for Library Trust Expenditures	B-15	29,239	27,617
Reserve for Restricted Trust Expenditures	B-16	92,471	92,471
Reserve for Cafeteria Plan Expenditures	B-17	41,157	40,992
Reserve for Veteran's Affairs Expenditures	B-20	13,552	12,246
Reserve for Storm Recovery	B-22	902,518	870,354
		<u>11,045,422</u>	<u>11,128,513</u>
Open Space Trust Fund:			
Reserve for Open Space	B-21	<u>476,874</u>	<u>285,826</u>
Emergency Services Volunteer Length of			
Services Award Program (Unaudited):			
Net Assets Available for Benefits	B-19	<u>2,000,693</u>	<u>2,383,798</u>
		<u>\$ 13,595,768</u>	<u>13,874,239</u>

See accompanying notes to financial statements.

## BOROUGH OF FAIR LAWN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 16,345,677	20,924,514
Grants Receivable:			
County Grants	C-4	1,322,761	690,461
Federal and State Grants	C-5	529,142	234,166
Deferred Charges to Future Taxation:			
Funded	C-6	40,725,000	44,593,000
Unfunded	C-7	7,743,257	1,095,952
		<u>\$ 66,665,837</u>	<u>67,538,093</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 33,205,000	36,483,000
Capital Leases Payable	C-9	7,520,000	8,110,000
Special Reserves	C-10	546,818	73,518
Improvement Authorizations:			
Funded	C-11	11,310,021	13,531,017
Unfunded	C-11	4,027,602	862,359
Encumbrances Payable	C-12	4,478,536	2,904,035
Reserve for Unappropriated State Grant	C-13	15,464	15,464
Capital Improvement Fund	C-14	230,898	261,898
Interfunds Payable	C-15	3,070,367	3,035,671
Reserve for Grants Receivable	C-16	18,243	18,243
Fund Balance	C-1	2,242,888	2,242,888
		<u>\$ 66,665,837</u>	<u>67,538,093</u>

There were \$7,743,257 and \$1,095,952 of Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 respectively (Exhibit C-17).

See accompanying notes to the financial statements.



## BOROUGH OF FAIR LAWN, N.J.

## Comparative Statement of Changes in Fund Balance - Regulatory Basis

## General Capital Fund

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Balance - December 31,	\$ 2,242,888	2,240,622
Increased by:		
Premium on Sale of Bonds	<u>                    </u>	<u>2,266</u>
	<u>                    </u>	<u>2,266</u>
Balance - December 31,	<u>\$ 2,242,888</u>	<u>2,242,888</u>

See accompanying notes to the financial statements.

## BOROUGH OF FAIR LAWN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ 3,856,860	8,377,096
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-8	588,572	618,550
Inventory - Materials and Supplies	D-9	151,834	193,768
		740,406	812,318
Interfund Accounts Receivable	D-7	19,571	10,607
Total Water Utility Operating Fund		4,616,837	9,200,021
Capital Fund:			
Cash - Treasurer	D-5,D-6	5,810,700	6,324,716
Fixed Capital	D-10	18,510,315	18,510,315
Fixed Capital Authorized and Uncompleted	D-11	15,169,478	11,669,478
Total Capital Fund		39,490,493	36,504,509
		\$ 44,107,330	45,704,530

## BOROUGH OF FAIR LAWN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31, 2022 and 2021

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-12	\$ 814,099	376,751
Reserve for Encumbrances	D-4	335,782	380,230
Interfunds Accounts Payable	D-7		3,500,000
Water Rent Overpayments	D-13	19,742	7,046
Accrued Interest on Bonds	D-14	80,900	82,803
		<u>1,250,523</u>	<u>4,346,830</u>
Reserve for Receivables	Contra	740,406	812,318
Fund Balance	D-1	<u>2,625,908</u>	<u>4,040,873</u>
Total Water Utility Operating Fund		<u>4,616,837</u>	<u>9,200,021</u>
Capital Fund:			
Encumbrance Payable	D-15	547,115	459,527
Interfund Accounts Payable	D-17	2,019,571	2,010,607
Serial Bonds Payable	D-21	10,430,000	11,262,000
Bond Anticipation notes payable	D-22		
Improvement Authorization:			
Funded	D-16	2,767,631	3,060,311
Unfunded	D-16	3,003,820	21,708
Capital Improvement Fund	D-18	412,730	387,730
Reserve for:			
Amortization	D-19	19,020,969	18,188,969
Deferred Amortization	D-20	882,057	707,057
Fund Balance	D-2	<u>406,600</u>	<u>406,600</u>
Total Capital Fund		<u>39,490,493</u>	<u>36,504,509</u>
		<u>\$ 44,107,330</u>	<u>45,704,530</u>

There were \$3,346,767 and \$21,767 of Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 respectively (Exhibit D-22).

See accompanying notes to financial statements.

## BOROUGH OF FAIR LAWN, N.J.

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

## Water Utility Operating Fund

For the Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 2,430,100	1,700,640
Water Rents	6,583,754	6,473,755
Miscellaneous Revenue	52,285	39,896
Westmoreland Water Replacement	196,140	156,912
Unexpended Balance of Appropriation Reserves	<u>464,564</u>	<u>848,067</u>
Total Revenue and Other Income	<u>9,726,843</u>	<u>9,219,270</u>
Expenditures:		
Operating	6,944,100	6,408,450
Capital Improvements	500,000	595,000
Debt Service	1,087,608	662,559
Deferred Charges and Statutory Expenditures	180,000	180,000
Refunds	<u>898</u>	<u>898</u>
Total Expenditures	<u>8,711,708</u>	<u>7,846,907</u>
Statutory Excess to Surplus	1,015,135	1,372,363
Fund Balance, January 1	<u>4,040,873</u>	<u>4,369,150</u>
	5,056,008	5,741,513
Decreased by:		
Utilization by Water Operating Budget	<u>2,430,100</u>	<u>1,700,640</u>
Balance, December 31	<u>\$ 2,625,908</u>	<u>4,040,873</u>

See accompanying notes to financial statements.

## BOROUGH OF FAIR LAWN, N.J.

## Comparative Schedule of Fund Balance - Regulatory Basis

## Water Utility Capital Fund

For the Years Ended December 31,

	<u>2022</u>	<u>2021</u>
Balance, December 31, 2021	\$ 406,600	\$ 405,913
Increased by:		
Premium on Bond Sale	<u>                    </u>	<u>687</u>
	<u>                    </u>	<u>687</u>
Balance, December 31, 2022	\$ <u>406,600</u>	\$ <u>406,600</u>

See accompanying notes to financial statements.

## BOROUGH OF FAIR LAWN, N.J.

## Statement of Revenues - Regulatory Basis

## Water Utility Operating Fund

Year ended December 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 2,430,100	2,430,100	
Rents	6,200,000	6,583,754	383,754
Miscellaneous	35,000	52,285	17,285
Westmoreland Water Replacement	<u>156,000</u>	<u>196,140</u>	<u>40,140</u>
	<u>\$ 8,821,100</u>	<u>9,262,279</u>	<u>441,179</u>

Analysis of Realized Revenue

Operating surplus anticipated \$	2,430,100
Rents	6,583,754
Westmoreland Water Replacement	<u>196,140</u>
	<u>9,209,994</u>

Miscellaneous Revenue

Interest on Investments	10,549
Due from Water Capital - Interest on Investments	19,571
Meter Installations	11,230
Other Miscellaneous	<u>10,935</u>
	<u>52,285</u>
	<u>\$ 9,262,279</u>

See accompanying notes to financial statements.

## BOROUGH OF FAIR LAWN, N.J.

## Statement of Expenditures - Regulatory Basis

## Water Utility Operating Fund

Year ended December 31, 2022

	Appropriations				
	Budget	Budget after Modifi- cation	Paid or charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 2,315,000	2,263,000	2,096,389	136,611	30,000
Other Expenses	4,696,100	4,776,100	4,064,552	646,548	65,000
Salary and Wage Adjustment	28,000				
Total Operating	7,039,100	7,039,100	6,160,941	783,159	95,000
Capital Improvements:					
Capital Improvement Fund	200,000	200,000	200,000		
Capital Outlay	300,000	300,000	300,000		
Total Capital Improvements	500,000	500,000	500,000		
Debt Service:					
Payment of Bond Principal	832,000	832,000	832,000		
Interest on Bonds	270,000	270,000	255,608		14,392
Total Debt Service	1,102,000	1,102,000	1,087,608		14,392
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures - Contribution to:					
Social Security System (O.A.S.I.)	180,000	180,000	149,060	30,940	
Total Deferred Charges and Statutory Expenditures	180,000	180,000	149,060	30,940	
	\$ 8,821,100	8,821,100	7,897,609	814,099	109,392
			Cash Disbursed \$ 7,306,219		
			Reserve for Encumbrances 335,782		
			Accrued Interest on Bonds 255,608		
			\$ 7,897,609		

See accompanying notes to financial statements.



## BOROUGH OF FAIR LAWN, N.J.

## Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>General Fixed Assets:</u>		
Land	\$ 87,660,900	87,660,900
Buildings	18,314,600	18,314,600
Machinery and Equipment	<u>23,418,960</u>	<u>22,013,773</u>
	<u>\$ 129,394,460</u>	<u>127,989,273</u>
 Investment in Fixed Assets	 <u>\$ 129,394,460</u>	 <u>127,989,273</u>

See accompanying notes to financial statements.

## BOROUGH OF FAIR LAWN, N.J.

## Comparative Statement of Net Payroll and Withholdings Payable

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash		
Net Payroll	\$ <u>8,804</u>	<u>2,365</u>
	\$ <u><u>8,804</u></u>	<u><u>2,365</u></u>
<u>Liabilities:</u>		
Due to Current Fund	\$ 5,289	2,365
Reserve for Withholdings		
PERS Pension	<u>3,515</u>	<u>          </u>
	\$ <u><u>8,804</u></u>	<u><u>2,365</u></u>

See accompanying notes to financial statements.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

**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 Fair Lawn 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 Fair Lawn (the "Fair Lawn") is organized as a Council-Manager municipality under the provisions of N.J.S.40:69A-81 et seq. The Borough is "governed by an elected Council and by an appointed Municipal Manager and by such other officers and employees as may be duly appointed. The Council shall consist of five members elected at large by voters of the municipality and shall serve for a term of four years beginning on the first day of January next following their election and that the Mayor shall be elected by the members of the Council".

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

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

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(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 - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. The Division regulates the accounting for these funds.

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

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

Unemployment Compensation Trust Fund - This fund is used to account for all unemployment compensation receipts and disbursements.

Self Insurance Trust Fund - This fund is used to account for worker's compensation and property and general liability claims and premiums.

Council on Affordable Housing Trust - This fund is used for the activities of the Council on Affordable Housing.

Library Trust Fund - This fund is used to account for the activities of the Library.

Cafeteria Trust Fund - This fund is used to account for net payroll and payroll withholdings payable to other agencies.

Veteran's Affairs Trust Fund - This fund is used to receive amounts to pay for the expenditures of Fair Lawn Veterans in need.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Open Space Trust Fund - This fund is used to account for dedicated municipal funds resulting from the Open Space taxes.

Snow Removal Trust Fund - This fund is used to address the expected costs of storms incurred by the Borough including, but not limited to, snow, ice and debris removal in accordance with N.J.S.A. 40A:4-62.1

Emergency Services Volunteer Length of Service Award Plan (LOSAP) Trust Fund - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

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.

Water Utility Operating Fund – This fund is used to account for all revenues and expenditures applicable to the operations of the water department.

Water Utility Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of water capital facilities. The major resources are derived from the issuance of debt.

Payroll Account – This account is used for all net payroll checks distributed to employees.

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

Basis of Accounting

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

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month of the current calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Utility Operating 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 Water 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.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

General Capital Fund  
Trust Fund  
Water Utility Capital Fund

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

During the years ended December 31, 2022 and 2021, the Governing Body approved additional revenues and appropriations of \$420,452 and \$543,107, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the Governing Body in 2022 and 2021.

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.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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

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

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

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

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.



**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

General Fixed Assets - The Borough of Fair Lawn 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.

Fixed assets acquired by the Water Utility Fund are capitalized as Fixed Capital and not depreciated.

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.

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.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

Recent Accounting Pronouncements

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

GASB Statement No. 87, Leases, which improves the accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. There exists no impact on the financial statements of the Borough.

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.

**NOTE 2. PENSION PLANS**

Description of Plans:

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

*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,

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

Plan Description, (continued)

Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

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

Service retirement benefits of  $1/55^{\text{th}}$  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  $1/60^{\text{th}}$  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 Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey,

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

Plan Description, (continued)

Division of Pensions and Benefits (the "Division"). For additional information about PFRS, please refer to the Division's annual financial Report statement, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

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 FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (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. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2022	\$1,776,491	\$2,709,245	\$5,240
2021	1,638,899	2,516,486	7,117
2020	1,400,646	2,262,220	11,183

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 FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

The following pension information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. 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, 2021, the Borough had a liability of \$17,970,205 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was 0.151692118 percent, which was an increase/(decrease) of 0.0018774409 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2022, the Borough recognized pension expense of \$1,776,491. At December 31, 2022, 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	\$283,413	\$128,645
Changes of assumptions	93,589	6,397,510
Net difference between projected and actual earnings on pension plan investments		4,733,824
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>1,267,152</u>	<u>546,852</u>
Total	<u>\$1,644,154</u>	<u>\$11,806,831</u>

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (4,240,185)
2023	(3,027,483)
2024	(2,064,227)
2025	(1,551,685)
2026	603

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years for 2021, 2020, 2019, 2018, 2017, and 2016, respectively.

**Additional Information**

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Borough's Proportion	0.1516921180%	0.1498146770%

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

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



**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the state employer and 100% of actuarially determined contributions for 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 rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2021</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$24,541,082	\$17,970,205	\$12,393,885

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

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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, 2021, the Borough had a liability of \$16,990,897 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was 0.2324605711 percent, which was an increase/(decrease) of 0.007205321 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$2,709,245. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$193,846	\$2,035,334
Changes of assumptions	90,410	5,092,094
Net difference between projected and actual earnings on pension plan investments		7,240,374
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>1,991,631</u>	<u>118,589</u>
Total	<u>\$2,275,887</u>	<u>\$14,486,391</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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), (continued)**

Year ended June 30:	
2022	\$ (4,508,681)
2023	(3,384,412)
2024	(2,904,062)
2025	(2,863,758)
2026	(361,225)
Thereafter	(61,408)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.17, 5.90, 5.92, 5.73, 5.59 and 5.58 years for the 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Additional Information**

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$817,271,932	\$1,601,195,680
Collective deferred inflows of resources	6,875,738,520	4,191,274,402
Collective net pension liability	9,364,849,587	14,926,648,722
Borough's Proportion	0.2324605711%	0.2252552500%

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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), (continued)**

**Actuarial Assumptions**

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

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

**Mortality Rates**

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

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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)**

Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the state employer and 100% of actuarially determined contributions for 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 rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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)**

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2021</u>		
	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	\$28,277,744	\$16,990,897	\$7,595,815

**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.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 2. 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)**

At December 31, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$4,778,686 and \$4,517,111, respectively. For the years ended December 31, 2021 and 2020, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$532,206 and \$511,924, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$415,121 and \$347,589, 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 Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	Balance Dec. 31 2021	Additions	Reductions	Balance Dec. 31, 2022	Amounts Due Within One Year
<b>Bonds Payable:</b>					
General Obligation Debt	\$36,483,000	\$	\$3,278,000	\$33,205,000	\$3,335,000
Water Utility Obligation Debt	<u>11,262,000</u>		<u>832,000</u>	<u>10,430,000</u>	<u>670,000</u>
Total Bonds Payable	<u>47,745,000</u>		<u>4,110,000</u>	<u>43,635,000</u>	<u>4,005,000</u>
<b>Other Liabilities:</b>					
Capital Leases Payable	8,110,000		590,000	7,520,000	580,000
Compensated Absences Payable	<u>1,443,649</u>	<u>26,683</u>	<u>145,976</u>	<u>1,324,356</u>	
Total Other Liabilities	<u>9,553,649</u>	<u>26,683</u>	<u>735,976</u>	<u>8,844,356</u>	<u>580,000</u>
	<u>\$57,298,649</u>	<u>\$26,683</u>	<u>\$4,845,976</u>	<u>\$52,479,356</u>	<u>\$4,585,000</u>



**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

	Balance Dec. 31 2020	Additions	Reductions	Balance Dec. 31, 2021	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	\$15,346,000	\$23,075,000	\$1,938,000	\$36,483,000	\$3,278,000
Water Utility Obligation Debt	<u>4,589,000</u>	<u>7,130,000</u>	<u>457,000</u>	<u>11,262,000</u>	<u>832,000</u>
Total Bonds Payable	<u>19,935,000</u>	<u>30,205,000</u>	<u>2,395,000</u>	<u>47,745,000</u>	<u>4,110,000</u>
Other Liabilities:					
Capital Leases Payable	7,980,000	7,640,000	7,510,000	8,110,000	590,000
Compensated Absences Payable	<u>1,673,121</u>	<u>      </u>	<u>229,472</u>	<u>1,443,649</u>	<u>      </u>
Total Other Liabilities	<u>9,653,121</u>	<u>7,640,000</u>	<u>7,739,472</u>	<u>9,553,649</u>	<u>590,000</u>
	<u>\$29,588,121</u>	<u>\$37,845,000</u>	<u>\$10,134,472</u>	<u>\$57,298,649</u>	<u>\$4,700,000</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.

The Borough's debt is summarized as follows:

**Summary of Municipal Debt (Excluding Current Operating Debt)**

	Year 2022	Year 2021	Year 2020
<u>Issued:</u>			
General Bonds, Notes and Loans	\$33,205,000	\$36,483,000	\$29,446,000
Water Utility - Bonds and Notes	<u>10,430,000</u>	<u>11,262,000</u>	<u>9,589,000</u>
	<u>43,635,000</u>	<u>47,745,000</u>	<u>39,035,000</u>
<u>Authorized But Not Issued:</u>			
General Bonds and Notes	7,743,257	1,095,952	5,873,952
Water Utility - Bonds and Notes	<u>3,346,766</u>	<u>21,767</u>	<u>3,431,767</u>
	<u>11,090,023</u>	<u>1,117,719</u>	<u>9,305,719</u>
Total Bonds, Notes and Loans Issued and Authorized Not issued	54,725,023	48,862,719	48,340,719
Less deductions	<u>13,812,698</u>	<u>11,319,699</u>	<u>13,056,699</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$40,912,325</u>	<u>\$37,543,020</u>	<u>\$35,284,020</u>

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .714% for 2022.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$39,647,000	\$39,647,000	\$ -
Water Utility Debt	13,776,766	13,776,766	-
General Debt	<u>40,948,257</u>	<u>35,932</u>	<u>40,912,325</u>
	<u>\$94,372,023</u>	<u>\$53,459,698</u>	<u>\$40,912,325</u>

Net debt of \$40,912,325 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$5,729,571,672 equals .714% for 2022.

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 .694% for 2021.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$42,825,000	\$42,825,000	\$0
Water Utility Debt	11,283,767	11,283,767	0
General Debt	<u>37,578,952</u>	<u>35,932</u>	<u>37,543,020</u>
	<u>\$91,687,719</u>	<u>\$54,144,699</u>	<u>\$37,543,020</u>

Net debt of \$37,543,020 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$5,409,089,084 equals .694% for 2021.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

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

	<u>2022</u>	<u>2021</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$189,318,118	\$189,318,118
Net Debt	<u>40,912,325</u>	<u>37,543,020</u>
Remaining Borrowing Power	<u>\$148,405,793</u>	<u>\$151,775,098</u>

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

	<u>2022</u>	<u>2021</u>
Cash receipts from fees, rents or other charges for year	\$9,262,279	\$8,371,203
Deductions:		
Operating and Maintenance Cost	7,124,100	6,588,450
Debt Service per Water Account	<u>1,087,608</u>	<u>662,589</u>
Total Deductions	<u>8,211,708</u>	<u>7,251,039</u>
Excess in Revenue - "Self Liquidating"	<u>\$1,050,571</u>	<u>\$1,120,164</u>

The Borough's long-term debt consisted of the following at December 31, 2022 and 2021:

**Paid by Current Fund:**

<u>General Obligation Bonds</u>	<u>2022</u>	<u>2021</u>
\$13,820,000, 2016 Bonds due in annual installments of \$700,000 to \$1,295,000 through September 2030, interest at 1.00% to 2.125%	\$ 7,845,000	\$ 8,545,000
\$5,801,000, 2017 Refunding Bonds due in annual installments of \$938,000 to \$995,000 through December 2026, interest at 3.00% to 4.00%	3,915,000	4,863,000
\$23,075,000, 2021 General Obligation Bonds due in annual installments of \$1,630,000 to \$3,065,000 through September 2032, interest at 2.00% to 4.00%	<u>21,445,000</u>	<u>23,075,000</u>
Total General Serial Bonds	<u>33,205,000</u>	<u>36,483,000</u>

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Paid by Water Utility Fund:

<u>Water Utility Serial Bonds</u>	<u>2022</u>	<u>2021</u>
\$5,065,000, 2016 Bonds due in annual installments of \$200,000 to \$350,000 through September 2023, interest at 1.000% to 2.375%	\$ 3,680,000	\$3,930,000
\$404,000, 2017 Refunding bonds due in annual installments of \$202,000 through December 2022, interest at 3.00%		202,000
\$7,310,000, 2021 General Obligation Bonds due in annual installments of \$380,000 to \$565,000 through September 2036, interest at 2.00% to 4.00%	<u>6,750,000</u>	<u>7,130,000</u>
Total Water Utility Bonds	<u>10,430,000</u>	<u>11,262,000</u>
Total Serial Bonds	<u>\$43,635,000</u>	<u>\$47,745,000</u>

Aggregate debt service requirements are as follows:

<u>Year</u>	<u>Total</u>	<u>General Capital</u>		<u>Water Utility Capital</u>	
		<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	5,115,169	3,335,000	867,469	670,000	242,700
2024	5,165,469	3,435,000	791,169	710,000	229,300
2025	5,173,269	3,510,000	703,169	745,000	215,100
2026	5,088,569	3,555,000	576,769	765,000	191,800
2027	4,566,369	3,155,000	448,569	795,000	167,800
2028-2032	21,917,256	16,215,000	977,406	4,195,000	529,850
2033-2036	<u>2,674,513</u>			<u>2,555,000</u>	<u>119,513</u>
	<u>\$49,700,614</u>	<u>\$33,205,000</u>	<u>\$4,364,551</u>	<u>\$10,435,000</u>	<u>\$1,696,063</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, 2022 the Borough had authorized but not issued debt as follows:

General Capital Fund	\$ 7,743,257
Water Utility Capital Fund	3,346,767

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 4. CAPITAL LEASES PAYABLE**

In 2004, the Borough authorized the execution of an agreement with the Bergen County Improvement Authority for the leasing of certain capital acquisitions for the Recreation Center Project (the "Lease Payments"). In 2012, the lease was refinanced resulting in a new payment schedule. The lease term is based on the useful bond life of each particular item. The lease payments consist of basic rent, which is comprised of principal and variable interest ranging from 1.5% to 5%. The following schedule presents the remaining lease payments at December 31, 2022:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	716,155	580,000	136,155
2024	712,234	580,000	132,234
2025	716,190	590,000	126,190
2026	713,544	595,000	118,544
2027	714,345	605,000	109,345
2028-2032	3,566,594	3,195,000	371,594
2033-2034	<u>1,424,893</u>	<u>1,375,000</u>	<u>49,893</u>
	<u>\$8,563,955</u>	<u>\$7,520,000</u>	<u>\$1,043,955</u>

**NOTE 5. BOND ANTICIPATION NOTES**

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

As of December 31, 2022 and 2021, the Borough had \$-0- and \$-0-, respectively, in outstanding General Capital bond anticipation notes. The Borough also had \$-0- and \$-0-, respectively, in outstanding Water Utility bond anticipation notes as of December 31, 2022 and 2021.



**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. 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 at December 31, 2022 and 2021 would approximate \$1,324,356 and \$1,443,649, respectively. These amounts are not reported either as an expenditure or liability. A reserve was established in prior years for purposes of paying terminal leave benefits and is reflected herein on Exhibit A-17. The reserve balance as of December 31, 2022 and 2021 was the sum of \$2,215,076 and \$2,215,076, respectively.

**NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022 and 2021, \$117,242 and \$115,641 of the Borough's bank balance of \$77,242,524 and \$83,667,383, respectively, were 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.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Concentration of Credit Risk**

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

**Unaudited Investments**

As more fully described in Note 14, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Company (VALIC), which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2022 and 2021 amounted to \$1,902,655 and \$2,280,728, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Fixed Account Plus	\$12,962	\$156,458
Mid Cap Value Fund	122,573	134,873
Mid Cap Strategic Growth	109,635	131,938
Money Market I Fund		232,176
Science & Technology Fund	170,455	275,646
Vanguard Lifestrategy - Growth		292,958
GS VIT Gov Money Mkt FD Inst	620,140	
All Others	<u>866,890</u>	<u>1,056,679</u>
Total	<u>\$1,902,655</u>	<u>\$2,280,728</u>

**NOTE 9. LITIGATION**

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation. The Borough expects such amounts, if any, to be immaterial.



**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group for the years ended December 31, 2022 and 2021:

	Restated Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2022</u>
Land	\$87,660,900	\$	\$	\$87,660,900
Buildings and Building Improvement	18,314,600			18,314,600
Machinery and Equipment	<u>22,013,773</u>	<u>2,548,547</u>	<u>1,143,360</u>	<u>23,418,960</u>
	<u>\$127,989,273</u>	<u>\$2,548,547</u>	<u>\$1,143,360</u>	<u>\$129,394,460</u>

	Restated Balance <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2021</u>
Land	\$87,660,900	\$	\$	\$87,660,900
Buildings and Building Improvement	18,314,600			18,314,600
Machinery and Equipment	<u>21,273,855</u>	<u>1,178,196</u>	<u>438,278</u>	<u>22,013,773</u>
	<u>\$127,249,355</u>	<u>\$1,178,196</u>	<u>\$438,278</u>	<u>\$127,989,273</u>

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2022 consist of the following:

\$ 23,342	Due to the Current Fund from the Federal and State Grant Fund for interest earned on investments and cancelled grants.
16,166	Due to the Current Fund from the Animal Control Trust Fund for interest earned on investments and statutory excess.
4,757	Due to the Current Fund from the Other Trust Fund for interest earned on investments.
934	Due to the Current Fund from the Human Services Trust Fund for interest earned on investments.
4,180	Due to the Current Fund from the Unemployment Trust Fund for interest earned on investments.
3,070,367	Due to the Current Fund from the General Capital Fund for cash advanced and interest earned on investments.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 11. INTERFUND BALANCES AND ACTIVITY, (continued)**

2,108	Due to the Current Fund from the Health Benefits Trust Fund for interest earned on investments.
16,953	Due to the Liability- Self Insurance Fund from the Current Fund for interest earned on investments.
2,000,000	Due to the Current Fund from the Water Utility Capital Fund for cash advanced.
10,797	Due to the Current Fund from the Workers Compensation Fund for interest earned on investments.
168	Due to the Current Fund from the Cafeteria Plan Trust Fund for interest earned on investments.
61	Due to the Current Fund from the Veterans Affair Trust for interest earned on investments.
5,289	Due to the Current Fund from the Payroll Fund for interest earned on investments and excess funds in the account.
55	Due to the Current Fund from the Developers Trust Fund for interest earned on investments.
<u>19,571</u>	Due to the Water Utility Operating Fund from the Water Utility Capital Fund for interest earned on investments.
<u>\$5,174,748</u>	

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

**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 Fair Lawn is a member of the Bergen County Joint Insurance Fund (the "Fund"). The Fund provides its' members with Liability, Property, Worker's Compensation, Public Official and Employer Liability and Environmental Insurance coverage. The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicle and equipment liability and worker's compensation. The coverage amounts are on file with the Borough.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 12. RISK MANAGEMENT, (continued)**

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 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.

The Borough maintains self-insurance programs for general liability and worker's compensation for claims arising prior to coverage with the Fund with the following provision as to losses:

**Workers' Compensation:**

The Borough can pay no more than \$100,000 for any one accident or occurrence. Above that amount, insurance coverage in the Municipal Excess Liability Fund and the Bergen County Municipal Joint Fund will pay further benefits to the extent of \$9,900,000.

Processing of workers' compensation claims are administered by Bergen Risk Managers, Inc.

**General Liability:**

The Borough can pay no more than \$100,000 for any one accident or occurrence. Above that amount, insurance coverage in the Municipal Excess Liability Fund and the Bergen County Municipal Joint Fund will pay further benefits to the extent of \$9,900,000.

Processing of general liability claims are administered by Bergen Risk Managers, Inc.

Claims were tested to the extent of amount of payment. Accuracy of the claims are necessarily placed on the reliance of Borough personnel.

There has been no provisions included in the financial statements for claims incurred but not reported as of December 31, 2022.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 12. RISK MANAGEMENT, (continued)**

An audited summary of the general liability, health benefits plan, and worker's compensation fund held by the insurance agent is detailed as follows:

	Workers' Compensation <u>Trust Fund</u>	Self-Insurance <u>Trust Fund</u>	Unemployment Insurance <u>Trust Fund</u>	Health Benefits Plan <u>Trust Fund</u>
Balance - December 31, 2021	\$2,469,397	\$3,906,989	\$841,758	\$479,016
Receipts	449,122	640,221	180,583	
Disbursements	<u>552,421</u>	<u>850,224</u>	<u>100,468</u>	<u>470,000</u>
Balance - December 31, 2022	<u>\$2,366,098</u>	<u>\$3,696,986</u>	<u>\$921,873</u>	<u>\$9,016</u>

	Workers' Compensation <u>Trust Fund</u>	Self-Insurance <u>Trust Fund</u>	Unemployment Insurance <u>Trust Fund</u>	Health Benefits Plan <u>Trust Fund</u>
Balance - December 31, 2020	\$2,557,731	\$3,874,569	\$613,609	\$2,979,016
Receipts	428,362	712,619	304,512	
Disbursements	<u>516,696</u>	<u>680,199</u>	<u>76,363</u>	<u>2,500,000</u>
Balance - December 31, 2021	<u>\$2,469,397</u>	<u>\$3,906,989</u>	<u>\$841,758</u>	<u>\$479,016</u>

**NOTE 13. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension described in Note 2, 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) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 13. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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.

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

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

**Total OPEB Liability**

The following other post employment benefit information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. 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.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 13. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

At December 31, 2021, the Borough had a liability of \$50,990,140 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of 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 in the plan. At June 30, 2021, the Borough's proportion was 0.2832820000 percent, which was an increase/(decrease) of 0.54874000 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized OPEB expense of \$1,271,154. At December 31, 2021, 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	\$1,144,158	\$10,667,890
Changes of assumptions	7,335,084	9,013,106
Net difference between projected and actual earnings on OPEB plan investment	24,380	
Changes in proportion	<u>12,523,733</u>	<u>4,654,428</u>
Total	<u>\$21,027,355</u>	<u>\$24,335,424</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:	
2022	\$ (3,044,583)
2023	(3,048,588)
2024	(3,052,248)
2025	(2,179,619)
2026	(366,409)
Thereafter	514,073

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 13. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Actual Assumptions and Other Inputs**

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

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-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

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

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 13. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Sensitivity of Net OPEB Liability to Changes in the Discount Rate**

The following presents the collective net OPEB liability as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2021		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Borough's proportionate share of the OPEB liability	\$60,005,614	\$50,990,140	\$43,845,183

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

The following presents the net OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed as above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of the OPEB liability	\$42,542,950	\$50,990,140	\$62,012,678

**Special Funding Situation PFRS**

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under chapter 271, P.L. 1989.



**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 13. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Special Funding Situation PFRS, (continued)**

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$1,901,101 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(259,412).

**NOTE 14. 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, 2022</u>	<u>Balance Dec 31, 2021</u>
Prepaid Taxes	<u>\$936,174</u>	<u>\$1,082,193</u>
Cash Liability for Taxes Collected in Advance	<u>\$936,174</u>	<u>\$1,082,193</u>

**NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP) (UNAUDITED)**

On November 11, 2001, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Variable Annuity Life Insurance Company. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

The Variable Annuity Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$600 to each eligible volunteer who accumulates a minimum of 100 service points based on criteria established by Borough Ordinance No. 1817-00. In addition, the ordinance provides for service credits of \$100 per year for up to five prior years of eligible volunteer service. The amount of the LOSAP award cannot exceed \$600 annually, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP) (UNAUDITED), (continued)**

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2022 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 16. PENDING LITIGATION**

The Borough is a defendant in various lawsuits, none of which is unusual for a Borough of its size and should be covered by the Borough's insurance program or by the Borough directly and which may be settled in a manner satisfactory to the financial stability of the Borough. Some of the more significant lawsuits are described briefly as follows:

**A. Rafaela Thomas v. Fair Lawn, et. al.**

On April 4, 2019, the claimant tripped and fell on the sidewalk abutting 14-17 6<sup>th</sup> Street. Claimant filed a tort claim notice on June 25, 2019 alleging injuries. On March 26, 2021, Plaintiff filed a Complaint, alleging negligence against the Borough. The Borough filed an Answer and Affirmative Defenses on June 24, 2021. The Borough is compliant with all discovery demands. Currently, counsel is preparing for personal injury arbitration. No demand for damages has been made to date. The Borough maintains General Liability insurance coverage, through the Bergen County Municipal Joint Insurance Fund up to \$300,000, subject to a \$100,000 SIR. The Municipal Excess Joint Insurance Fund provided coverage for damages greater than \$300,000 up to \$1,450,000; damages beyond that are covered by the Borough's reinsurance provider.

**B. Hidalgo v. Fair Lawn, et. al.**

According to the Complaint, Hidalgo was the owner and operator of a vehicle that was involved in an accident with a Borough owned snowplow, on March 14, 2017. The accident occurred during a snowstorm for which the Governor had declared a State of Emergency. Plaintiffs filed suit in 2018, at which time the Borough filed an Answer. In June 2021, the Court *sua sponte* dismissed this matter for failure of Plaintiffs' attorney to appear at three mandatory Court Conferences. Plaintiff's attorney filed a motion to reinstate the case, returnable March 18, 2022. The Court denied Plaintiffs' motion to reinstate the Complaint because Plaintiffs' counsel failed to appear for oral argument. As a result of Plaintiffs not filing an application with the Court to cure the procedural issues described above and re-file

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 16. PENDING LITIGATION, (continued)**

**B. Hidalgo v. Fair Lawn, et. al., (continued)**

the Complaint, the Borough moved to dismiss the Complaint with prejudice on November 16, 2022. That motion was granted on December 2, 2022 and the case was dismissed with prejudice. On January 4, 2023, Plaintiffs applied to the Court to 1) be relieved of counsel; 2) reconsider the Court's Order dismissing the Complaint; and 3) vacate the Order dismissing the Complaint with prejudice. Despite the Borough's aggressive opposition to Plaintiff's motion, on January 20, 2023 the Court vacated the December 2, 2022 Order dismissing the case. Accordingly, the litigation was reinstated to the active trial list. Plaintiff's new attorney entered an appearance on January 27, 2023. Since then, there has been no activity of the docket or otherwise, and Plaintiffs' new attorney has failed to respond to multiple requests for a demand, as instructed by the Borough's carrier.

**C. Ketty Garcia v. Fair Lawn, et. al. and Marjorie Cruz-Garcia**

This matter is a consolidated case in which Plaintiff was a passenger in a vehicle being driven by her mother, which was involved in a motor vehicle accident on February 9, 2018, with a Borough police vehicle. The consolidated case emanates from (i) litigation filed in Essex County that involved two accidents, one of which was the accident involving the Borough defendants. To date, all written discovery has been exchanged and all depositions have been conducted. On December 9, 2022 the parties and their counsel attended mediation. Counsel for co-defendants did not attend mediation. Counsel for Plaintiff initiated settlement negotiations, with a demand of \$1.5 million as to the Borough defendants, which encompassed alleged unpaid medical bills in the amount of \$747,000, in addition to non-economic damages. The case did not settle at mediation.

**D. Alla Kavesh v. Borough of Fair Lawn, et. al.**

Plaintiff alleges that, on October 9, 2019, she was walking on the sidewalk along Morlot Avenue, when she tripped and fell as the result of a "dangerous, defective, uneven and cracked sidewalk on the Morlot Avenue Bridge/Route 208 overpass". Plaintiff filed claims against the Borough and the State of New Jersey. The New Jersey Department of Transportation and the Borough are parties to a jurisdictional agreement going back many years regarding their respective obligations as to the Morlot Avenue Bridge. On February 15, 2023, the parties attended Court-mandated arbitration. The arbitrator valued damages at \$300,000, assessing 80% liability to the Borough, resulting in a \$240,000 net arbitration award. No liability was assessed against the State. A rejection of the arbitration award and request for a trial *de novo* was filed on March 17, 2023 with the Court on behalf of the Borough. At the current juncture, Plaintiff made a settlement demand of \$300,000.

**BOROUGH OF FAIR LAWN**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 17. OTHER MATTERS**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses and cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Fair Lawn is \$3,443,177 which will be available for use until December 31, 2024.

**NOTE 18. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through April 10, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

## **SUPPLEMENTARY DATA**

## BOROUGH OF FAIR LAWN

### 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>Type of bond</u>
Kurt Peluso	Mayor	
Kris Krause	Councilmember	
Gail Rottenstrich	Councilmember	
Josh Reinitz	Councilmember	
Cristina Cutrone	Councilmember	
James Van Kruiningen	Borough Manager	
Karen Palermo	Finance Officer	(A)
Nicholas Magarelli	Acting Municipal Clerk	(A)
Connie Graci	Tax Collector	(A)
Giuseppe C. Randazzo	Magistrate	(A)
Clare Cabibbo	Court Administrator	(A)
Judy A Verrone, Esq. of DeCotiis, Fitzpatrick, Cole & Giblin, LLP	Borough Attorney	
Kenneth R. Garrison	Borough Engineer	
Richard Bolan	Construction Code Official	
Liz Maresca	Registrar of Vital Statistics	
Glen Cauwels	Chief of Police	
Carol Wagner	Health Officer	
James Graff	Superintendent of Recreation	
Adele Puccio	Director of Free Public Library	

(A)- All other employees are covered by a Faithful Performance Blanket Position Bond issued under the terms of an agreement with the Municipal Excess Joint Insurance Fund in the amount of \$1,000,000 with a \$2,500 deductible. Coverage also includes \$50,000 for theft, disappearance, etc. of money with a \$2,500 deductible.

# **BOROUGH OF FAIR LAWN, N.J.**

## **Supplementary Data**

### Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax rate	<u>3.453</u>	<u>3.456</u>	<u>3.430</u>
Apportionment of tax rate:			
Municipal	0.901	0.901	0.901
School	2.232	2.235	2.221
County	<u>0.320</u>	<u>0.320</u>	<u>0.308</u>

### Assessed Value

2022	\$ 4,315,116,060
2021	4,272,422,989
2020	4,253,357,611

### Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Currently</u>
			<u>Percentage of Collection</u>
2022	\$ 150,103,779	149,218,747	99.41%
2021	149,072,134	148,462,915	99.59%
2020	146,714,582	145,760,277	99.35%

### Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentages, 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 delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2022	\$ 805,142	20,408	825,550	0.55%
2021	604,021	20,059	624,080	0.42%
2020	910,735	19,710	930,445	0.63%

**BOROUGH OF FAIR LAWN, N.J.**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2022 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2022	\$	73,260
2021		73,260
2020		73,260

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2022	\$	21,083,793	12,400,000
	2021		20,286,827	9,875,000
	2020		19,274,117	6,150,000
	2019		18,834,638	5,500,000
	2018		17,142,124	4,200,000
Water Utility Operating Fund	2022		2,625,908	2,228,000
	2021		4,040,873	2,430,100
	2020		4,369,150	1,700,640
	2019		4,905,393	1,668,000
	2018		5,334,274	1,550,000



## BOROUGH OF FAIR LAWN

## Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

Program	Federal Assistance Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Expenditures	Adjustment	MEMO Cumulative Total Expenditures
<u>Federal and State Grant Fund:</u>									
<u>Department of Environmental Protection</u>									
State Forestry Grant	10.664			2010	3,000			*	600
<u>U.S. Department of Treasury:</u>									
<u>Pass Thru Department of Community Affairs</u>									
ARP Fiscal Recovery Funds	21.027		022-2021-8030-100-687	2021	3,443,177	1,721,589		*	
<u>Department of Justice</u>									
Cops in Shops	16.727			2011	4,500			(1,413)	3,087
Cops in Shops	16.727			2012	6,173			*	1,673
Cops in Shops	16.727			2013	5,062			*	
Cops in Shops	16.727			2013	6,180			*	
Bulletproof Vest Partnership Program	16.607			2019	2,660			*	2,660
Enforcing Underage Drinking Law Program	16.727			2014	3,439			*	1,773
Click It or Ticket	20.616			2022	7,000	6,404	6,403	*	6,403
						6,404	6,403	(1,413)	15,596
<u>U.S. Department of Law &amp; Public Safety</u>									
<u>Public Assistance Grants</u>									
Hazard Mitigation Grant Program	97.036	4086DRNJ0000001	01CPX1600179798	2013	142,080			*	
Emergency Management Program	97.042	EMN2016EP000002	01CPX1603800855	2016	5,000			*	
Drive Sober or Get Pulled Over	20.616	AL-18-45-04-MH-90	1160-100-165-1160-066	2020	5,500			*	3,025
Drive Sober or Get Pulled Over	20.616	AL-18-45-04-MH-90	1160-100-165-1160-066	2021	6,000	2,160	720	(480)	1,680
Distracted Driving - U-Text, U-Drive, U-Pay	20.616	AL-18-45-04-MH-90	1160-100-158-1160-066	2022	10,500	9,545	9,544	*	9,544
Strengthening Local Health Capacity	93.323		046-200-4230-100-547	2021	142,236			*	54,102
Strengthening Local Health Capacity	93.323		046-200-4230-100-547	2022	291,042	238,874	175,109	*	243,774
Strengthening Local Health Capacity	93.323		046-200-4230-100-547	2023	274,735	49,637	118,075	*	118,075
Subtotal Federal and State Grant Fund						300,216	303,448	(480)	430,200
						2,028,209	309,851	(1,893)	446,396

## BOROUGH OF FAIR LAWN

## Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

Program	Federal Assistance Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Expenditures	Adjustment	MEMO	
									Cumulative Total	Expenditures
Current Fund:										
Department of Law and Public Safety										
FEMA - Hurricane IDA	97.036		100-1200-066-C84	2022	56,192	56,192	56,192	*		56,192
FEMA - Tropical Storm Isaias	97.036		100-1200-066-C73	2021	138,256	107,703	107,703	*		138,256
FEMA - Coronavirus	97.036		100-1200-066-C50	2020	27,856	27,856		*		27,856
Subtotal Current Fund						191,751	163,895			222,304
General Capital Fund:										
Department of Housing and Urban Development										
Community Development Block Grant										
Pass through County of Bergen:										
Handicapped Curbs	14.218		Ordinance #2461	2018	39,300					36,514
Senior Center Improvements	14.218		Ordinance #2462	2018	30,175					8,865
Handicapped Accessible Restrooms at Senior Center	14.218		Ordinance #2504	2019	64,000					64,000
30th Street Improvements	14.218		Ordinance #2537	2020	49,848					49,848
Senior Center Ramps	14.218		Ordinance #2538	2020	73,663			1		50,584
COVID-19 Relief Fund	14.218		Ordinance #2601	2021	20,000					
33rd and 34th Street Road Improvements	14.218		Ordinance #2621	2022	130,000		130,000			130,000
36th Street and Hartley Place Improvements	14.218		Ordinance #2634	2022	136,976		136,976			136,976
Senior Center Sign Board Project	14.218		Ordinance #2625	2022	28,000					
Subtotal General Capital Fund							266,976	1		588,951
Total Federal Awards						\$ 2,219,960	740,722	(1,892)		1,257,651

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

## BOROUGH OF FAIR LAWN

## Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2022

	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation	Adjustments	MEMO	
								Cumulative Total	Expenditures
Federal and State Grant Fund:									
Department of Environmental Protection									
Clean Communities Program	4900-765-042-4900-004	2019	62,274		1,408			*	62,274
Clean Communities Program	4900-765-042-4900-004	2020	56,151		1,920			*	55,936
Clean Communities Program	4900-765-042-4900-004	2021	59,769		25,325			*	58,172
Clean Communities Program	4900-765-042-4900-004	2022	60,887	60,887	41,026			*	41,026
Environmental Grant		2013	1,675			(650)		*	1,025
Granular Activated Carbon Demo Project	527-042-4840-030-3620	2007	1,200,000					*	1,094,009
Alcohol Education and Rehabilitation	4250-700-05000-063	2006	2,576					*	2,030
Alcohol Education and Rehabilitation	4250-700-05000-063	2009	1,253					*	
Alcohol Education and Rehabilitation	4250-700-05000-063	2010	804					*	
Alcohol Education and Rehabilitation	4250-700-05000-063	2011	162					*	
Alcohol Education and Rehabilitation	4250-700-05000-063	2013	950					*	
Alcohol Education and Rehabilitation	4250-700-05000-063	2014	650					*	
				60,887	69,679	(650)		*	1,314,472
Department of Law & Public Safety									
New Jersey Highway Safety Project Grant	1160-100-066-1160-111-YHTS-6010	2011	4,400					*	
Over the Limit Under Arrest								*	
Pedestrian Safety Grant	1160-131-066-1160-001	2019	20,000			(432)		*	2,606
Pedestrian Safety Grant	1160-131-066-1160-001	2020	20,000					*	12,334
Pedestrian Safety Grant	1160-131-066-1160-001	2021	25,000	6,390	6,870			*	6,870
Body Armor Replacement	1020-718-066-1020-001	2012	7,189		6,294			*	7,189
Body Armor Replacement	1020-718-066-1020-001	2014	5,223		5,223			*	5,223
Body Armor Replacement	1020-718-066-1020-001	2016	5,151		5,151			*	5,151
Body Armor Replacement	1020-718-066-1020-001	2017	5,300		5,300			*	5,300
Body Armor Replacement	1020-718-066-1020-001	2018	5,240		5,240			*	5,240
Body Armor Replacement	1020-718-066-1020-001	2019	5,869		5,869			*	5,869
Body Armor Replacement	1020-718-066-1020-001	2020	5,536		5,536			*	5,536
Body Armor Replacement	1020-718-066-1020-001	2021	4,122		4,122			*	4,122
Body Armor Replacement	1020-718-066-1020-001	2022	2,715	2,715	843			*	843
Body Armor Replacement	1020-718-066-1020-001	2023	3,777	3,777				*	

## BOROUGH OF FAIR LAWN

## Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2022

	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation	Adjustments	MEMO Cumulative Total Expenditures
Federal and State Grant Fund (continued):								
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2010	21,156					*
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2011	4,924					*
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2012	6,633		1,636			*
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2015	1,773					*
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2019	32,630		382			*
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2021	8,101		328			*
Body Camera Grant		2021	161,002	32,200	64,401			*
Emergency Management Assistant Fund		2011	5,000					*
				45,082	117,195	(432)		*
Department of Community Affairs								*
Smart Future Growth Grant		2009	7,000					*
Recreation Opportunities for Individuals with Disabilities	8050-022-035-5157	2022	6,060		4,835			*
					4,835			*
				105,969	191,709	(1,082)		*
Total Federal and State Grant Fund								*
Current Fund:								*
Recycling Tonnage Grant	4900-100-042-4910-224	2022	57,674	57,674	57,674			*
Total Current Fund				57,674	57,674			*
Total State Awards				163,643	249,383	(1,082)		*
								*

## BOROUGH OF FAIR LAWN

## Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2022

	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation	Adjustments	MEMO Cumulative Total Expenditures
Federal and State Grant Fund								
NJACCHO - 2017		2017	2,320					*
Flood Insurance			20,920			1,500		* 1,845
Sustainable NJ		2021	2,000	2,000				*
BCUA Recycling Grant		2019	3,000			(248)		* 3,000
FM Global Fire Prevention Grant		2019	1,208					*
FM Global Fire Prevention Grant		2021	5,000		5,000			* 5,000
National Opioid Settlement		2022	14,371	14,371				*
National Opioid Settlement		2023	8,764	8,764				*
				25,135	5,000	1,252		* 9,845
County of Bergen								*
Police Grant		2010	2,250					*
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2018	15,279			472		* 15,279
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2019	15,279			(12,844)		* 35
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2020	4,422					* 3,772
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2021	5,754	5,618	5,629			* 5,629
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2022	5,754		337			* 337
Bergen County Census		2020	8,000					* 4,520
Bergen County Food Security Task Force Sustainability		2022	11,205	11,205	11,205			* 11,205
Bergen County Stigma Free		2022	1,000	1,000	628			* 628
				17,823	17,799	(12,372)		* 41,405
Total Federal and State Grant Fund				42,958	22,799	(11,120)		* 51,250
General Capital Fund:								*
Bergen County Open Space								*
Naugle/Vanderbeck House Renovations	Ord. 2375		115,000				8,655	* 106,345
Memorial Park and Pool Improvements	Ord. 2384		50,000					* 49,011
Naugle/Vanderbeck House Renovations	Ord. 2402		131,226					* 41,690
Memorial Park and Pool Improvements	Ord. 2503		50,000					* 110,485
Memorial Pool Multi-Sport Court Construction	Ord. 2620		110,485	110,485	110,485			* 307,531
Total Bergen County Open Space				110,485	110,485		8,655	* 307,531

## BOROUGH OF FAIR LAWN

## Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2022

	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation	Adjustments	MEMO Cumulative Total Expenditures
<u>Bergen County Dept. of Public Works</u>								
County-wide ADA Ramps/Curbs/Sidewalks Ord. #2293/2409		2014	200,000				*	198,847
County-wide ADA Ramps/Curbs/Sidewalks Ord. #2506		2019	280,000				*	225,142
County-wide ADS Ramps/Curbs/Sidewalks Ord. #2546		2020	37,000				*	37,000
Total Bergen County Dept of Public Works							*	460,989
<u>U.S. Dept. of Transportation</u>								
National Highway Safety Pass through State of NJ							*	
Improvements to 20th Street	480-078-6320-AMF-6010	Ord. 2390	155,500				*	122,656
Improvements to 17th Street	2018-078-6320-480-AM2	Ord. 2472	202,000				*	136,096
Improvements to Plaza Rd., Section 2	2019-078-6320-480-ANP	Ord. 2551	157,600		1,288		*	70,103
Improvements to Prospect Avenue	2020-078-6320-480-AN8	Ord. 2552	200,000		3,174		*	173,634
Improvements to Bellair Avenue	2021-078-6320-480-AN9	Ord. 2564	79,346		66,880		*	66,880
Improvements to Cyril Avenue	2022-078-6320-480-AN9	Ord. 2630	132,300				*	
					71,342		*	569,369
<u>Other</u>								
NJ Environmental Commission Association Grant Ord. 2583		2021	1,500				*	1,500
NJ State Library Construction Bond Act Ord. 2618		2022	500,000				*	
Total General Capital Fund				110,485	181,827		*	1,339,389
Total Local Financial Assistance				153,443	204,626	(11,120)	8,655	1,390,639
Total State and Local Financial Assistance				\$ 317,086	454,009	(12,202)	8,655	2,926,301

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

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2022

	Current Fund	Federal and State Grant Fund
Balance - December 31, 2021	\$ 34,410,275	2,015,083
Increased by Receipts:		
Taxes Receivable	148,576,297	
Miscellaneous Revenue Not Anticipated	810,622	
Petty Cash	900	
Veteran Deductions	161,470	
Construction Code Training Fees	69,693	
Revenue Accounts Receivable	9,043,414	
Interfunds	8,593,737	4,392
Tax Overpayments	191,476	
Prepaid Taxes	936,174	
Due from FEMA	45,173	
Reserve for Library Expenditures	45,212	
Accounts Payable Prior Year Void Check	8,610	
Grants Receivable		2,164,595
Unappropriated Grants		12,541
Interest on Investments		14,027
Various Reserves	1,344,543	
	169,827,321	2,195,555
	204,237,596	4,210,638
Decreased by Disbursements:		
Current Year Budget Appropriations	49,182,529	
Petty Cash	900	
Tax Overpayments	296,217	
Interfunds	5,684,043	2,636
Construction Code Training Fees	57,215	
Appropriation Reserves	1,558,390	
Local District School Taxes	96,317,475	
County Taxes Payable	13,865,808	
Special District Taxes	275,081	
Reserve for Library Expenditures	10,578	
Accounts Payable	82,864	
Various Reserves	1,411,737	
Encumbrances Payable	17,317	
Appropriated Grant Reserves		318,631
Grant Encumbrances		208,791
	168,760,154	530,058
Balance - December 31, 2022	\$ 35,477,442	3,680,580

**Exhibit A-5**

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021 \$ 705

Balance - December 31, 2022 \$ 705

Analysis of Balance:

Tax Collector	\$ 300
Municipal Court	200
Building Inspector	100
Board of Health	25
Free Public Library	<u>80</u>
	\$ <u><u>705</u></u>

**Exhibit A-6**

**Schedule of Cash - Petty Cash**

**Current Fund**

**Year Ended December 31, 2022**

Increased by:  
Disbursed \$ 900

Decreased by:  
Returned to Treasurer \$ 900



## BOROUGH OF FAIR LAWN, N.J.

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

## Current Fund

Year Ended December 31, 2022

Year	Balance, Dec. 31, 2021	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2022
				2021	2022				
2020	\$ 1,057				1,057				3
2021	602,964		3,360		605,683			638	
	604,021		3,360		606,740			638	3
2022		149,272,424	831,355	1,082,193	147,973,514	163,040	349	79,544	805,139
		149,272,424	834,715	1,082,193	148,580,254	163,040	349	80,182	805,142
	\$ 604,021								

Tax Overpayments Applied \$ 3,957  
Cash 148,576,297  
\$ 148,580,254

## Analysis of Tax Levy

## Tax Yield:

General Purpose Tax \$ 149,000,963  
Added Tax (R.S. 54:4-63.1 et seq.) 827,735  
Special District Taxes 271,461  
Special District Added Tax (R.S. 54:4-63.1 et seq.) 3,620

\$ 150,103,779

## Tax Levy:

Local District School Tax \$ 96,317,475  
Local Open Space Taxes 217,955  
Special District Tax 275,081  
County Tax \$ 13,213,959  
County Open Space Preservation 545,778  
County Added and Omitted Taxes 76,707

13,836,444

Local Tax for Municipal Purposes \$ 38,701,174  
Additional Taxes 755,650

39,456,824

\$ 150,103,779

**Exhibit A-8****BOROUGH OF FAIR LAWN, N.J.****Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2022**

Balance - December 31, 2021	\$	20,059
Increased by:		
Transfers from Taxes Receivable		<u>349</u>
	\$	<u>20,408</u>
Balance - December 31, 2022		

**Exhibit A-9****Schedule of Other Liens Receivable****Current Fund**

Balance - December 31, 2021	\$	<u>629</u>
Balance - December 31, 2022	\$	<u>629</u>

Analysis of Balance

<u>Account</u>	<u>Block</u>	<u>Lot</u>	
79790	5412	26	\$ 90
04464	5829	30A-33A	185
		Unknown	<u>354</u>
			\$ <u>629</u>

**Exhibit A-10**

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Due from FEMA**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$ <u>47,703</u>
Decreased by:		
Cash Receipts	\$ 45,173	
Cancellation	<u>2,530</u>	
		\$ <u><u>47,703</u></u>

**Exhibit A-11**

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

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>73,260</u>
Balance - December 31, 2022	\$ <u><u>73,260</u></u>

**BOROUGH OF FAIR LAWN, N.J.**  
**Schedule of Revenue Accounts Receivable**  
**Current Fund**  
**Year Ended December 31, 2022**

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Clerk:				
Licenses:				
Alcoholic Beverages	\$	43,010	43,010	
Other		23,052	23,052	
Fees and Permits		456,567	456,567	
Municipal Court :				
Fines and Costs	15,492	208,239	209,320	14,411
Interest and Costs on Taxes		175,424	175,424	
Interest on Investments and Deposits		406,041	406,041	
Tax and Assessment Searches		10	10	
Memorial Pool		370,388	370,388	
Sewer User Charges		16,258	16,258	
Cable Television Franchise Fees		388,979	388,979	
Uniform Fire Safety Act - Local		254,418	254,418	
Hotel Tax		164,661	164,661	
Ambulance Fees		488,330	488,330	
Consolidated Municipal Property Tax Relief Aid		26,389	26,389	
Energy Receipts Tax (P.L. 1998 Chpters 162 & 167)		3,718,144	3,718,144	
Uniform Construction Code Fees		1,270,463	1,270,463	
Board of Education - Resource Officers		522,835	522,835	
Board of Education - Maintenance Garage		39,125	39,125	
Trust-Self Insurance Reserve		470,000	470,000	
	<u>\$ 15,492</u>	<u>9,042,333</u>	<u>9,043,414</u>	<u>14,411</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Interfunds

## Current Fund

Year Ended December 31, 2022

Fund	Due from/(to) Balance			Due from/(to) Balance	
	Dec. 31, 2021	Increased	Decreased	Dec. 31, 2022	
Federal and State Grant Fund	\$ 2,636	70,701	49,995	23,342	
Animal Control Trust Fund	19,464	16,166	19,464	16,166	
Other Trust Fund	3,644	4,757	3,644	4,757	
Human Services	554	934	554	934	
Unemployment Trust Fund	2,340	4,180	2,340	4,180	
General Capital Fund	3,035,671	3,532,062	3,497,366	3,070,367	
Water Utility Operating Fund	3,500,000		3,500,000		
Health Benefits Trust	8,439	2,108	8,439	2,108	
Liability - Self Insurance Fund	11,606	16,953	11,606	16,953	
Water Utility Capital Fund	2,000,000	2,000,000	2,000,000	2,000,000	
Workers Compensation	7,573	10,797	7,573	10,797	
Cafeteria Plan Trust Fund	101	168	101	168	
Veterans Affair Trust	30	61	30	61	
Payroll Fund	2,365	5,290	2,366	5,289	
Developers Trust Fund	84	55	84	55	
Open Space Trust Fund		217,955	217,955		
	<u>\$ 8,594,507</u>	<u>5,882,187</u>	<u>9,321,517</u>	<u>5,155,177</u>	
Due to Current Fund	<u>8,594,507</u>	<u>5,882,187</u>	<u>9,321,517</u>	<u>5,155,177</u>	
	<u>\$ 8,594,507</u>	<u>5,882,187</u>	<u>9,321,517</u>	<u>5,155,177</u>	

Cash Receipts	\$	8,593,737
Cash Disbursements	5,684,043	
Statutory Excess	15,819	
Budget Appropriations - Grant Match		4,392
Budget Appropriations - Deferred Charges		241,695
Local Open Space Levy		217,955
Cancelled Grants Receivable		42,967
Reimbursement for Expenses Paid		771
Cancelled Appropriated Grants	52,282	
Interest on Investments	130,043	
Reserve for Library		220,000
	<u>\$ 5,882,187</u>	<u>9,321,517</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 8,791	3,791	75	3,716
Municipal Clerk	9,509	1,509		1,509
Financial Administration	15,600	15,600	714	14,886
Collection of Taxes	4,309	4,309		4,309
Assessment of Taxes	11,188	1,188		1,188
Engineering Services and Costs	22,802	12,802	165	12,637
Emergency Management Services	413	30,413	19,473	10,940
Fire	39,335	94,335	58,657	35,678
Ambulance	5,487	40,488	38,888	1,600
Police	259,687	229,687	56,973	172,714
Police Dispatch	10,650	10,650	3,303	7,347
Uniform Fire Safety	3,478	7,478	7,406	72
Municipal Court	15,010	5,010		5,010
Municipal Prosecutor				
Road Repairs and Maintenance	5,693	5,693	4,683	1,010
Shade Tree	12,981	4,981		4,981
Electrical Services	10,035	5,035		5,035
Public Buildings and Grounds	6,278	6,278	1,121	5,157
Maintenance of Garage	30,443	30,443	2,108	28,335
Administration of Public Works	5,537	1,537		1,537
Sanitation				
Sewer System	12,990	12,990		12,990
Recycling Program	15,675	15,675	537	15,138
Health Department	9,487	9,487	1,869	7,618
Administration of Social Services	11,187	11,187	1,853	9,334
Recreation	8,622	19,622	12,347	7,275
Parks and Playgrounds	23,849	23,849		23,849
Uniform Construction Code:				
Construction Code Official	12,776	12,776	5,692	7,084
Unclassified:				
Terminal Leave	4,374	4,374		4,374
Public Defender	1,200	1,200		1,200
Total Salaries and Wages Within "CAPS"	<u>577,386</u>	<u>622,387</u>	<u>215,864</u>	<u>406,523</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Other Expenses Within "CAPS":				
Administrative and Executive	26,005	41,593	12,626	28,967
Mayor and Council	915	109,240	104,519	4,721
Municipal Clerk	9,888	20,219	9,547	10,672
Financial Administration	4,908	31,232	24,794	6,438
Assessment of Taxes	312	15,562	15,250	312
Collection of Taxes	7,437	7,437	3,803	3,634
Legal Services and Costs	53,197	74,180	24,492	49,688
Labor Attorney	30,237	11,762	2,250	9,512
Engineering Services and Costs	11,967	86,028	77,058	8,970
Municipal Land Use Law (N.J.S.A 40:55D-1)				
Planning Board	14,253	18,549	3,539	15,010
Zoning Board of Adjustment	6,903	12,282	5,354	6,928
Self Insurance Program:				
Liability Insurance (N.J.S.A. 40:10-12)	3,269	3,269		3,269
Workers Compensation (N.J.S.A. 40:10-12)	486	486		486
Group Insurance Plan for Employee's:				
Health Insurance	167,707	142,707		142,707
Other Insurance Premiums	7,319	7,967	126	7,841
Unemployment Compensation Insurance				
Police	14,846	69,210	56,456	12,754
Emergency Management Services	4,266	43,222	26,887	16,335
Fire	1,359	116,063	101,179	14,884
Ambulance	20,159	30,001	5,695	24,306
Uniform Fire Safety Act	7,227	7,409	182	7,227
Municipal Court	7,038	16,022	8,614	7,408
Road Repairs and Maintenance	23,049	70,303	46,494	23,809
Shade Tree	4,970	167,228	150,295	16,933
Electrical Services	8,383	10,574	1,476	9,098
Public Buildings and Grounds	18,369	95,303	55,634	39,669
Maintenance Garage	34,473	74,323	25,191	49,132
Community Services Act	10,278	18,000	8,858	9,142
Administration of Public Works	2,529	21,534	18,505	3,029
Sanitation:				
Sewer System	40,406	145,250	67,663	77,587
Recycling Program	25,388	4,168	1,804	2,364
Recycling Contract		33,206	4,584	28,622
Health Department	2,385	5,495	596	4,899
Administration of Social Services	885	975	91	884
Animal Control	7,674	7,674		7,674
Recreation	14,237	61,245	52,961	8,284
Recreation-Special Clubs		9,468	5,103	4,365
Parks and Playgrounds	3,791	13,553	6,475	7,078
Celebration of Public Events	9,087	16,264	5,782	10,482

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Veteran's Service Bureau	23	23		23
Postage-Other Expenses	20,360	9,360		9,360
Electricity	48,768	124,135	60,733	63,402
Street Lighting	43,476	70,307	57,497	12,810
Telephone, Internet & Communication Lines	1,578	1,965		1,965
Natural Gas	30,127	31,324	13,943	17,381
Heating Oil	5,158	8,748	2,389	6,359
Gasoline	7,066	34,315	13,386	20,929
Diesel	2,068	17,325	3,067	14,258
Cable/TV	85	232	146	86
Garbage and Trash Removal				
Contractual	24,500	24,500		24,500
Other Expenses	68,136	171,828	94,144	77,684
Construction Code Official	14,322	17,017	2,710	14,307
Contingent	1,000	1,000		1,000
Total Other expenses Within "CAPS"	872,269	2,131,082	1,181,898	949,184
Deferred Charges and Statutory Expenditures Within "CAPS":				
Statutory Expenditures				
Public Employees' Retirement System	1,101	1,101		1,101
Social Security System (O.A.S.I.)	39,513	39,513	3,295	36,218
Consolidated Police and Firemen's Pension	2,000	2,000		2,000
Police and Firemen's Retirement System of N.J.	514	514		514
Defined Contribution Pension Plan	9,883	9,883		9,883
Total Deferred Charges and Statutory Expenditures Within "CAPS"	53,011	53,011	3,295	49,716
Other Expenses Excluded From "CAPS":				
Passaic Valley Sewer Commission				
Share of Costs	2,804	2,804		2,804
Maintenance of Free Public Library				
Salaries and Wages	6,936	6,936	6,936	
Other Expenses	112,143	308,530	308,530	
LOSAP	2,675	2,675		2,675
Recycling Tax Appropriation	1,020	4,620		4,620



## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Interlocal Service Agreements				
Board of Education				
Police-Salaries and Wages	39,652	39,652		39,652
Maintenance of Garage-Other Expenses	<u>1,844</u>	<u>1,844</u>		<u>1,844</u>
Total Other Expenses Excluded from "CAPS"	<u>167,074</u>	<u>367,061</u>	<u>315,466</u>	<u>51,595</u>
Public and Private Programs Offset by Revenues:				
Matching Funds for Grants	6,181	6,181		6,181
Matching Funds for Municipal Alliance	<u>2,713</u>	<u>2,713</u>		<u>2,713</u>
Total Public and Private Programs Offset by Revenues	<u>8,894</u>	<u>8,894</u>		<u>8,894</u>
Capital Improvement Fund				
Acquisition of Equipment	<u>22,104</u>	<u>120,887</u>	<u>98,783</u>	<u>22,104</u>
Total Capital Improvements Excluded from "CAPS"	<u>22,104</u>	<u>120,887</u>	<u>98,783</u>	<u>22,104</u>
Total Reserves	<u>\$ 1,700,738</u>	<u>3,303,322</u>	<u>1,815,306</u>	<u>1,488,016</u>
Appropriation Reserves \$	1,700,738			
Encumbrances		<u>1,602,584</u>		
		<u>\$ 3,303,322</u>		
Transfers to Reserve for Library \$			128,612	
Transfer to Accounts Payable			128,304	
Cash			<u>1,558,390</u>	
			<u>\$ 1,815,306</u>	

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$ 1,622,431
Increased by:		
Transferred from Current Year Budget		<u>2,376,199</u>
		3,998,630
Decreased by:		
Transferred to Appropriation Reserves	\$ 1,602,584	
Cash Disbursement	17,317	
Cancelled - Due from FEMA	<u>2,530</u>	
		<u>1,622,431</u>
Balance - December 31, 2022		\$ <u><u>2,376,199</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Accounts Payable**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$	571,404
Increased by:		
Prior Year Void Check	\$	8,610
Transfer from Appropriation Reserves		<u>128,304</u>
		<u>136,914</u>
		708,318
Decreased by:		
Cash Disbursements		<u>82,864</u>
Balance - December 31, 2022	\$	<u><u>625,454</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Reserve for Other Expenditures

## Current Fund

Year Ended December 31, 2022

	Recycling	Police - Outside Service	Elevator Surcharge	Terminal Leave	Employment Contracts	Retiree's Insurance	Community Center	Special Assessments	Storm Damage	Fire Outside Service	Municipal Relief	Total
Balance - December 31, 2021	\$ 2,714,063	1,158,902	3,152	2,215,076	278,565	302,736	917,108	76,001	153,968	31,082		7,850,653
Increased by:												
Cash Receipts	85,628	998,256					65,330				195,329	1,344,543
	<u>2,799,691</u>	<u>2,157,158</u>	<u>3,152</u>	<u>2,215,076</u>	<u>278,565</u>	<u>302,736</u>	<u>982,438</u>	<u>76,001</u>	<u>153,968</u>	<u>31,082</u>	<u>195,329</u>	<u>9,195,196</u>
Decreased by:												
Cash Disbursements	513,598	781,795			13,800	204	102,340					1,411,737
	<u>513,598</u>	<u>781,795</u>			<u>13,800</u>	<u>204</u>	<u>102,340</u>					<u>1,411,737</u>
Balance - December 31, 2022	\$ <u>2,286,093</u>	<u>1,375,363</u>	<u>3,152</u>	<u>2,215,076</u>	<u>264,765</u>	<u>302,532</u>	<u>880,098</u>	<u>76,001</u>	<u>153,968</u>	<u>31,082</u>	<u>195,329</u>	<u>7,783,459</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Reserve for Library Expenditures

## Current Fund

Year Ended December 31, 2022

Balance - December 31, 2021		\$	345,528
Increased by:			
State Library Aid	\$	17,985	
Book Fines		27,227	
Transfer from Appropriation Reserves		<u>128,612</u>	
			<u>173,824</u>
			519,352
Decreased by:			
Interfunds		220,000	
Cash Disbursements		<u>10,578</u>	
			<u>230,578</u>
Balance - December 31, 2022		\$	<u><u>288,774</u></u>
<u>Analysis of Balance</u>			
Library State Aid	\$	139,433	
Library Fees		<u>149,341</u>	
	\$	<u><u>288,774</u></u>	

## BOROUGH OF FAIR LAWN, N.J.

**Schedule of Amount Due (to)/from State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976**

## Current Fund

Year Ended December 31, 2022

Balance - December 31, 2021		\$	(204,275)
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	20,250	
Veterans' Deductions Per Tax Billing		142,750	
Senior Citizen's and Veteran's Allowed - 2022		<u>3,250</u>	
			<u>166,250</u>
			(38,025)
Decreased by:			
State Share of Senior Citizens and Veteran			
Deductions Received in Cash		161,470	
Senior Citizen's and Veteran's Disallowed - 2021		3,360	
Senior Citizen's and Veteran's Disallowed - 2022		<u>3,210</u>	
			<u>168,040</u>
Balance - December 31, 2022		\$	<u><u>(206,065)</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Amount Due to the  
State of New Jersey-Construction Training Fees**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$	12,990
Increased by:		
Cash Receipts		<u>69,693</u>
		82,683
Decreased by:		
Cash Disbursements		<u>57,215</u>
Balance - December 31, 2022	\$	<u><u>25,468</u></u>

**BOROUGH OF FAIR LAWN, N.J.****Schedule of Tax Overpayments****Current Fund****Year Ended December 31, 2022**

Balance - December 31, 2021	\$	3,956
Increased by:		
Cash Receipts	\$	191,476
Fund Balance		<u>107,221</u>
		<u>298,697</u>
		302,653
Decreased by:		
Applied		3,957
Cash Disbursements		<u>296,217</u>
		<u>300,174</u>
Balance - December 31, 2022	\$	<u><u>2,479</u></u>



**BOROUGH OF FAIR LAWN, N.J.****Schedule of Local School District Tax Payable****Current Fund****Year Ended December 31, 2022**

Balance - December 31, 2021		\$	620,862
Increased by:			
2022 Levy			<u>96,317,475</u>
			96,938,337
Decreased by:			
Cash Disbursements	\$	96,317,475	
Cancelled		<u>620,862</u>	
		\$	<u>96,938,337</u>

**Schedule of County Taxes Payable****Current Fund****Year Ended December 31, 2022**

Balance - December 31, 2021		\$	106,071
Increased by:			
2022 Levy	\$	13,213,959	
2022 Open Space		545,778	
2022 Added Assessments		<u>76,707</u>	
			<u>13,836,444</u>
			13,942,515
Decreased by:			
Cash Disbursements			<u>13,865,808</u>
Balance - December 31, 2022		\$	<u>76,707</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Special Improvement District Taxes Payable

## Current Fund

Year Ended December 31, 2022

Balance - December 31, 2021		\$	3,052
Increased by:			
Tax Levy	\$	271,461	
Added Assessments		<u>3,620</u>	
			<u>275,081</u>
			278,133
Decreased by:			
Cash Disbursements		275,081	
Cancelled		<u>3,052</u>	
			<u>\$ 278,133</u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 1,082,193
Increased by:	
Cash Receipts	<u>936,174</u>
	2,018,367
Decreased by:	
Applied to 2022 Taxes Receivable	<u>1,082,193</u>
Balance - December 31, 2022	\$ <u><u>936,174</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Interfunds

## Federal and State Grant Fund

## Year Ended December 31, 2022

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Current Fund	\$ <u>(2,636)</u>	<u>49,995</u>	<u>70,701</u>	<u>(23,342)</u>
	\$ <u>(2,636)</u>	<u>49,995</u>	<u>70,701</u>	<u>(23,342)</u>
	Cash Receipts \$		4,392	
	Cash Disbursements	2,636		
	Cancelled Grant Receivable	42,967		
	Cancelled Appropriated Grants		52,282	
	Grant Match	4,392		
	Interest on Investments		14,027	
		<u>\$ 49,995</u>	<u>70,701</u>	

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec. 31, 2021	2022 Budget Revenue Realized	Received	Cancelled	Balance, Dec. 31, 2022
Body Camera Grant	161,002		32,200		128,802
Body Armor Replacement		2,715	2,715		
Fair Lawn Carbon Grant	124,727				124,727
Drive Sober or Get Pulled Over	2,475			2,475	
Drive Sober or Get Pulled Over - Holiday Crackdown	6,000		2,160	3,840	
Click It or Ticket		7,000	6,404		596
Distracted Driving - U Text U Drive U Pay		10,500	9,545		955
NJACCHO - Health Grant	1,500			1,500	
Municipal Alliance on Alcoholism and Drug Abuse-2019	8,472			8,472	
Municipal Alliance on Alcoholism and Drug Abuse-2020	4,422				4,422
Municipal Alliance on Alcoholism and Drug Abuse-2021		5,754	5,618		136
Municipal Alliance on Alcoholism and Drug Abuse-2022		5,754			5,754
Clean Communities		68,887	60,887	8,000	
Pedestrian Safety Grant - 2019	18,680			18,680	
Pedestrian Safety Grant - 2020	8,098				8,098
Pedestrian Safety Grant - 2021		25,000	6,390		18,610
Bullet Proof Vest Partnership Fund	2,660				2,660
Bergen County Census	3,480				3,480
Bergen County Food Security Task Force Sustainability		11,205	11,205		
Recreation Opportunities for Individuals w/ Disabilities		6,060			6,060
Fire Prevention Grant		5,000	5,000		
Strengthening Local Health Capacity - 2021	85,012				85,012
Strengthening Local Health Capacity - 2022	291,042		238,874		52,168
Strengthening Local Health Capacity - 2023		274,735	49,637		225,098
Sustainable New Jersey		2,000	2,000		
National Opioid Settlement Fund		14,371	14,371		
Bergen County Stigma Free		1,000	1,000		
American Rescue Plan		3,443,177	3,443,177		
	<u>\$ 717,570</u>	<u>3,883,158</u>	<u>3,891,183</u>	<u>42,967</u>	<u>666,578</u>
Adopted Budget \$		3,462,706			
Added by N.J.S.A. 40A:4-87		<u>420,452</u>			
		<u>\$ 3,883,158</u>			
Unappropriated Reserve \$		1,726,588			
Cash		<u>2,164,595</u>			
		<u>\$ 3,891,183</u>			

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec. 31, 2021	Transfer To 2022 Budget	<u>Received</u>	Balance, Dec. 31, 2022
Coronavirus Recovery Fund	\$ 1,721,588	1,721,588		
FM Global Fire Prevention Grant	5,000	5,000		
Body Armor Replacement Fund			3,777	3,777
National Opioids Settlement Fund			8,764	8,764
	<u>\$ 1,726,588</u>	<u>1,726,588</u>	<u>12,541</u>	<u>12,541</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec. 31, 2021	Transfer From 2022 <u>Budget</u>	<u>Cancelled</u>	<u>Expended</u>	Balance, Dec. 31, 2022
Clean Communities Program Grant - 2019	\$ 1,408			1,408	
Clean Communities Program Grant - 2020	1,097			881	216
Clean Communities Program Grant - 2021	26,922			25,325	1,597
Clean Communities Program Grant - 2022		68,887	8,000	45,394	15,493
Body Armor Replacement Program - 2021	586			586	
Body Armor Replacement Program - 2022		2,715		843	1,872
Drunk Driving Enforcement Grant - 2011	25,636				25,636
Drunk Driving Enforcement Grant - 2012	4,081			1,636	2,445
Drunk Driving Enforcement Grant - 2015	1,773				1,773
Drunk Driving Enforcement Grant - 2019	8,266			382	7,884
Drunk Driving Enforcement Grant - 2020	8,101			328	7,773
Drive Sober or Get Pulled Over-2021	2,475		2,475		
Drive Sober or Get Pulled Over-Holiday Crackdown	5,040		4,320	720	
Enforcing Underage Drinking	1,666				1,666
Distracted Driving Grant - 2022		10,500		9,544	956
Click It or Ticket		7,000		6,403	597
Alcohol Education and Rehabilitation - 2007	546				546
Alcohol Education and Rehabilitation - 2009	1,253				1,253
Alcohol Education and Rehabilitation - 2011	804				804
Alcohol Education and Rehabilitation - 2012	162				162
Alcohol Education and Rehabilitation - 2014	950				950
Alcohol Education and Rehabilitation - 2015	650				650
Fair Lawn Granular Activated Carbon Grant	105,991				105,991
Municipal Alliance on Alcoholism and Drug Abuse - 19	12,844		12,844		
Municipal Alliance - Match - 19	3,220		3,220		
Municipal Alliance on Alcoholism and Drug Abuse - 20	650				650
Municipal Alliance - Match - 20	166				166
Municipal Alliance on Alcoholism and Drug Abuse - 21		5,754		5,679	75
Municipal Alliance - Match - 21		1,439		1,436	3
Municipal Alliance on Alcoholism and Drug Abuse - 22		5,754		337	5,417
Municipal Alliance - Match - 22		1,438		112	1,326
Smart Growth	7,000				7,000
Police County - 2012	2,250				2,250
Over the Limit Under Arrest - 2012	4,400				4,400
COPS in Shops - 2011	1,413		1,413		
COPS in Shops - 2012	4,500				4,500
COPS in Shops - 2013	5,062				5,062
COPS in Shops - 2014	6,180				6,180

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec. 31, 2021	Transfer From 2022 Budget	Cancelled	Expended	Balance, Dec. 31, 2022
Forestry Grant	2,400				2,400
Flood Insurance	20,920				20,920
Environmental Grant - 2013	650		650		
Hazard Mitigation Grant - 2013	142,080				142,080
Sustainable NJ		2,000			2,000
Strengthening Public Health Capacity - 2021	88,134				88,134
Strengthening Public Health Capacity - 2022	217,776			170,829	46,947
Strengthening Public Health Capacity - 2023		274,735		125,599	149,136
Matching Funds for Grants - 2014	11,148				11,148
Matching Funds for Grants - 2015	6,181				6,181
Matching Funds for Grants - 2016	6,181				6,181
Matching Funds for Grants - 2017	6,181				6,181
Matching Funds for Grants - 2018	6,181				6,181
Federal OEM Grant - 2017	5,000				5,000
Bergen County- Census	3,480				3,480
Bergen County Food Security Task Force Sustainability		11,205		11,205	
Bergen County Stigma Free		1,000		868	132
National Opioid Settlement		14,371			14,371
Fire Prevention Grant	1,208				1,208
Fire Prevention Grant		5,000		5,000	
Emergency Management Assistance Funding	5,000				5,000
BCUA Recycling Grant - 2019	248		248		
Pedestrian Safety Grant - 2019	19,112		19,112		
Pedestrian Safety Grant - 2020	7,666				7,666
Pedestrian Safety Grant - 2021		25,000		6,870	18,130
Recreation Opportunities for Individuals w/ Disabilities		6,060		4,835	1,225
ROID - Match		1,515		1,515	
Americian Rescue Plan Recovery		3,443,177			3,443,177
	<u>\$ 794,638</u>	<u>3,887,550</u>	<u>52,282</u>	<u>427,735</u>	<u>4,202,171</u>
	Budget \$	3,462,706			
	Match	4,392			
Appropriated by 40a:4-87		<u>420,452</u>			
	\$	<u>3,887,550</u>			
			Cash Disbursed \$	318,631	
			Encumbrances	<u>109,104</u>	
				<u>\$ 427,735</u>	



**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Encumbrances Payable**

**Federal and State Grant Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$	208,791
Increased by:		
Charged to Appropriated Grant Reserves		<u>109,104</u>
		317,895
Decreased by:		
Cash Disbursements		<u>208,791</u>
Balance - December 31, 2022	\$	<u><u>109,104</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2022

	Animal Trust <u>Fund</u>	Other Trust <u>Fund</u>	Emergency Service LOSAP <u>Fund</u>	Open Space <u>Fund</u>
Balance - December 31, 2021	\$ 76,102	11,128,513	2,280,728	285,826
Increase by Receipts:				
Prepaid Dog License Fees Collected	4,441			
Dog License Fees Collected	10,242			
Cat License Fees Collected	1,368			
Other Miscellaneous Fees	2,245			
State Fees	2,374	1,615		
Other Trust Receipts - Sundry Reserves and Deposits		419,536		
Escrow Deposits		526,389		
Other Trust Receipts - Donations and Deposits		119,729		
Veterans Affairs		5,686		
Storm Recovery		22,000		
Insurance-Workers Comp		449,122		
Insurance-Liability		640,221		
Interfund	347	40,013		
Unemployment		180,583		
Cafeteria Plan		35,299		
Council on Affordable Housing		399,080		
Interest Income/ Gain on Investment		12,200	3,444	4,093
Contributions Deposited			103,070	
Open Space Levy				217,955
Total Receipts	21,017	2,851,473	106,514	222,048
	97,119	13,979,986	2,387,242	507,874
Decreased by Disbursements:				
Animal License Expenditures	2,757			
State Fees	2,119	102,978		
Due to Current Fund	19,464	34,371		
Other Trust Disbursements-Sundry Reserves and Deposits		449,180		
Escrow Disbursements		334,573		
Other Trust Disbursements-Donations and Deposits		77,988		
Insurance-Health Benefits		470,000		
Insurance-Liability Claims		850,224		
Insurance-Worker's Compensations Claims		552,421		
Cafeteria Plan Disbursements		35,134		
Veterans Affairs Disbursements		4,380		
Council on Affordable Housing		23,315		
Plan Distributions			80,190	
Loss on Investments			404,397	
Open Space Disbursements				31,000
Total Disbursements	24,340	2,934,564	484,587	31,000
Balance - December 31, 2022	\$ 72,779	11,045,422	1,902,655	476,874

**Exhibit B-2**

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Prepaid Dog Licenses**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 5,402
Increased by:	
Collections	<u>4,441</u>
	9,843
Decreased by:	
Applied to 2022 Licenses	<u>5,402</u>
Balance - December 31, 2022	<u><u>\$ 4,441</u></u>

**Exhibit B-3**

**Schedule of Animal Trap Deposits**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>7,840</u>
Balance - December 31, 2022	<u><u>\$ 7,840</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Due to State of New Jersey

## Trust Funds

Year Ended December 31, 2022

	Dog License Fees	Marriage/ Civil Union Fees	Other Trust Burial Permit Fees	Quarterly Unemployment Taxes Due
Balance - December 31, 2021	\$ 382	900	5	
Increased by:				
Dog License Fees	2,374			
Marriage License Fees		1,600		
Burial Permit Fees			15	
Withholdings				100,468
	<u>2,374</u>	<u>1,600</u>	<u>15</u>	<u>100,468</u>
	2,756	2,500	20	100,468
Decreased by:				
Cash Disbursements	<u>2,119</u>	<u>2,500</u>	<u>10</u>	<u>100,468</u>
Balance - December 31, 2022	<u>\$ 637</u>	<u></u>	<u>10</u>	<u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Interfunds Receivable/(Payable)

## Trust Funds

Year Ended December 31, 2022

	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Animal Control Trust:				
Current Fund	\$ (19,464)	19,464	16,166	(16,166)
Other Trust Fund:				
Current Fund (Other Trust)	(3,644)	3,644	4,757	(4,757)
Current Fund (Human Services)	(554)	554	934	(934)
Current Fund (Developers Trust-Bergen Development)	(24)	24		
Current Fund (Developers Trust-Barrister Home)	(7)	7	1	(1)
Current Fund (Developers Trust-Fair Lawn Riverview)			8	(8)
Current Fund (Developers Trust-Autozone)	(8)	8		
Current Fund (Master Account A)			1	(1)
Current Fund (Developers Trust-River Lofts)	(7)	7	2	(2)
Current Fund (Developers Trust-Columbia Bank)	(11)	11	4	(4)
Current Fund (Developers Trust-Cohen Plaza)	(1)	1	1	(1)
Current Fund (Developers Trust-24-19 Broadway)	(1)	1		
Current Fund (Route 208 FairLawn LLC)	(9)	9	4	(4)
Current Fund (Oster Fairlawn Prop)	(12)	12	7	(7)
Current Fund (Chelsea FL Senior Living)	(4)	4	12	(12)
Current Fund (Pacer Group)			1	(1)
Current Fund (Greek Fair Lawn LLC)			1	(1)
Current Fund (Pictor FL Logistics)			10	(10)
Current Fund (Pollitt Drive Assoc)			3	(3)
Current Fund (Unemployment Compensation Insurance)	(2,340)	2,340	4,180	(4,180)
Current Fund (Workers Compensation)	(7,573)	7,573	10,797	(10,797)
Current Fund (Health Benefits Fund)	(8,439)	8,439	2,108	(2,108)
Current Fund (Self-Insurance Liability)	(11,606)	11,606	16,953	(16,953)
Current Fund (Cafeteria Plan Trust Fund)	(101)	101	168	(168)
Current Fund (Veterans Affairs)	(30)	30	61	(61)
	(34,371)	34,371	40,013	(40,013)
Open Space Trust:				
Current Fund		217,955	217,955	
	\$ (53,835)	271,790	274,134	(56,179)
Cash Receipts \$			217,955	
Cash Disbursements		53,835		
Open Space Levy		216,756		
Open Space Added/Omitted Levy		1,199		
Interest on Investments			40,360	
Statutory Excess			15,819	
	\$	271,790	274,134	

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Sundry Reserve and Deposits

## Trust Funds

Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2022</u>
Parking Offenses Adjudication Act	\$ 9,945	1,028		10,973
Tax Title Lien Redemptions	483,356	392,111	436,449	439,018
Green Team/Beautification	2,089			2,089
Arts & Cultural Events	1,506	11,422	4,705	8,223
Recreation Softball	3,095			3,095
Recreation Hockey	19,151	14,840	8,026	25,965
Lead Hazard Control Assistance Fund		135		135
	<u>\$ 519,142</u>	<u>419,536</u>	<u>449,180</u>	<u>489,498</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Escrow Reserve and Deposits

## Trust Funds

Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2022</u>
Street Opening Deposits	\$ 23,900	12,500	10,000	26,400
Performance Bond	1,000			1,000
Performance Bond Paramus Auto Mall	98,130			98,130
Zoning Board Escrow	45,484	52,979	58,213	40,250
Zoning Board Residential	9,100	19,070	22,894	5,276
Planning Board Escrow	186,537	91,114	92,902	184,749
Council Escrow	7,575			7,575
Developer's Escrow	<u>257,509</u>	<u>350,726</u>	<u>150,564</u>	<u>457,671</u>
	<u>\$ 629,235</u>	<u>526,389</u>	<u>334,573</u>	<u>821,051</u>
		Street Opening Deposits		26,400
		Performance Bonds		99,130
		Escrow Accounts		237,850
		Developer's Escrow		<u>457,671</u>
				\$ <u>821,051</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Donation Reserve and Deposits

## Trust Funds

Year Ended December 31, 2022

	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Human Services Donations	\$ 200,407	28,484	8,277	220,614
Tree Planting Donations	4,628	181		4,809
Flower Pot Donations	4,362			4,362
Community Police Donations	31,433	18,586	1,440	48,579
Recreation Camps		300		300
Reserve Police Donations	4,705			4,705
Concert Donations	42,066	1,900		43,966
Fireworks Donations	175,695	20,989	25,684	171,000
Fire Victims Donations	574	100		674
Police Explorers Donations	25			25
Fire Department Donations	5,178	2,100	3,040	4,238
Senior Center Donations	33,332	41,286	38,041	36,577
Adopt a Bench Donations	5,020	4,400	1,506	7,914
Police Vests Donations	5,750			5,750
Certification Donations	3,787	1,403		5,190
ADA Donations	256			256
Nauglehouse	2,350			2,350
	<u>\$ 519,568</u>	<u>119,729</u>	<u>77,988</u>	<u>561,309</u>



## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Reserve for Animal Trust Fund Expenditures

## Trust Funds

Year Ended December 31, 2022

Balance - December 31, 2021		\$	43,014
Increased by:			
Dog License Fees:			
Collections	\$	10,242	
Prepays Applied		<u>5,402</u>	
		\$	15,644
Cat License Fees			1,368
Miscellaneous Revenue:			
Miscellaneous/Donations		725	
Dog/Cat License Late Fees		1,450	
Kennel License		<u>70</u>	
			<u>2,245</u>
			<u>19,257</u>
			62,271
Decreased by:			
Expenditures Under R.S. 4:19-15.11		2,757	
Statutory Excess Due to Current Fund		<u>15,819</u>	
			<u>18,576</u>
Balance - December 31, 2022		\$	<u><u>43,695</u></u>

Animal License Fees Collected

<u>Year</u>	
2021	21,733
2020	<u>21,962</u>
Maximum Reserve \$	<u><u>43,695</u></u>

## BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for State Unemployment  
Insurance Trust Fund Expenditures

## Trust Funds

Year Ended December 31, 2022

Balance - December 31, 2021		\$	841,758
Increased by:			
Payroll Deductions	\$	78,672	
Refunds		1,911	
Budget Appropriation		<u>100,000</u>	
			<u>180,583</u>
			1,022,341
Decreased by:			
Due to State of New Jersey		<u>100,468</u>	
Balance - December 31, 2022		\$	<u><u>921,873</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Worker's  
Compensation Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$ 2,469,397
Increased by:		
Budget Appropriations	\$ 448,906	
Cash Receipts	<u>216</u>	
		<u>449,122</u>
		2,918,519
Decreased by:		
Payment of Claims		<u>552,421</u>
Balance - December 31, 2022		\$ <u><u>2,366,098</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Liability  
Insurance Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$	3,906,989
Increased by:			
Budget Appropriations	\$	507,006	
Cash Receipts		<u>133,215</u>	
			<u>640,221</u>
			4,547,210
Decreased by:			
Payment of Claims		<u>850,224</u>	
Balance - December 31, 2022		\$	<u><u>3,696,986</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Health  
Benefits Plan Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 479,016
Decreased by:	
Payment of Claims	<u>470,000</u>
Balance - December 31, 2022	\$ <u><u>9,016</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Council on Affordable Housing Expenditures**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$ 684,452
Increased by:		
Cash Receipts	\$ 399,080	
Interest on Investments	<u>414</u>	
		<u>399,494</u>
		1,083,946
Decreased by:		
Cash Disbursements		<u>23,315</u>
Balance - December 31, 2022		\$ <u><u>1,060,631</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserves for Library Expenditures**

**Library Trust Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 27,617
Increased by:	
Interest	<u>1,622</u>
Balance - December 31, 2022	<u><u>\$ 29,239</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Restricted Reserves for Library Expenditures**

**Library Trust Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>92,471</u>
-----------------------------	------------------

Balance - December 31, 2022	\$ <u><u>92,471</u></u>
-----------------------------	-------------------------

Analysis of Balance

Eva Kaplan Trust Fund	\$ 17,921
-----------------------	-----------

Shirley T. Rosen Trust Fund	69,050
-----------------------------	--------

Endowment Program - Pavers	<u>5,500</u>
----------------------------	--------------

	\$ <u><u>92,471</u></u>
--	-------------------------



**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Cafeteria Plan Expenditures**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 40,992
Increased by:	
Cash Receipts	<u>35,299</u>
	76,291
Decreased by:	
Cash Disbursements	<u>35,134</u>
Balance - December 31, 2022	<u><u>\$ 41,157</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Service Award Contributions Receivable**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 103,070
Increased by:	
2022 Service Award Contributions	<u>98,038</u>
	201,108
Decreased by:	
Distributions	<u>103,070</u>
Balance - December 31, 2022	\$ <u><u>98,038</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Net Assets Available for Benefits**

**Trust Funds**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$ 2,383,798
Increased by:		
Contributions	\$ 98,038	
Interest on Investments	<u>3,444</u>	
		<u>101,482</u>
		2,485,280
Decreased by:		
Distributions	80,190	
Loss on Investment	<u>404,397</u>	
		<u>484,587</u>
Balance - December 31, 2022		\$ <u><u>2,000,693</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Veteran Affairs Expenditures**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$	12,246
Increased by:		
Cash Receipts		<u>5,686</u>
		17,932
Decreased by:		
Cash Disbursements		<u>4,380</u>
Balance - December 31, 2022	\$	<u><u>13,552</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Open Space**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$	285,826
Increased by:			
Interest Earnings	\$	4,093	
Open Space Levy		216,756	
Added/Omitted Levy		<u>1,199</u>	
			<u>222,048</u>
			507,874
Decreased by:			
Cash Disbursements			<u>31,000</u>
Balance - December 31, 2022		\$	<u><u>476,874</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Storm Recovery**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$	870,354
Increased by:			
Interest Earnings	\$	10,164	
Cash Receipts		<u>22,000</u>	
			<u>32,164</u>
Balance - December 31, 2022		\$	<u><u>902,518</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2022

Balance - December 31, 2021		\$	20,924,514
Increased by Receipts:			
State Grants and County Grants	\$	110,485	
Interfunds		3,461,695	
Capital Improvement Fund		340,000	
Special Reserves		473,300	
Interest on Investments		<u>70,367</u>	
			<u>4,455,847</u>
			25,380,361
Decreased by Disbursements:			
Improvement Authorizations		3,096,143	
Interfunds		3,035,671	
Encumbrances payable		<u>2,902,870</u>	
			<u>9,034,684</u>
Balance - December 31, 2022		\$	<u><u>16,345,677</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2022

Fund Balance	\$ 2,242,888
State and County Grants Receivable	(1,322,761)
Federal Grants Receivable	(529,142)
Encumbrances Payable	4,478,536
Special Reserves	546,818
Reserve for Unappropriated State Grant	15,464
Capital Improvement Fund	230,898
Interfund Accounts Payable	3,070,367
Reserve for Grants Receivable	18,243

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Improvement Description</u>	
2245	Various Improvements	37,786
2284	Various Improvements	2,338
2310	Various Improvements	135,268
2337	Various Improvements	189,092
2376	Various Improvements	234,319
2377	Various Road Improvements	(1,598)
2384	Memorial Park and Pool Improvements	989
2387/2390	Improvements to 20th Street	32,844
2402	Naugle-Vanderbeck House	78,085
2427	Various Improvements	99,165
2428	Roadway Improvements	1,232
2458	Various Improvements	196,031
2459	Roadway Improvements	4,026
2461	CDBG - ADA Curb Cuts	2,786
2462	CDBG - Senior Center Improvements	21,310
2472	Improvements to 17th Street	65,904
2495	Various Improvements	382,418
2496	Improvements to Various Roads	7,783
2503	Memorial Pool and Park Improvements	6,516
2506	County-Wide ADA Ramps, Curbs and Sidewalks	54,858
2530	Various Capital Improvements	1,028,175
2532	Improvements to Various Roads	9,990
2538	Senior Center Ramps	23,080
2546	County-Wide ADA Ramps, Curbs and Sidewalks	9,835
2550	Construction of Administration Building at Memorial Pool	1,940,800
2551	Imps. To Plaza Road, Section 2	87,497
2552	Imps. To Prospect Avenue	26,366
2564	Imps. To Bellair Avenue	
2566	Various Capital Improvements	2,443,859
2567	Imps. To Various Roads	1,343,759
2572	Administration Building at Memorial Pool	500,000
2573	Construction of Roads Garage at DPW Complex	2,000,000



**BOROUGH OF FAIR LAWN, N.J.****Analysis of Cash****General Capital Fund****Year Ended December 31, 2022**

2583	Riparian Zone Restoration Project	12,200
2601	Senior Center Social Distancing Project	20,000
2615	Various Capital Improvements	(3,121,639)
2616	Improvements to Various Roads	(7,415)
2618	Improvements to Public Library	151,410
2630	Improvements to Cyril Avenue	132,300
2631	Sanitary Sewer System and Sewer Pump Station Improvements	(585,003)
2635	Senior Center Sign Board Project	<u>28,000</u>
		<u>\$ 16,345,677</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of County Grants Receivable

## General Capital Fund

Year Ended December 31, 2022

	<u>Grant Amount</u>	<u>Year</u>	<u>Ordinance</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Grants Authorized</u>	<u>Received</u>	<u>Balance Dec. 31, 2022</u>
<u>Bergen County Open Space Grant:</u>							
Municipal Pool & Pool Imps.	50,000	2015	2384	\$ 582			582
Naugle - Vanderbeck	131,226	2016	2402	131,226			131,226
Memorial Pool and Park Imps.	50,000	2019	2503	472			472
Memorial Pool Multi-Sport Court Construction	110,485	2022	2620		110,485	110,485	
<u>Bergen County Dept. of Public Works</u>							
County-wide ADA ramps/curbs/sidewalks	237,000	2014	2293/2409/2546	237,000			237,000
County-wide ADA ramps/curbs/sidewalks	280,000	2019	2506	54,858			54,858
<u>State of New Jersey Transportation Trust Fund</u>							
Improvements to 20th Street	155,500	2016	2390	\$ 31,173			31,173
Improvements to 17th Street	202,000	2018	2472	65,904			65,904
Improvements to Prospect Avenue - 2020 MA	200,000	2020	2552	89,400			89,400
Improvements to Bellair Avenue - 2021 MA	79,346	2021	2564	79,346			79,346
Improvements to Cyril Avenue - 2022 MA	132,300	2022	2630		132,300		132,300
<u>Other</u>							
NJ Environmental Commission Association Grant	1,500	2021	2583	500			500
NJ State Library Construction Bond Act	500,000	2022	2618		500,000		500,000
				\$ 690,461	742,785	110,485	1,322,761

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Federal and State Grants Receivable

## General Capital Fund

Year Ended December 31, 2022

	Grant Amount	Year	Ordinance	Balance Dec. 31, 2021	2022 Grants Authorized	Balance Dec. 31, 2022
<u>Community Development Block Grants</u>						
Senior Center Improvements	30,175	2018	2462	\$ 26,655		26,655
Handicapped Accessible Restrooms at Senior Center	64,000	2019	2504	64,000		64,000
30th Street Improvements	49,848	2020	2537	49,848		49,848
Senior Center Ramps	73,663	2020	2538	73,663		73,663
COVID-19 Relief Fund	20,000	2021	2601	20,000		20,000
33rd and 34th Streets Road Improvements	130,000	2022	2621		130,000	130,000
36th Street and Hartley Place Improvements	136,976	2022	2634		136,976	136,976
Senior Center Sign Board Project	28,000	2022	2635		28,000	28,000
				<u>\$ 234,166</u>	<u>294,976</u>	<u>529,142</u>
Total Community Development Block Grants				<u>\$ 234,166</u>	<u>294,976</u>	<u>529,142</u>

**BOROUGH OF FAIR LAWN, N.J.****Schedule of Deferred Charges to Future  
Taxation - Funded****General Capital Fund****Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>44,593,000</u>
-----------------------------	----------------------

Decreased by:

Current year Budget Appropriations:

Capital Lease Principal	\$ 590,000
-------------------------	------------

Serial Bond Principal	<u>3,278,000</u>
-----------------------	------------------

	<u>3,868,000</u>
--	------------------

Balance - December 31, 2022	\$ <u><u>40,725,000</u></u>
-----------------------------	-----------------------------

**Analysis of Balance:**

Capital Leases Payable	\$ 7,520,000
------------------------	--------------

Bonds Payable	<u>33,205,000</u>
---------------	-------------------

	<u><u>\$ 40,725,000</u></u>
--	-----------------------------

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Deferred Charges to Future Taxation - Unfunded

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Funded	Balance Dec. 31, 2022	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
<u>General Improvements:</u>								
2053	Multiple Purpose	\$ 66,152		41,695	24,457			24,457
2259	Improv. To Parks - Vogel/George St.	50,000		50,000				
2294	Berdan Grove ADA Park Improv	50,000		50,000				
2377	Various Road Improvements	106,000		100,000	6,000		1,598	4,402
2427	Various Improvements	19,000			19,000			19,000
2428	Roadway Improvements	3,000			3,000			3,000
2439	Refunding Bond Ordinance	795,000			795,000			795,000
2459	Roadway Improvements	3,400			3,400			3,400
2496	Improvements to Various Roads	2,400			2,400			2,400
2567	Improvements to Various Roads	1,000			1,000			1,000
2615	Various Capital Improvements		4,845,000		4,845,000		3,121,639	1,723,361
2616	Improvements to Various Roads		1,444,000		1,444,000		7,415	1,436,585
2631	Sanitary Sewer System and Sewer Pump Station Improvements		600,000		600,000		585,003	14,997
		<u>\$ 1,095,952</u>	<u>6,889,000</u>	<u>241,695</u>	<u>7,743,257</u>		<u>3,715,655</u>	<u>4,027,602</u>
				Budget Appropriations \$		Improvement Authorizations - Unfunded		
				<u>241,695</u>				<u>4,027,602</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of General Serial Bonds Payable

## General Capital Fund

Year Ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
Multi-Purpose	Sept. 1, 2016	13,820,000	09/01/23	700,000	2.000%	8,545,000	700,000	7,845,000
			09/01/24	700,000	2.000%			
			09/01/25	700,000	2.000%			
			09/01/26	700,000	2.000%			
			09/01/27	1,200,000	2.000%			
			09/01/28	1,275,000	2.000%			
			09/01/29	1,275,000	2.000%			
			09/01/30	1,295,000	2.125%			
Refunding Bond	Aug. 22, 2017	5,801,000	12/15/23	960,000	3.000%	4,863,000	948,000	3,915,000
			12/15/24	965,000	4.000%			
			12/15/25	995,000	4.000%			
			12/15/26	995,000	4.000%			
General Obligation Bond	Sept. 9, 2021	23,075,000	09/01/23	1,675,000	2.000%	23,075,000	1,630,000	21,445,000
			09/01/24	1,770,000	2.000%			
			09/01/25	1,815,000	4.000%			
			09/01/26	1,860,000	4.000%			
			09/01/27	1,955,000	4.000%			
			09/01/28	2,045,000	3.000%			
			09/01/29	2,140,000	2.000%			
			09/01/30	2,235,000	2.000%			
			09/01/31	2,885,000	2.000%			
			09/01/32	3,065,000	2.000%			
						\$ 36,483,000	3,278,000	33,205,000

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Capital Leases Payable

## General Capital Fund

Year Ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Decreased	Balance Dec. 31, 2022
			Date	Amount				
Recreation Center	Nov. 15, 2004	12,860,000				470,000	470,000	
Recreation Center, Refunding	Nov. 18, 2021	7,640,000	09/15/23	580,000	0.676%	7,640,000	120,000	7,520,000
			09/15/24	580,000	1.042%			
			09/15/25	590,000	1.296%			
			09/15/26	595,000	1.546%			
			09/15/27	605,000	1.715%			
			09/15/28	615,000	1.865%			
			09/15/29	630,000	1.960%			
			09/15/30	635,000	2.070%			
			09/15/31	650,000	2.160%			
			09/15/32	665,000	2.250%			
			09/15/33	680,000	2.370%			
			09/15/34	695,000	2.430%			
						\$ 8,110,000	590,000	7,520,000

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Reserve for Special Reserves

## General Capital Fund

Year Ended December 31, 2022

	Balance Dec. 31, 2021	Increased	Balance Dec. 31, 2022
Ordinance 1737	\$ 1,127		1,127
Community Development Block Grants	25,012		25,012
Public Works Act of 1976	1,750		1,750
Reserve for JP Morgan Receivable	28,800	3,300	32,100
Board of Education Parking Project	7,036		7,036
Reserve for Debt	9,793		9,793
Capital Project		470,000	470,000
	<u>\$ 73,518</u>	<u>473,300</u>	<u>546,818</u>

Analysis of Balance

Reserve for Public Works Act of 1976	\$ 1,750
Reserve for Payment of Debt - Barrier Free Curb Cuts	26,139
Reserve for JP Morgan Co-operative Parking Lot Receivable	32,100
Reserve for Board of Education Joint Paving Project	7,036
Reserve for Debt	9,793
Reserve for Capital Project	<u>470,000</u>
	<u>\$ 546,818</u>



## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations	Paid or Charged	Balance Dec. 31, 2022	
			Funded	Unfunded			Funded	Unfunded
General Improvements:								
2053	Multi Purpose	3,087,000		24,457				24,457
2245	Various Improvements	2,656,000	36,621			(1,165)	37,786	
2284	Various Improvements	2,217,700	2,338				2,338	
2310	Various Improvements	1,612,000	137,574			2,306	135,268	
2337	Various Improvements	2,100,000	199,040			9,948	189,092	
2376	Various Improvements	2,300,000	267,677			33,358	234,319	
2377	Various Road Improvements	1,510,000		14,102		9,700		4,402
2384	Memorial Park and Pool Improvements	50,000	989				989	
2387/2390	Improvements to 20th Street	155,500	32,844				32,844	
	Nangle-Vanderbeck House	131,226	131,226			53,141	78,085	
2427	Various Improvements	2,300,000	118,082	19,000		18,917	99,165	19,000
2428	Roadway Improvements	1,510,000	1,232	3,000			1,232	3,000
2439	Refunding Bond Ordinance	6,596,000		795,000				795,000
2458	Various Improvements	2,050,000	359,723			163,692	196,031	
2459	Roadway Improvements	1,610,000	3,960	3,400		(66)	4,026	3,400
2461	CDBG - ADA Curb Cuts	39,300	2,786				2,786	
2462	CDBG - Senior Center Improvements	30,175	21,310				21,310	
2472	Improvements to 17th Street	202,000	65,904				65,904	
2495	Various Improvements	1,900,000	434,185			51,767	382,418	
2496	Improvements to Various Roads	1,510,000	7,783	2,400			7,783	2,400
2503	Memorial Pool and Park Improvements	50,000	6,516				6,516	
2506	County-Wide ADA Ramps, Curbs and Sidewalks	280,000	54,858				54,858	
2530	Various Capital Improvements	4,022,900	1,629,696			601,521	1,028,175	
2532	Improvements to Various Roads	1,010,000	243,080			233,090	9,990	
2538	Senior Center Ramps	73,663	23,080				23,080	
2546	County-Wide ADA Ramps, Curbs and Sidewalks	37,000	9,835				9,835	

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations	Paid or Charged	Balance Dec. 31, 2022	
			Funded	Unfunded			Funded	Unfunded
2550	Construction of Administration Building at Memorial Pool	2,000,000	2,000,000			59,200	1,940,800	
2551	Improvements to Plaza Road, Section 2	157,600	87,497				87,497	
2552	Improvements to Prospect Avenue	200,000	26,366				26,366	
2564	Improvements to Bellair Avenue	79,346	79,346			79,346		
2566	Various Capital Improvements	4,900,000	3,306,269			862,410	2,443,859	
2567	Improvements to Various Roads	1,710,000	1,709,000	1,000		365,241	1,343,759	1,000
2572	Administration Building at Memorial Pool	500,000	500,000				500,000	
2573	Construction of Roads Garage at DPW Complex	2,000,000	2,000,000				2,000,000	
2583	Riparian Zone Restoration Project	50,000	12,200				12,200	
2601	Senior Center Social Distancing Project	20,000	20,000				20,000	
2615	Various Capital Improvements	5,100,000			5,100,000	3,376,639		1,723,361
2616	Improvements to Various Roads	1,520,000			1,520,000	83,415		1,436,585
2618	Improvements to Public Library	720,000			720,000	568,590	151,410	
2620	Memorial Pool Multi-Sport Court Construction	110,485			110,485	110,485		
2621	33rd and 34th Streets Road Improvements	130,000			130,000	130,000		
2630	Improvements to Cyril Avenue	132,300			132,300		132,300	
2631	Sanitary Sewer System and Sewer Pump Station Improvements	640,000			640,000	625,003		14,997
2634	36th Street and Hartley Place Road Improvements	136,976			136,976	136,976		
2635	Senior Center Sign Board Project	28,000			28,000		28,000	
			\$ 13,531,017	862,359	8,517,761	7,573,514	11,310,021	4,027,602

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations	Paid or Charged	Balance Dec. 31, 2022	
			Funded	Unfunded			Funded	Unfunded
	Capital Improvement Fund \$				371,000			
	Borough of Fair Lawn - Reserve for Library				220,000			
	Bergen County Open Space Trust Fund				110,485			
	NJ Library Construction Bond Act				500,000			
	Deferred Charges - Unfunded				6,889,000			
	State Department of Transportation - 2022 Municipal Aid				132,300			
	Bergen County Community Development				294,976			
					<u>\$ 8,517,761</u>			
	Encumbrances Payable \$				4,478,536			
	Prior Year Encumbrances Cancelled				(1,165)			
	Cash Disbursements				<u>3,096,143</u>			
							<u>\$ 7,573,514</u>	

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Encumbrances Payable**

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021		\$	2,904,035
Increased by:			
Charged to Improvement Authorizations			<u>4,478,536</u>
			7,382,571
Decreased by:			
Payments	\$	2,902,870	
Cancelled		<u>1,165</u>	
			<u>2,904,035</u>
Balance - December 31, 2022		\$	<u><u>4,478,536</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Unappropriated State Grant -  
New Jersey Stormwater Management Grant**

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>15,464</u>
Balance - December 31, 2022	\$ <u><u>15,464</u></u>

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Capital Improvement Fund**

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ 261,898
Increased by:	
Budget Appropriation	<u>340,000</u>
	601,898
Decreased by:	
Appropriated to Finance Improvement	
Authorizations	<u>371,000</u>
Balance - December 31, 2022	\$ <u><u>230,898</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Interfunds

## General Capital Fund

Year ended December 31, 2022

	Due from/(to) Balance Dec. 31, 2021	Increased	Decreased	Due from/(to) Balance Dec. 31, 2022
Current Fund	\$ (3,035,671)	3,497,366	3,532,062	(3,070,367)
	<u>\$ (3,035,671)</u>	<u>3,497,366</u>	<u>3,532,062</u>	<u>(3,070,367)</u>
<u>Analysis</u>				
Due from General Capital Fund	<u>(3,035,671)</u>	<u>3,497,366</u>	<u>3,532,062</u>	<u>(3,070,367)</u>
	<u>\$ (3,035,671)</u>	<u>3,497,366</u>	<u>3,532,062</u>	<u>(3,070,367)</u>
Cash Receipts \$			3,461,695	
Interest on Investments			70,367	
Reserve for Library - Ord. 2618-2022		220,000		
Budget Appropriations - Deferred Charges Unfunded		241,695		
Cash Disbursements		<u>3,035,671</u>		
		<u>\$ 3,497,366</u>	<u>3,532,062</u>	

**BOROUGH OF FAIR LAWN, N.J.**

**Schedule of Reserve for Grants Receivable**

**General Capital Fund**

**Year Ended December 31, 2022**

Balance - December 31, 2021	\$ <u>18,243</u>
-----------------------------	------------------

Balance - December 31, 2022	\$ <u><u>18,243</u></u>
-----------------------------	-------------------------

Analysis of Balance

Salt Shed/Glen Road	\$ 3,255
Various Other Grants	<u>14,988</u>
	\$ <u><u>18,243</u></u>



## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Decreased	Balance Dec. 31, 2022
<u>General Improvements:</u>					
2053	Multiple Purpose	\$ 66,152		41,695	24,457
2259	Imps. To Parks - Vogel/George St.	50,000		50,000	
2294	Berdan Grove ADA Park Imps.	50,000		50,000	
2377	Various Road Improvements	106,000		100,000	6,000
2427	Various Improvements	19,000			19,000
2428	Roadway Improvements	3,000			3,000
2439	Refunding Bond Ordinance	795,000			795,000
2459	Roadway Improvements	3,400			3,400
2496	Improvements to Various Roads	2,400			2,400
2567	Improvements to Various Roads	1,000			1,000
2615	Various Improvements		4,845,000		4,845,000
2616	Improvements to Various Roads		1,444,000		1,444,000
2631	Sanitary Sewer System and Sewer Pump Station Improvements		600,000		600,000
		<u>\$ 1,095,952</u>	<u>6,889,000</u>	<u>241,695</u>	<u>7,743,257</u>
Current Fund Budget Appropriations \$				<u>241,695</u>	

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Cash - Treasurer

## Water Utility Fund

Year ended December 31, 2022

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2021	\$ 8,377,096	6,324,716
Increased by Receipts:		
Water Collector	6,583,754	
Interest on Investments	10,549	19,571
Interfund	10,607	2,000,000
Other Miscellaneous	22,165	
Miscellaneous Revenue Not Anticipated	196,140	
Overpayments	12,696	
Capital Improvement Fund		200,000
	<u>6,835,911</u>	<u>2,219,571</u>
	15,213,007	8,544,287
Decreased by Disbursements:		
2022 Appropriations	7,306,219	
2021 Appropriation Reserves	292,417	
Interfunds	3,500,000	2,010,607
Accrued Interest on Bonds	257,511	
Encumbrances		453,307
Improvement Authorizations		269,673
	<u>11,356,147</u>	<u>2,733,587</u>
Balance, December 31, 2022	\$ <u>3,856,860</u>	<u>5,810,700</u>

## BOROUGH OF FAIR LAWN, N.J.

## Analysis of Cash

## Water Utility Capital Fund

December 31, 2022

		Balance, Dec. 31, <u>2022</u>
Fund Balance		\$ 406,600
Encumbrances Payable		547,115
Capital Improvement Fund		412,730
Interfunds Accounts Payable		2,019,571
Improvement Authorizations:		
Ordinance		
<u>Number</u>	<u>General Improvements</u>	
2218	Various Improvements to Water System	(59)
2243	Various Improvements to Water System	72,472
2286	Impr. To Water Supply & Distr. System	62,537
2311	Impr. To Water Supply & Distr. System	19,455
2378	Impr. To Water Supply & Distr. System	53,175
2429	Impr. To Water Supply & Distr. System	697,738
2460	Impr. To Water Supply & Distr. System	554,451
2497	Various Improvements to Water System	1,134,529
2531	Various Improvements to Water System	170,274
2617	Various Improvements to Water System	<u>(339,888)</u>
		\$ <u>5,810,700</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Interfunds

## Water Utility Operating Fund

Year ended December 31, 2022

	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Current Fund	\$ (3,500,000)	3,500,000		
Water Utility Capital Fund	<u>10,607</u>	<u>19,571</u>	<u>10,607</u>	<u>19,571</u>
	<u>\$ (3,489,393)</u>	<u>3,519,571</u>	<u>10,607</u>	<u>19,571</u>
<u>Analysis</u>				
Due from Other Funds	10,607	19,571	10,607	19,571
Due from Water Utility Operating Fund	<u>(3,500,000)</u>	<u>3,500,000</u>		
	<u>\$ (3,489,393)</u>	<u>3,519,571</u>	<u>10,607</u>	<u>19,571</u>
Cash Receipts	\$		10,607	
Cash Disbursements		3,500,000		
Interest on Investments		<u>19,571</u>		
	\$	<u>3,519,571</u>	<u>10,607</u>	

**Exhibit D-8****BOROUGH OF FAIR LAWN, N.J.****Schedule of Consumers' Accounts Receivable -  
Operating Fund****Water Utility Fund****Year ended December 31, 2022**

Balance, December 31, 2021	\$ 618,550
Increased by:	
2022 Levy	<u>6,553,776</u>
	7,172,326
Cash Receipts	<u>6,583,754</u>
Balance, December 31, 2022	<u>\$ 588,572</u>

**Exhibit D-9****Inventory - Material and Supplies****Water Utility Fund****Year ended December 31, 2022**

Balance, December 31, 2021	\$ 193,768
Increased by:	
Purchases	<u>165,778</u>
	359,546
Decreased by:	
Inventory Usage	<u>207,712</u>
Balance, December 31, 2022	<u>\$ 151,834</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year ended December 31, 2022

<u>Account</u>	Balance, Dec. 31, <u>2021</u>	Balance, Dec. 31, <u>2022</u>
Springs and Wells	\$ 2,300,722	2,300,722
Land and Pumping Stations	378,767	378,767
Structure and Pumping Stations	341,881	341,881
Electrical Pumping Equipment	359,075	359,075
Miscellaneous Pumping Equipment	221,235	221,235
Storage Reservoirs and Tanks	1,854,438	1,854,438
Distribution Mains and Accessories	10,299,769	10,299,769
Meters	1,005,804	1,005,804
Fire Hydrants	788,228	788,228
Garage	58,008	58,008
Other Tangible Water Capital	455,587	455,587
Distribution Equipment	28,656	28,656
Engineering During Construction	312,274	312,274
Legal Expenses During Construction	21,068	21,068
Interest During Construction	35,641	35,641
Miscellaneous Charges During Construction	49,161	49,161
	<u>\$ 18,510,315</u>	<u>18,510,315</u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Fixed Capital Authorized and Uncompleted

## Water Utility Capital Fund

Year ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2021	2022 Authorizations	Balance, Dec. 31, 2022
		Date	Amount			
2243	Various Improvements to Water System	09/11/12	1,688,000	\$ 1,688,000		1,688,000
2286	Improv of Water Supply & Distr. System	07/16/13	326,400	326,320		326,320
2311	Improv of Water Supply & Distr. System	04/08/14	545,000	545,000		545,000
2378	Improv of Water Supply & Distr. System	04/19/16	1,140,000	1,135,450		1,135,450
2429	Improv of Water Supply & Distr. System	04/25/17	1,800,000	1,788,708		1,788,708
2460	Improv of Water Supply & Distr. System	04/17/18	2,670,000	2,670,000		2,670,000
2497	Various Improvements to Water System	04/23/19	3,680,000	2,780,000		2,780,000
2531	Various Improvements to Water System	04/28/20	736,000	736,000		736,000
2617	Various Improvements to Water System	04/26/22	3,500,000		3,500,000	3,500,000
				\$ 11,669,478	3,500,000	15,169,478

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of 2021 Appropriation Reserves

## Water Utility Fund

Year ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 16,164	16,164	2,730	13,434
Other Expenses	<u>346,802</u>	<u>644,032</u>	<u>261,574</u>	<u>382,458</u>
Total Operating	<u>362,966</u>	<u>660,196</u>	<u>264,304</u>	<u>395,892</u>
Capital Improvements:				
Capital Outlay	<u></u>	<u>83,000</u>	<u>28,113</u>	<u>54,887</u>
Total Capital Improvements	<u></u>	<u>83,000</u>	<u>28,113</u>	<u>54,887</u>
Deferred Charges and Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>13,785</u>	<u>13,785</u>	<u></u>	<u>13,785</u>
Total Deferred Charges and Statutory Expenditures	<u>13,785</u>	<u>13,785</u>	<u></u>	<u>13,785</u>
	<u>\$ 376,751</u>	<u>756,981</u>	<u>292,417</u>	<u>464,564</u>
Appropriation Reserves \$		376,751		
Encumbrances		<u>380,230</u>		
		<u>\$ 756,981</u>		



**Exhibit D-13**

**Schedule of Water Rent Overpayments**

**Water Utility Fund**

**Year ended December 31, 2022**

Balance, December 31, 2021	\$ 7,046
Increased by:	
Current Year Overpayments	<u>12,696</u>
Balance, December 31, 2022	<u><u>\$ 19,742</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Accrued Interest on Bonds and Notes

## Water Utility Fund

Year ended December 31, 2022

Balance, December 31, 2021	\$	82,803
Increased by:		
Budget Appropriation		<u>255,608</u>
		338,411
Decreased by:		
Payments		<u>257,511</u>
Balance, December 31, 2022	\$	<u><u>80,900</u></u>

Analysis of Accrued Interest

	Principal Outstanding <u>Dec. 31, 2022</u>	<u>Period</u>	Interest <u>Rate</u>	<u>Amount</u>
Serial Bonds				
	\$ 3,680,000	120 Days	2.00%	\$ 25,700
	6,750,000	120 Days	2.00%	<u>55,200</u>
				<u><u>\$ 80,900</u></u>

**BOROUGH OF FAIR LAWN, N.J.****Schedule of Reserve for Encumbrances Payable****Water Utility Capital Fund****Year Ended December 31, 2022**

Balance - December 31, 2021	\$	459,527
Increased by:		
Charged to Improvement Authorizations		<u>547,115</u>
		1,006,642
Decreased by:		
Cash Disbursements	\$	453,307
Cancelled		<u>6,220</u>
		<u>459,527</u>
Balance - December 31, 2022	\$	<u><u>547,115</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Improvement Authorizations

## Water Utility Capital Fund

Year ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2021		2022 Authorizations	Expended	Balance, Dec. 31, 2022	
				Funded	Unfunded			Funded	Unfunded
2243	Various Improvements to Water System	Sept. 11, 2012	1,688,000	\$ 72,472				72,472	
2286	Impr. To Water Supply & Distr. System	July 16, 2013	326,400	62,537				62,537	
2311	Impr. To Water Supply & Distr. System	April 8, 2014	545,000	33,399			13,944	19,455	
2378	Impr. To Water Supply & Distr. System	April 19, 2016	1,140,000	107,000			53,825	53,175	
2429	Impr. To Water Supply & Distr. System	April 25, 2017	1,800,000	743,860	18,708		46,122	697,738	18,708
2460	Impr. To Water Supply & Distr. System	April 17, 2018	2,670,000	548,231			(6,220)	554,451	
2497	Various Improvements to Water System	April 23, 2019	3,680,000	1,169,323	3,000		37,794	1,134,529	
2531	Various Improvements to Water System	April 28, 2020	736,000	323,489			150,215	173,274	
2617	Various Improvements to Water System	April 26, 2022	3,500,000			3,500,000	514,888		2,985,112
				<u>\$ 3,060,311</u>	<u>21,708</u>	<u>3,500,000</u>	<u>810,568</u>	<u>2,767,631</u>	<u>3,003,820</u>

Authorized Not Issued \$ 3,325,000  
Capital Improvement Fund 175,000

\$ 3,500,000

Encumbrances \$ 547,115  
PY Encumbrances Cancelled (6,220)  
Cash Disbursement 269,673  
\$ 810,568

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Interfunds

## Water Utility Capital Fund

Year ended December 31, 2022

	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Current Fund	\$ (2,000,000)	2,000,000	2,000,000	(2,000,000)
Water Utility Operating Fund	<u>(10,607)</u>	<u>10,607</u>	<u>19,571</u>	<u>(19,571)</u>
	<u>\$ (2,010,607)</u>	<u>2,010,607</u>	<u>2,019,571</u>	<u>(2,019,571)</u>
<u>Analysis</u>				
Due to Other Funds	<u>(2,010,607)</u>	<u>2,010,607</u>	<u>2,019,571</u>	<u>(2,019,571)</u>
	<u>\$ (2,010,607)</u>	<u>2,010,607</u>	<u>2,019,571</u>	<u>(2,019,571)</u>
Cash Disbursements	\$ 2,010,607			
Cash Receipts			2,000,000	
Interest on Investments			<u>19,571</u>	
	\$ <u>2,010,607</u>		<u>2,019,571</u>	

**Exhibit D-18****BOROUGH OF FAIR LAWN, N.J.****Schedule of Capital Improvement Fund****Water Utility Capital Fund****Year ended December 31, 2022**

Balance, December 31, 2021	\$	387,730
Increased by:		
2022 Budget Appropriation		<u>200,000</u>
		587,730
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>175,000</u>
Balance, December 31, 2022	\$	<u><u>412,730</u></u>

**Exhibit D-19****Schedule of Reserve for Amortization****Water Utility Capital Fund****Year ended December 31, 2022**

Balance, December 31, 2021	\$	18,188,969
Increased by:		
Budget Appropriation - Serial Bond Principal		<u>832,000</u>
Balance, December 31, 2022	\$	<u><u>19,020,969</u></u>

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Deferred Reserve for Amortization

## Water Utility Capital Fund

Year ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance, Dec. 31, <u>2021</u>	<u>Increased</u>	Balance, Dec. 31, <u>2022</u>
2243	Various Improvements to Water System	September 11, 2012	\$ 160,487		160,487
2286	Impr. of Water Supply & Distribution System	July 16, 2013	21,320		21,320
2311	Impr. of Water Supply & Distribution System	April 8, 2014	27,250		27,250
2378	Impr. of Water Supply & Distribution System	April 19, 2016	55,000		55,000
2429	Impr. To Water Supply & Distribution System	April 25, 2017	86,000		86,000
2460	Impr. To Water Supply & Distribution System	April 17, 2018	134,000		134,000
2497	Various Improvements to Water System	April 23, 2019	184,000		184,000
2531	Various Improvements to Water System	April 28, 2020	39,000		39,000
2-Mar	Various Improvements to Water System	April 26, 2022		175,000	175,000
			<u>\$ 707,057</u>	<u>175,000</u>	<u>882,057</u>
			Capital Improvement Fund \$ <u>175,000</u>		

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Water Utility Serial Bonds

## Water Utility Capital Fund

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of bonds outstanding, December 31, 2022		Interest Rate	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022
			Date	Amount				
Water Improvements	Sept. 1, 2016	5,065,000	Sept. 1, 2023	275,000	2.000% \$	3,930,000	250,000	3,680,000
			Sept. 1, 2024	300,000	2.000%			
			Sept. 1, 2025	325,000	2.000%			
			Sept. 1, 2026	330,000	2.000%			
			Sept. 1, 2027	350,000	2.000%			
			Sept. 1, 2028	350,000	2.000%			
			Sept. 1, 2029	350,000	2.000%			
			Sept. 1, 2030	350,000	2.125%			
			Sept. 1, 2031	350,000	2.250%			
			Sept. 1, 2032	350,000	2.250%			
			Sept. 1, 2033	350,000	2.375%			
Refunding Bonds	Aug. 22, 2017	404,000				202,000	202,000	



## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Water Utility Serial Bonds

## Water Utility Capital Fund

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of bonds outstanding, December 31, 2022		Interest Rate	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022
			Date	Amount				
Water Improvements	Aug. 26, 2021	7,130,000	Sept. 1, 2023	395,000	2.000%	7,130,000	380,000	6,750,000
			Sept. 1, 2024	410,000	2.000%			
			Sept. 1, 2025	420,000	4.000%			
			Sept. 1, 2026	435,000	4.000%			
			Sept. 1, 2027	445,000	4.000%			
			Sept. 1, 2028	460,000	3.000%			
			Sept. 1, 2029	475,000	2.000%			
			Sept. 1, 2030	490,000	2.000%			
			Sept. 1, 2031	505,000	2.000%			
			Sept. 1, 2032	515,000	2.000%			
			Sept. 1, 2033	530,000	2.000%			
			Sept. 1, 2034	545,000	2.000%			
			Sept. 1, 2035	560,000	2.000%			
			Sept. 1, 2036	565,000	2.000%			
						\$ 11,262,000	832,000	10,430,000

## BOROUGH OF FAIR LAWN, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## Water Utility Capital Fund

Year ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Balance Dec. 31, 2022</u>
2218	Various Improvements to Water System	\$ 59		59
2429	Improvement of Water Supply & Distribution System	18,708		18,708
2531	Various Improvements to Water System	3,000		3,000
2617	Various Improvements to Water System		3,325,000	3,325,000
		<u>\$ 21,767</u>	<u>3,325,000</u>	<u>3,346,767</u>

**BOROUGH OF FAIR LAWN**

**PART II**

**LETTER ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**



# WIELKOTZ & COMPANY <sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. MCNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE  
POMPTON LAKES, NEW JERSEY 07442  
PHONE: (973)-835-7900  
FAX: (973)-835-7900  
EMAIL: OFFICE@W-CPA.COM  
WWW.W-CPA.COM

**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 Fair Lawn  
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 Fair Lawn in the County of Bergen as of and for the year ended December 31, 2022 and the related notes to the financial statements, and have issued our report thereon dated April 10, 2023, 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 Fair Lawn'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 Fair Lawn's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fair Lawn's internal control.

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



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.


### **Compliance and Other Matters**


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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Fair Lawn 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 Fair Lawn'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 Fair Lawn's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

April 10, 2023



## **BOROUGH OF FAIR LAWN**

### **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 FAIR LAWN**

**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, 2021, this amount 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:

Purchasing of Police Uniforms  
Purchasing of Chlorine  
Purchase of Pool Chemicals  
Construction and Installation of Prefabricated Containerized Fire Training Structure  
SCADA System Maintenance and Improvements  
Fair Lawn Library Elevator Replacement  
Bioxide Odor & Corrosion Control Chemical  
Award contract for HVAC Maintenance and Repairs  
Water Main, Sanitary Sewer, and Stormwater Facility Repairs  
Project #2339 - Roadway Improvements 2022  
Purchasing of Fire Department and Fire Prevention Uniforms  
Snow Plowing and Hauling Services  
Project #2362 Bellair Avenue Roadway Improvements 2022

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



## **BOROUGH OF FAIR LAWN**

### **GENERAL COMMENTS**

**(continued)**

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 governing body on January 4, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, in accordance with the provisions of New Jersey Statute 54:4-67, the governing body of each municipality may, by resolution, fix the rate of interest to be charged for nonpayment of taxes or assessments, on or before the date on which they would become delinquent;

WHEREAS, R.S. 54:4-67 provides that the governing body by resolution, may provide that no interest shall be charged if payment of any installment is made within ten days after the date upon which the same become payable;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Borough of Fair Lawn do hereby fix the rate of 8% (eight percent) interest per annum up to \$1,500.00; 18% (eighteen percent) per annum thereafter to be charged for delinquent payment of any installments made ten days from the date upon which taxes become payable.

BE IT FURTHER RESOLVED that any installment received after the expiration of the grace period shall bear interest from the due date.

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

#### **Delinquent Taxes and Tax Title Liens**

A tax sale was held on September 28, 2022 and was complete.

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



**BOROUGH OF FAIR LAWN**

**GENERAL COMMENTS**  
**(continued)**

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

<u>Year</u>	Number of <u>liens</u>
2022	2
2021	2
2020	2

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.

*[THIS AREA INTENTIONALLY LEFT BLANK]*

**BOROUGH OF FAIR LAWN  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2022**

**COMMENTS:**

**DEPARTMENTS**

**BUILDING DEPARTMENT**

1. The Building Department does not maintain a monthly summary of receipt collections.

**RECOMMENDATIONS:**

**DEPARTMENTS**

**BUILDING DEPARTMENT**

1. A monthly summary report of cash receipts should be maintained by the department.

## **BOROUGH OF FAIR LAWN**

### **Status of Prior Year Audit Findings/Recommendation**

A review was performed on all prior year recommendations and corrective action was taken on all except for recommendations marked with an asterisk "\*\*".

### **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. Wielkottz  
Registered Municipal Accountant  
No. CR00413



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

April 10, 2023