

BOROUGH OF FAIR LAWN

**Financial Statements With
Supplementary Information
December 31, 2020**

(With Independent Auditors' Report Thereon)

BOROUGH OF FAIR LAWN

Table of Contents

Part I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1-4
	<u>FINANCIAL STATEMENTS</u>	
	<u>Current Fund</u>	
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	11-23
	<u>Trust Funds</u>	
B	Balance Sheet - Regulatory Basis	24-26
	<u>General Capital Fund</u>	
C	Balance Sheet - Regulatory Basis	27
C-1	Statement of Changes in Fund Balance - Regulatory Basis	28
	<u>Water Utility Operating Fund</u>	
D	Balance Sheet - Regulatory Basis	29-30
D-1	Statement of Operations and Changes in Fund Balance - Regulatory Basis	31
D-2	Schedule of Fund Balance - Regulatory Basis	32
D-3	Statement of Revenues - Regulatory Basis	33
D-4	Statement of Expenditures - Regulatory Basis	34
	<u>General Fixed Assets Account Group</u>	
E	Statement of General Fixed Assets - Regulatory Basis	35
	<u>Net Payroll and Withholdings</u>	
F	Comparative Statement of Net Payroll and Withholdings Payable	36
	Notes to Financial Statements	37-77
	Supplementary Data	78-85

BOROUGH OF FAIR LAWN

Table of Contents, (continued)

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>SUPPLEMENTARY INFORMATION</u>	
	<u>Current Fund</u>	
A-4	Schedule of Cash - Collector-Treasurer	86
A-5	Schedule of Cash- Change Fund	87
A-6	Schedule of Cash- Petty Cash	87
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	88
A-8	Schedule of Tax Title Liens	89
A-9	Schedule of Other Liens Receivable	89
A-10	Schedule of Due from FEMA	90
A-11	Schedule of Property Acquired for Taxes - Assessed Valuation	90
A-12	Schedule of Revenue Accounts Receivable	91
A-13	Schedule of Interfunds	92
A-14	Schedule of Appropriation Reserves	93-96
A-15	Schedule of Encumbrances Payable	97
A-16	Schedule of Accounts Payable	98
A-17	Schedule of Reserve for Other Expenditures	99
A-18	Schedule of Reserve for Library Expenditures	100
A-19	Schedule of Amount Due (to)/from State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976	101
A-20	Schedule of Amount Due to the State of New Jersey - Construction Training Fees	102
A-21	Schedule of Tax Overpayments	103
A-22	Schedule of Local School District Tax Payable	104
A-23	Schedule of County Taxes Payable	104
A-24	Schedule of Special Improvement District Taxes Payable	105
A-25	Schedule of Prepaid Taxes	106
A-26	Schedule of Interfunds- Federal and State Grant Fund	107
A-27	Schedule of Grants Receivable	108
A-28	Schedule of Unappropriated Reserves for Grants	109
A-29	Schedule of Appropriated Reserves for Grants	110-111
A-30	Schedule of Encumbrances Payable	112
	<u>Trust Funds</u>	
B-1	Schedule of Cash	113
B-2	Schedule of Prepaid Dog Licenses	114
B-3	Schedule of Animal Trap Deposits	114
B-4	Schedule of Due to State of New Jersey	115
B-5	Schedule of Interfunds Receivable/(Payable)	116

BOROUGH OF FAIR LAWN

Table of Contents, (continued)

Part I, (continued)

<u>Exhibit</u>	<u>Page</u>
B-6 Schedule of Sundry Reserve and Deposits	117
B-7 Schedule of Escrow Reserve and Deposits	118
B-8 Schedule of Donation Reserve and Deposits	119
B-9 Schedule of Reserve for Animal Trust Fund Expenditures	120
B-10 Schedule of Reserve for State Unemployment Insurance Trust Fund Expenditures	121
B-11 Schedule of Reserve for Worker's Compensation Trust Fund Expenditures	122
B-12 Schedule of Reserve for Liability Insurance Trust Fund Expenditures	123
B-13 Schedule of Reserve for Health Benefits Plan Trust Fund Expenditures	124
B-14 Schedule of Reserve for Council on Affordable Housing Expenditures	125
B-15 Schedule of Reserves for Library Expenditures	126
B-16 Schedule of Restricted Reserves for Library Expenditures	127
B-17 Schedule of Reserve for Cafeteria Plan Expenditures	128
B-18 Schedule of Service Award Contributions Receivable	129
B-19 Schedule of Net Assets Available for Benefits	130
B-20 Schedule for Veteran Affairs Expenditures	131
B-21 Schedule of Reserve for Open Space	132
B-22 Schedule of Reserve for Snow Removal	133
 <u>General Capital Fund</u>	
C-2 Schedule of Cash	134
C-3 Analysis of Cash	135
C-4 Schedule of State & County Grants Receivable	136
C-5 Schedule of Federal and State Grants Receivable	137
C-6 Schedule of Deferred Charges to Future Taxation – Funded	138
C-7 Schedule of Deferred Charges to Future Taxation – Unfunded	139
C-8 Schedule of General Serial Bonds Payable	140
C-9 Schedule of Capital Leases Payable	141
C-10 Schedule of Bond Anticipation Notes Payable	142
C-11 Schedule of Reserve for Special Reserves	143
C-12 Schedule of Improvement Authorizations	144-145
C-13 Schedule of Reserve for Encumbrances Payable	146
C-14 Schedule of Reserve for Unappropriated State Grant - New Jersey Stormwater Management Grant	147
C-15 Schedule of Capital Improvement Fund	148
C-16 Schedule of Interfunds	149
C-17 Schedule of Reserve for Grants Receivable	150
C-18 Schedule of Bonds and Notes Authorized But Not Issued	151

BOROUGH OF FAIR LAWN

Table of Contents, Continued

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>Water Utility Fund</u>	
D-5	Schedule of Cash -- Treasurer	152
D-6	Analysis of Cash	153
D-7	Schedule of Interfunds	154
D-8	Schedule of Consumers' Accounts Receivable - Operating Fund	155
D-9	Schedule of Inventory -- Material and Supplies	155
D-10	Schedule of Fixed Capital	156
D-11	Schedule of Fixed Capital Authorized and Uncompleted	157
D-12	Schedule of 2019 Appropriation Reserves	158
D-13	Schedule of Water Rent Overpayments	159
D-14	Schedule of Accrued Interest on Bonds and Notes	160
D-15	Schedule of Reserve for Encumbrances Payable	161
D-16	Schedule of Improvement Authorizations	162
D-17	Schedule of Interfunds	163
D-18	Schedule of Capital Improvement Fund	164
D-19	Schedule of Reserve for Amortization	164
D-20	Schedule of Deferred Reserve for Amortization	165
D-21	Schedule of Water Utility Serial Bonds	166
D-22	Schedule of Bond Anticipation Notes Payable	167
D-23	Schedule of Bonds and Notes Authorized But Not Issued	168

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	169-170
General Comments	171-174
Comments and Recommendations	175
Status of Prior Year Audit Findings/Recommendations	176
Acknowledgment	176

BOROUGH OF FAIR LAWN

*** * * * ***

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2020



WIELKOTZ & COMPANY ^{LLC}

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
THOMAS M. FERRY, CPA, RMA, PSA

HEADQUARTERS
401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
(973)-835-7900
OFFICE@W-CPA.COM

ROCKAWAY OFFICE
100 ENTERPRISE DRIVE
SUITE 301
ROCKAWAY, NEW JERSEY 07866
(973)-835-7900

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Fair Lawn in the County of Bergen, as of December 31, 2020 and 2019, 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 statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Fair Lawn as of December 31, 2020 and 2019, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 15 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$2,107,067 and \$1,777,822 for 2020 and 2019, 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 effect of the matters described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 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.

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 sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2021 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



The Honorable Mayor and
Members of the Borough Council
Page 4.

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. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CROO413



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

July 22, 2021

BOROUGH OF FAIR LAWN, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 34,998,232	34,504,215
Change Fund	A-5	<u>705</u>	<u>705</u>
		<u>34,998,937</u>	<u>34,504,920</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	910,735	707,730
Tax Title Liens	A-8	19,710	19,364
Other Liens Receivable	A-9	629	629
Due from FEMA	A-10	23,818	
Property Acquired for Taxes - Assessed Valuation	A-11	73,260	73,260
Revenue Accounts Receivable	A-12	6,459	25,089
Interfund Accounts Receivable	A-13	<u>8,179,679</u>	<u>9,382,433</u>
		<u>9,214,290</u>	<u>10,208,505</u>
		<u>44,213,227</u>	<u>44,713,425</u>
Federal and State Grant Fund:			
Cash	A-4	378,394	566,193
Grants Receivable	A-27	<u>184,547</u>	<u>171,621</u>
		<u>562,941</u>	<u>737,814</u>
		<u>\$ 44,776,168</u>	<u>45,451,239</u>

BOROUGH OF FAIR LAWN, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14 \$	2,050,439	1,449,340
Encumbrances Payable	A-3/A-15	2,702,146	3,024,629
Accounts Payable	A-16	543,777	588,612
Reserve for Other Expenditures	A-17	8,336,152	8,873,934
Reserve for Library Expenditures	A-18	211,101	89,357
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-19	195,612	189,498
Construction Training Fees	A-20	14,137	11,920
Tax Overpayments	A-21	15,932	58,293
Local School Taxes Payable	A-22	620,862	620,862
County Taxes Payable	A-23	49,621	56,078
SID Taxes Payable	A-24	4,076	2,820
Prepaid Taxes	A-25	980,965	704,939
		<u>15,724,820</u>	<u>15,670,282</u>
Reserve for Receivables	Contra	9,214,290	10,208,505
Fund Balance	A-1	<u>19,274,117</u>	<u>18,834,638</u>
		<u>44,213,227</u>	<u>44,713,425</u>
Federal and State Grant Fund:			
Unappropriated Reserve for Grants	A-28	5,240	6,448
Appropriated Reserve for Grants	A-29	517,090	536,422
Encumbrances Payable	A-30	38,261	55,576
Interfund Accounts Payable	A-26	2,350	139,368
		<u>562,941</u>	<u>737,814</u>
	\$	<u>44,776,168</u>	<u>45,451,239</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues and Other Income:		
Fund Balance Utilized	5,500,000	4,200,000
Miscellaneous Revenue Anticipated	10,522,205	9,694,806
Receipts from Delinquent Taxes	713,539	817,942
Receipts from Current Taxes	145,760,277	142,636,703
Non-Budget Revenue	496,242	783,094
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,195,268	1,876,369
Prior Year Interfunds Returned	1,166,137	36,849
Appropriated Grants Canceled	25,269	
Tax Overpayments Canceled	44,824	
Accounts Payable Canceled	47,044	5,950
Total Revenues and Other Income	<u>165,470,805</u>	<u>160,051,713</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	21,267,800	20,651,185
Other Expenses	23,663,204	18,323,259
Capital Improvement Fund	2,555,000	637,000
Municipal Debt Service	3,706,062	3,676,622
Deferred Charges and Statutory Expenditures -		
Municipal	73,305	4,511,377
Local District School Tax	94,467,587	91,848,677
County Taxes including Added Taxes	13,134,622	12,568,300
Special Improvement District Taxes	271,456	272,144
Municipal Open Space Tax	213,475	212,338
Prior Year Seniors & Vet Deductions	5,656	6,264
Due from FEMA	23,818	
Interfunds Advanced	101,884	1,196,267
Refunds	43,002	
Grants Receivable Canceled	4,455	172,652
Tax Overpayments		83,114
Total Expenditures	<u>159,531,326</u>	<u>154,159,199</u>
Excess (Deficit) Revenue Over Expenditures	5,939,479	5,892,514
Fund Balance, January 1,	<u>18,834,638</u>	<u>17,142,124</u>
	24,774,117	23,034,638
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>5,500,000</u>	<u>4,200,000</u>
Fund Balance, December 31,	<u>19,274,117</u>	<u>18,834,638</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, 2020

	<u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 5,500,000	5,500,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	37,300	42,290	4,990
Other	17,000	16,665	(335)
Fees and Permits	450,000	483,713	33,713
Fines and Costs:			
Municipal Court	400,000	213,123	(186,877)
Interest and Costs on Taxes	125,000	204,192	79,192
Interest on Investments and Deposits	200,000	390,404	190,404
Tax and Assessment Searches	60	60	
Memorial Pool	385,000	143,169	(241,831)
Sewer User Charges	75,040	75,379	339
Cable Television Fees	413,700	430,262	16,562
Uniform Fire Safety Act	208,000	225,852	17,852
Hotel Tax	130,000	71,689	(58,311)
Ambulance	415,000	423,576	8,576
Consolidated Municipal Property Tax Relief Aid	26,389	26,389	
Energy Receipts Tax	3,718,144	3,718,144	
Uniform Construction Code Fees	925,000	1,113,370	188,370
Board of Education - Resource Officers	450,000	509,802	59,802
Board of Education - Maintenance Garage	30,000	33,315	3,315
Public and Private Revenues Offset with Appropriations			
NJACCHO	30,134	30,134	
FEMA	23,171	23,171	
Drive Sober or Get Pulled Over	5,500	5,500	
Clean Communities Grant (N.J.S.A. 13:1e-99.2)	56,151	56,151	
Body Armor Grant	5,536	5,536	
County Census	8,000	8,000	
CARES Act	269,111	269,111	
Sustainable NJ	2,000	2,000	
Fire Prevention Grant	1,208	1,208	
Trust-Self Insurance Reserve	2,000,000	2,000,000	
Total Miscellaneous Revenues	10,406,444	10,522,205	115,761

BOROUGH OF FAIR LAWN, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	<u>600,000</u>	<u>713,539</u>	<u>113,539</u>
Subtotal General Revenues	<u>16,506,444</u>	<u>16,735,744</u>	<u>229,300</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>36,375,592</u> <u>1,737,273</u>	<u>40,973,137</u>	<u>2,860,272</u>
Total Amount to be Raised by Taxation	<u>38,112,865</u>	<u>40,973,137</u>	<u>2,860,272</u>
Budget Totals	<u>54,619,309</u>	<u>57,708,881</u>	<u>3,089,572</u>
Non-Budget Revenue	<u> </u>	<u>496,242</u>	<u>496,242</u>
	<u>\$ 54,619,309</u>	<u>58,205,123</u>	<u>3,585,814</u>

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 145,760,277
Allocated to School and County Taxes	\$ 107,602,209
Special District Taxes	271,456
Municipal Open Space Taxes	<u>213,475</u>
	<u>108,087,140</u>
Balance for Support of Municipal Budget Appropriations	37,673,137
Add : Appropriation - Reserve for Uncollected Taxes	<u>3,300,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 40,973,137</u>
Receipts from Delinquent Taxes:	
Delinquent Taxes	<u>713,539</u>
	<u>\$ 713,539</u>

BOROUGH OF FAIR LAWN, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2020

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Analysis of Non-budget Revenues</u>			
Recreation Fees	\$ 4,455		
Copies, Maps and Plans	2,616		
Police Fees	1,028		
Traffic Lights	1,400		
Dumpster Fees	2,900		
List of Property Owners	443		
Property Maintenance Charges	6,229		
Bad Check Charge	300		
Café Licenses	1,100		
Cell Tower Revenue	168,546		
DMV Fees	1,325		
Offsets not applied	276,416		
Tax Sale Fees	2,116		
Refunds	11,341		
PVSC	6,086		
Vending Machines	120		
Bus Shelter Revenue	2,400		
County Snow Plowing	2,310		
Miscellaneous	<u>5,111</u>		
		\$ <u>496,242</u>	

See accompanying notes to the financial statements.

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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	\$ 548,600	548,600	544,163	4,437	
Other Expenses	140,150	140,150	118,765	21,385	
Purchasing - Other Expenses					
Labor Attorney:					
Other Expenses	80,000	45,000	30,844	14,156	
Mayor and Council:					
Salaries and Wages	30,000	30,000	30,000		
Other Expenses	151,500	163,500	154,769	8,731	
Municipal Clerk:					
Salaries and Wages	262,500	263,500	260,998	2,502	
Other Expenses	66,100	56,100	41,254	14,846	
Financial Administration:					
Salaries and Wages	434,900	471,900	468,757	3,143	
Other Expenses	163,100	158,100	127,647	30,453	
Assessment of Taxes:					
Salaries and Wages	252,200	252,200	251,388	812	
Other Expenses	29,400	29,400	26,701	2,699	
Collection of Taxes:					
Salaries and Wages	227,800	227,800	224,969	2,831	
Other Expenses	35,500	35,500	31,018	4,482	

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Legal Services and Cost:					
Other Expenses	300,100	325,700	292,296	33,404	
Engineering Services and Costs:					
Salaries and Wages	532,500	532,500	527,697	4,803	
Other Expenses	16,900	21,900	16,594	5,306	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Other Expenses	55,400	33,400	21,055	12,345	
Zoning Board of Adjustment:					
Other Expenses	38,500	38,500	28,383	10,117	
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	550,000	550,000		
Group Insurance Plan for Employee's:					
Health Insurance	4,870,000	4,672,150	4,568,467	103,683	
Other Insurance Premiums	116,500	116,500	105,357	11,143	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3)	100,000	100,000	100,000		

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Safety:					
Police:					
Salaries and Wages	9,761,000	9,661,000	9,134,427	526,573	
Other Expenses	528,700	553,700	537,077	16,623	
Police Dispatch:					
Salaries and Wages	482,000	467,000	434,621	32,379	
Emergency Management:					
Salaries and Wages	82,100	82,100	76,921	5,179	
Other Expenses	124,500	159,000	128,292	30,708	
Fire:					
Salaries and Wages	151,000	151,000	145,712	5,288	
Other Expenses	257,950	260,450	259,962	488	
Ambulance:					
Salaries and Wages	80,000	80,000	64,754	15,246	
Other Expenses	140,550	146,150	130,830	15,320	
Uniform Fire Safety Act: (P.L. 1983 Chap. 383)					
Salaries and Wages	203,000	188,000	167,909	20,091	
Other Expenses	40,250	40,250	21,013	19,237	
Municipal Prosecutor:					
Salaries and Wages	24,000	24,000	23,000	1,000	

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Court					
Salaries and Wages	306,600	296,600	288,696	7,904	
Other Expenses	27,350	27,350	19,734	7,616	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	801,000	776,000	731,169	44,831	
Other Expenses	190,550	250,550	187,677	62,873	
Shade Tree:					
Salaries and Wages	285,000	285,000	276,792	8,208	
Other Expenses	173,750	283,750	278,348	5,402	
Electrical Services:					
Salaries and Wages	86,300	86,300	80,993	5,307	
Other Expenses	22,700	22,700	19,500	3,200	
Public Buildings and Grounds:					
Salaries and Wages	126,200	126,200	116,655	9,545	
Other Expenses	374,300	491,300	480,468	10,832	
Maintenance Garage:					
Salaries and Wages	301,900	306,900	302,504	4,396	
Other Expenses	211,650	211,650	173,536	38,114	
Community Services Act:					
Other Expenses	20,000	20,000	7,722	12,278	

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Administration of Public Works:					
Salaries and Wages	224,000	225,000	224,713	287	
Other Expenses	109,650	109,650	107,079	2,571	
Sanitation:					
Sewer System:					
Salaries and Wages	497,100	497,100	485,018	12,082	
Other Expenses	210,000	332,000	302,340	29,660	
Recycling:					
Salaries and Wages	373,700	373,700	355,153	18,547	
Other Expenses	1,120,300	1,120,300	1,093,102	27,198	
Health and Human Services:					
Health Department:					
Salaries and Wages	430,700	430,700	412,110	18,590	
Other Expenses	55,350	55,350	49,037	6,313	
Administration of Social Services:					
Salaries and Wages	59,300	59,300	35,200	24,100	
Other Expenses	1,300	1,300	694	606	
Mental Health Program (N.J.S.A. 40:5-9):					
Contractual	12,200	12,200	12,000	200	
Animal Control					
Other Expenses	94,500	94,500	81,251	13,249	

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Recreation and Parks:					
Recreation:					
Salaries and Wages	1,450,000	1,420,000	1,333,643	86,357	
Other Expenses	207,500	207,500	157,602	49,898	
Parks and Playgrounds:					
Salaries and Wages	662,000	652,000	608,236	43,764	
Other Expenses	139,300	168,300	165,542	2,758	
Celebration of Public Events:					
Other Expenses	107,000	107,000	40,100	66,900	
Veterans' Service Bureau:					
Other Expenses	8,300	8,300	3,300	5,000	
Unclassified:					
Terminal Leave:					
Salaries and Wages	53,000	53,000	52,269	731	
Salaries and Wages Adjustment	118,350				
Postage:					
Other Expenses	72,000	72,000	61,542	10,458	

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Utility Expenses and Bulk Purchases					
Electricity	510,000	460,000	437,088	22,912	
Heating Oil	10,000	10,000	5,266	4,734	
Gas	90,000	90,000	78,940	11,060	
Gasoline	227,500	177,500	132,340	45,160	
Diesel					
Street Lighting	340,000	365,000	364,346	654	
Telephone, Internet & Communication Lines	309,500	309,500	282,218	27,282	
Cable/TV					
Landfill and Solid Waste Disposal Costs					
Garbage and Trash Removal:					
Contractual	1,206,500	1,206,500	1,153,200	53,300	
Other Expenses	1,030,000	1,069,000	1,045,467	23,533	
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	879,000	864,000	848,795	15,205	
Other Expenses	18,050	34,050	25,783	8,267	
Public Defender					
Salaries and Wages	9,200	9,200	8,150	1,050	
Total Operations within "CAPS"	34,989,300	34,953,300	33,120,958	1,832,342	

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
B. Contingent	1,000	1,000		1,000	
Total Operations Including Contingent-within "CAPS"	34,990,300	34,954,300	33,120,958	1,833,342	
Detail:					
Salaries & Wages	19,734,950	19,440,600	18,515,412	925,188	
Other Expenses (Including Contingent)	15,255,350	15,513,700	14,605,546	908,154	
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	1,400,646	1,400,646	1,400,646		
Social Security System (O.A.S.I.)	1,000,000	975,000	915,611	59,389	
Consolidated Police and Firemen's Pension	2,000	2,000		2,000	
Police and Firemen's Retirement System of N.J.	2,262,220	2,262,220	2,262,220		
DCRP	17,850	17,850	11,183	6,667	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	4,682,716	4,657,716	4,589,660	68,056	
Total General Appropriations for Municipal Purposes within "CAPS"	39,673,016	39,612,016	37,710,618	1,901,398	

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Passaic Valley Sewer Commission:					
Share of Costs	1,800,000	1,860,000	1,858,901	1,099	
Maintenance of Free Public Library					
Salaries and Wages	1,377,200	1,377,200	1,322,678	54,522	
Other Expenses	642,477	642,477	592,452	50,025	
LOSAP Program					
Contribution	102,000	102,000	100,230	1,770	
Health Benefits	415,000	415,000	374,334	40,666	
Recycling Tax Appropriation	40,500	41,500	40,541	959	
Interlocal Service Agreements					
Board of Education					
Police - Salaries and Wages	450,000	450,000	450,000		
Maintenance Garage - Other Expenses	30,000	30,000	30,000		
	<u>4,857,177</u>	<u>4,918,177</u>	<u>4,769,136</u>	<u>149,041</u>	
Total Other Operations - Excluded from "CAPS"					
Public and Private Programs Offset by Revenues					
NJACCHO	30,134	30,134	30,134		
FEMA	23,171	23,171	23,171		
Drive Sober or Get Pulled Over	5,500	5,500	5,500		
Clean Communities Grant (N.J.S.A. 13:1e-99.2)	56,151	56,151	56,151		

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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)					
Body Armor Grant	5,536	5,536	5,536		
County Census	8,000	8,000	8,000		
CARES Act	269,111	269,111	269,111		
Sustainable NJ	2,000	2,000	2,000		
Matching Funds for Grants	6,181	6,181			6,181
Matching Funds for Municipal Alliance	3,819	3,819			3,819
Fire Prevention Grant	1,208	1,208	1,208		
	<u>410,811</u>	<u>410,811</u>	<u>400,811</u>		<u>10,000</u>
Total Public and Private Programs Offset by Revenues					
	<u>5,267,988</u>	<u>5,328,988</u>	<u>5,169,947</u>	<u>149,041</u>	<u>10,000</u>
Total Operations-Excluded from "CAPS"					
Detail:					
Salaries and Wages	1,827,200	1,827,200	1,772,678	54,522	
Other Expenses	3,440,788	3,501,788	3,397,269	94,519	10,000

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	255,000	255,000	255,000		
Construction of Pool Building	2,000,000	2,000,000	2,000,000		
Acquisition of Equipment	300,000	300,000	300,000		
Total Capital Improvements Excluded from "CAPS"	2,555,000	2,555,000	2,555,000		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	1,985,000	1,985,000	1,985,000		
Payment of Note Principal	300,000	300,000	300,000		27,513
Interest on Bonds	475,000	475,000	447,487		1,900
Interest on Notes	195,000	195,000	193,100		
Bergen County Improvement Authority					
Payment of Bond Principal	450,000	450,000	450,000		
Interest on Bonds	345,000	345,000	330,475		14,525
Total Municipal Debt Service-Excluded from "CAPS"	3,750,000	3,750,000	3,706,062		43,938

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"					
(1) DEFERRED CHARGES:					
Deferred Charges Unfunded Ord. 2281-2013	73,305	73,305	73,305		
Total Deferred Charged and Statutory Expenditures-Municipal exclude from "CAPS"	73,305	73,305	73,305		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	11,646,293	11,707,293	11,504,314	149,041	53,938
Subtotal General Appropriations	51,319,309	51,319,309	49,214,932	2,050,439	53,938
Reserve for Uncollected Taxes	3,300,000	3,300,000	3,300,000		

BOROUGH OF FAIRLAWN, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total General Appropriations	\$ 54,619,309	54,619,309	52,514,932	2,050,439	53,938
Adopted Budget \$		54,230,742			
Appropriation by 40:A4-87		388,567			
	\$	54,619,309			
Reserve for Uncollected Taxes \$			3,300,000		
Federal and State Grants			400,811		
Due from FEMA			23,818		
Encumbrances			2,702,146		
Cash			46,088,157		
	\$		52,514,932		

See accompanying notes to the financial statements.

BOROUGH OF FAIR LAWN, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Animal Trust Fund:			
Cash	B-1	<u>82,977</u>	<u>80,122</u>
Other Trust Funds:			
Cash	B-1	<u>13,313,592</u>	<u>13,379,469</u>
Open Space			
Cash	B-1	<u>240,348</u>	<u>26,664</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Cash in Plan	B-1	2,009,742	1,677,592
Service Award Contributions Receivable	B-18	<u>97,325</u>	<u>100,230</u>
		<u>2,107,067</u>	<u>1,777,822</u>
		<u>\$ 15,743,984</u>	<u>15,264,077</u>

BOROUGH OF FAIR LAWN, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2020 and 2019

<u>Liabilities, Reserves & Fund Balance</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Trust Fund:			
Prepaid Licenses	B-2	4,633	5,579
Animal Trap Deposits	B-3	7,840	7,840
Due to State of New Jersey	B-4	764	414
Interfund Accounts Payable	B-5	23,892	17,039
Reserve for Animal Trust Fund Expenditures	B-9	45,848	49,250
		<u>82,977</u>	<u>80,122</u>
Other Trust Fund:			
Due to State of New Jersey	B-4	7,965	4,478
Interfund Accounts Payable	B-5	68,081	120,794
Sundry Reserve and Deposits	B-6	642,484	388,153
Escrow Reserves and Deposits	B-7	504,580	460,688
Donation Reserves and Deposits	B-8	504,135	419,082
Reserve for Unemployment Compensation			
Insurance Expenditures	B-10	613,609	520,038
Reserve for:			
Worker's Compensation Expenditures	B-11	2,557,731	2,405,434
Liability Insurance Expenditures	B-12	3,874,569	3,542,112
Health Benefits Plan	B-13	2,979,016	4,278,967
Council on Affordable Housing Trust			
Reserve for Expenditures	B-14	581,542	405,726
Reserve for Library Trust Expenditures	B-15	27,505	26,963
Reserve for Restricted Trust Expenditures	B-16	92,471	92,471
Reserve for Cafeteria Plan Expenditures	B-17	32,612	29,747
Reserve for Veteran's Affairs Expenditures	B-20	7,636	23,776
Reserve for Storm Recovery	B-22	819,656	661,040
		<u>13,313,592</u>	<u>13,379,469</u>

BOROUGH OF FAIR LAWN, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves & Fund Balance (Cont...)</u>			
Open Space Trust Fund:			
Reserve for Open Space	B-21	<u>240,348</u>	<u>26,664</u>
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Net Assets Available for Benefits	B-19	<u>2,107,067</u>	<u>1,777,822</u>
		\$ <u>15,743,984</u>	<u>15,264,077</u>

See accompanying notes to financial statements.

BOROUGH OF FAIR LAWN, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	C-2/C-3	\$ 9,585,734	6,371,335
Grants Receivable:			
County Grants	C-4	563,666	833,643
Federal and State Grants	C-5	400,643	191,252
Deferred Charges to Future Taxation:			
Funded	C-6	23,326,000	25,761,000
Unfunded	C-7	19,973,952	15,460,857
		<u>\$ 53,849,995</u>	<u>48,618,087</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 15,346,000	17,331,000
Capital Leases Payable	C-9	7,980,000	8,430,000
Bond Anticipation Notes Payable	C-10	14,100,000	11,065,000
Special Reserves	C-11	69,918	44,718
Improvement Authorizations:			
Funded	C-12	2,678,610	713,890
Unfunded	C-12	5,012,309	4,768,340
Encumbrances Payable	C-13	3,605,659	1,335,875
Reserve for Unappropriated State Grant	C-14	15,464	15,464
Capital Improvement Fund	C-15	257,398	256,298
Interfunds Payable	C-16	2,525,772	2,551,576
Reserve for Grants Receivable	C-17	18,243	18,243
Fund Balance	C-1	2,240,622	2,087,683
		<u>\$ 53,849,995</u>	<u>48,618,087</u>

There were \$5,873,952 and \$4,395,857 of Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019 respectively (Exhibit C-18).

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Balance - December 31,	\$ 2,087,683	1,552,181
Increased by:		
Premium on Sale of Notes	173,143	51,895
Cancelled Reserved for Special Projects		20,204
Cancelled Improvement Authorizations		<u>463,403</u>
	<u>173,143</u>	<u>535,502</u>
	<u>2,260,826</u>	<u>2,087,683</u>
Decreased by:		
Re-establish Reserve for JP Morgan		
Co-operative Parking Lot Receivable	<u>20,204</u>	
Balance - December 31,	\$ <u><u>2,240,622</u></u>	<u><u>2,087,683</u></u>

Reserve for JP Morgan Co-operative Parking Lot Receivable

See accompanying notes to the financial statements.

BOROUGH OF FAIR LAWN, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ 8,674,731	9,757,640
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-8	599,077	389,533
Inventory - Materials and Supplies	D-9	169,387	169,736
		768,464	559,269
Interfund Accounts Receivable	D-7	9,681	29,304
Total Water Utility Operating Fund		9,452,876	10,346,213
Capital Fund:			
Cash - Treasurer	D-5,D-6	4,922,003	3,956,545
Fixed Capital	D-10	17,630,815	17,630,815
Fixed Capital Authorized and Uncompleted	D-11	13,448,978	12,712,978
Total Capital Fund		36,001,796	34,300,338
		\$ 45,454,672	44,646,551

BOROUGH OF FAIR LAWN, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-12 \$	763,904	449,385
Reserve for Encumbrances	D-4	492,002	377,798
Interfunds Accounts Payable	D-7	2,999,099	3,999,099
Water Rent Overpayments	D-13	8,693	7,318
Accrued Interest on Bonds	D-14	51,564	47,951
		<u>4,315,262</u>	<u>4,881,551</u>
Reserve for Receivables	Contra	768,464	559,269
Fund Balance	D-1	<u>4,369,150</u>	<u>4,905,393</u>
Total Water Utility Operating Fund		<u>9,452,876</u>	<u>10,346,213</u>
Capital Fund:			
Encumbrance Payable	D-15	504,475	862,033
Interfund Accounts Payable	D-17	2,509,681	2,529,304
Serial Bonds Payable	D-21	4,589,000	5,029,000
Bond Anticipation notes payable	D-22	5,000,000	3,300,000
Improvement Authorization:			
Funded	D-16	371,090	275,104
Unfunded	D-16	4,374,881	4,353,633
Capital Improvement Fund	D-18	187,730	26,730
Reserve for:			
Amortization	D-19	17,293,998	16,853,998
Deferred Amortization	D-20	765,028	726,028
Fund Balance	D-2	<u>405,913</u>	<u>344,508</u>
Total Capital Fund		<u>36,001,796</u>	<u>34,300,338</u>
		<u>\$ 45,454,672</u>	<u>44,646,551</u>

There were \$3,431,767 and \$4,434,767 of Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019 respectively (Exhibit D-23).

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 1,668,000	1,550,000
Water Rents	6,261,355	6,122,788
Miscellaneous Revenue	110,081	187,704
Westmoreland Water Replacement	156,912	
Miscellaneous Revenue Not Anticipated		511,305
Unexpended Balance of Appropriation Reserves	<u>573,731</u>	<u>228,381</u>
Total Revenue and Other Income	<u>8,770,079</u>	<u>8,600,178</u>
Expenditures:		
Operating	6,426,500	6,337,000
Capital Improvements	420,000	385,000
Debt Service	611,822	587,059
Deferred Charges and Statutory Expenditures	<u>180,000</u>	<u>170,000</u>
Total Expenditures	<u>7,638,322</u>	<u>7,479,059</u>
Statutory Excess to Surplus	1,131,757	1,121,119
Fund Balance, January 1	<u>4,905,393</u>	<u>5,334,274</u>
	6,037,150	6,455,393
Decreased by:		
Utilization by Water Operating Budget	<u>1,668,000</u>	<u>1,550,000</u>
Balance, December 31	<u>\$ 4,369,150</u>	<u>4,905,393</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>2020</u>	<u>2019</u>
Balance, December 31, 2019	\$ 344,508	\$ 192,484
Increased by:		
Premium on Bond Anticipation Note	61,405	15,477
Improvement Authorizations Cancelled	<u> </u>	<u>136,547</u>
	<u>61,405</u>	<u>152,024</u>
Balance, December 31, 2020	\$ <u><u>405,913</u></u>	\$ <u><u>344,508</u></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, 2020

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 1,668,000	1,668,000	
Rents	6,060,810	6,261,355	200,545
Miscellaneous	55,000	110,081	55,081
Westmoreland Water Replacement	<u>156,000</u>	<u>156,912</u>	<u>912</u>
	<u>\$ 7,939,810</u>	<u>8,196,348</u>	<u>256,538</u>

Analysis of Realized Revenue

Operating surplus anticipated	\$ 1,668,000
Rents	\$ 6,261,355
Westmoreland Water Replacement	<u>156,912</u>
	<u>8,086,267</u>

Miscellaneous Revenue

Interest on Investments	43,439
Due from Water Capital - Interest on Investments	9,681
Meter Installations	11,641
Other Miscellaneous	<u>45,320</u>
	<u>110,081</u>
	<u>\$ 8,196,348</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, 2020

	Appropriations				
	Budget	Budget after Modifi- cation	Paid or charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 2,392,000	2,374,500	2,128,261	66,239	180,000
Other Expenses	4,217,000	4,232,000	3,632,645	599,355	
Total Operating	6,609,000	6,606,500	5,760,906	665,594	180,000
Capital Improvements:					
Capital Improvement Fund	200,000	200,000	200,000		
Capital Outlay	300,000	300,000	151,838	68,162	80,000
Total Capital Improvements	500,000	500,000	351,838	68,162	80,000
Debt Service:					
Payment of Bond Principal	450,000	450,000	440,000		10,000
Interest on Bonds	140,000	140,000	108,753		31,247
Interest on Bond Anticipation Notes	60,810	63,310	63,069		241
Total Debt Service	650,810	653,310	611,822		41,488
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures - Contribution to:					
Social Security System (O.A.S.I.)	180,000	180,000	149,852	30,148	
Total Deferred Charges and Statutory Expenditures	180,000	180,000	149,852	30,148	
	\$ 7,939,810	7,939,810	6,874,418	763,904	301,488
			Cash Disbursed \$ 6,210,594		
			Reserve for Encumbrances 492,002		
			Accrued Interest on Bonds 171,822		
			\$ 6,874,418		

See accompanying notes to financial statements.

BOROUGH OF FAIR LAWN, N.J.**Comparative Statement of General Fixed Assets - Regulatory Basis****December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<u>General Fixed Assets:</u>		
Land	\$ 87,660,900	87,660,900
Buildings	18,314,600	18,314,600
Machinery and Equipment	<u>21,273,855</u>	<u>19,244,443</u>
	<u>\$ 127,249,355</u>	<u>125,219,943</u>
 Investment in Fixed Assets	 <u>\$ 127,249,355</u>	 <u>125,219,943</u>

See accompanying notes to financial statements.

BOROUGH OF FAIR LAWN, N.J.

Comparative Statement of Net Payroll and Withholdings Payable

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash		
Net Payroll	\$ <u>60,485</u>	<u>55,705</u>
	\$ <u><u>60,485</u></u>	<u><u>55,705</u></u>
 <u>Liabilities:</u>		
Withholdings	\$	1,148
Due to Current Fund	<u>60,485</u>	<u>54,557</u>
	\$ <u><u>60,485</u></u>	<u><u>55,705</u></u>

See accompanying notes to financial statements.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019

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, 2020 and 2019
(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, 2020 and 2019
(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, 2020 and 2019
(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 11th day of the 11th 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, 2020 and 2019
(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, 2020 and 2019, the Governing Body approved additional revenues and appropriations of \$388,567 and \$147,212, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the Governing Body in 2020 and 2019.

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, 2020 and 2019
(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, 2020 and 2019
(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, 2020 and 2019
(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

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

For the year ended December 31, 2019, the Borough adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

C. Basic Financial Statements

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

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 2. PENSION PLANS, (continued)

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 Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 2. PENSION PLANS, (continued)

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.

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>
2020	\$1,400,646	\$2,262,220	\$11,183
2019	1,422,030	2,074,497	13,274
2018	1,392,569	1,879,127	14,881

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 2. PENSION PLANS, (continued)

Contribution Requirements, (continued)

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.

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

Public Employees Retirement System (PERS)

At December 31, 2020, the Borough had a liability of \$24,430,856 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was 0.149814677 percent, which was an increase/(decrease) of 0.006104572 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$1,400,646. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$444,846	\$86,398
Changes of assumptions	792,565	10,229,431
Net difference between projected and actual earnings on pension plan investments	835,066	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>1,247,892</u>	<u>1,013,269</u>
Total	<u>\$3,320,369</u>	<u>\$11,329,098</u>

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:

2021	\$(3,065,626)
2022	(2,794,919)
2023	(1,597,225)
2024	(645,891)
2025	(139,691)

Changes in Proportion

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

Additional Information

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Borough's Proportion	0.1498146770%	0.143710105%

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2020.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

	<u>June 30, 2020</u>		
	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	\$30,804,096	\$24,430,856	\$19,022,987

Pension Plan Fiduciary Net Position

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

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020, the Borough had a liability of \$29,105,949 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was 0.225255250 percent, which was an increase/(decrease) of 0.001297595 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$2,262,220. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$293,439	\$104,458
Changes of assumptions	73,245	7,803,131
Net difference between projected and actual earnings on pension plan investments	1,706,618	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,652,040</u>	<u>312,484</u>
Total	<u>\$3,725,342</u>	<u>\$8,220,073</u>

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

Year ended June 30:	
2021	\$(2,722,661)
2022	(1,837,467)
2023	(748,045)
2024	(282,585)
2025	(243,531)

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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)

Changes in Proportion

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

Additional Information

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Borough's Proportion	0.225255500%	0.2239576546%

Actuarial Assumptions

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

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

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2020.

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

Long-Term Rate of Return

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

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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)

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

Discount Rate

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

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1 - percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$40,194,638	\$29,105,949	\$19,895,945

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, 2020 and 2019
(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, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$4,517,111 and \$4,327,701, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$511,924 and \$502,843, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$347,589 and \$291,597, 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.

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

	Balance Dec. 31 2019	Additions	Reductions	Balance Dec. 31, 2020	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	\$17,331,000	\$	\$1,985,000	\$15,346,000	\$1,938,000
Water Utility Obligation Debt	<u>5,029,000</u>		<u>440,000</u>	<u>4,589,000</u>	<u>457,000</u>
Total Bonds Payable	<u>22,360,000</u>		<u>2,425,000</u>	<u>19,935,000</u>	<u>2,395,000</u>
Other Liabilities:					
Capital Leases Payable	8,430,000		<u>450,000</u>	7,980,000	460,000
Compensated Absences Payable	<u>1,582,650</u>	<u>258,395</u>	<u>167,924</u>	<u>1,673,121</u>	
Total Other Liabilities	<u>10,012,650</u>	<u>258,395</u>	<u>617,924</u>	<u>9,653,121</u>	<u>460,000</u>
	<u>\$32,372,650</u>	<u>\$258,395</u>	<u>\$3,042,924</u>	<u>\$29,588,121</u>	<u>\$2,855,000</u>

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

	Balance Dec. 31 2018	Additions	Reductions	Balance Dec. 31, 2019	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	\$19,251,000	\$	\$1,920,000	\$17,331,000	\$1,985,000
Water Utility Obligation Debt	<u>5,454,000</u>	<u></u>	<u>425,000</u>	<u>5,029,000</u>	<u>440,000</u>
Total Bonds Payable	<u>24,705,000</u>	<u></u>	<u>2,345,000</u>	<u>22,360,000</u>	<u>2,425,000</u>
Other Liabilities:					
Capital Leases Payable	8,865,000		435,000	8,430,000	450,000
Compensated Absences Payable	<u>1,781,547</u>	<u></u>	<u>198,897</u>	<u>1,582,650</u>	<u></u>
Total Other Liabilities	<u>10,646,547</u>	<u></u>	<u>633,897</u>	<u>10,012,650</u>	<u>450,000</u>
	<u>\$35,351,547</u>	<u>\$</u>	<u>\$2,978,897</u>	<u>\$32,372,650</u>	<u>\$2,875,000</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)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
General Bonds, Notes and Loans	\$29,446,000	\$28,396,000	\$27,941,000
Water Utility - Bonds and Notes	<u>9,589,000</u>	<u>8,329,000</u>	<u>6,754,000</u>
	<u>39,035,000</u>	<u>36,725,000</u>	<u>34,695,000</u>
<u>Authorized But Not Issued:</u>			
General Bonds and Notes	5,873,952	4,395,857	4,538,803
Water Utility - Bonds and Notes	<u>3,431,767</u>	<u>4,434,767</u>	<u>2,954,689</u>
	<u>9,305,719</u>	<u>8,830,624</u>	<u>7,493,492</u>
Total Bonds, Notes and Loans Issued and Authorized Not issued	48,340,719	45,555,624	42,188,492
Less deductions	<u>13,056,699</u>	<u>12,799,699</u>	<u>9,744,621</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$35,284,020</u>	<u>\$32,755,925</u>	<u>\$32,443,871</u>

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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 .674% for 2020.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$46,412,000	\$46,412,000	\$0
Water Utility Debt	13,020,767	13,020,767	0
General Debt	<u>35,319,952</u>	<u>35,932</u>	<u>35,284,020</u>
	<u>\$94,752,719</u>	<u>\$59,468,699</u>	<u>\$35,284,020</u>

Net debt of \$35,284,020 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$5,232,147,402 equals .674% for 2020.

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 .642% for 2019.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$46,412,000	\$46,412,000	\$0
Water Utility Debt	12,763,767	12,763,767	0
General Debt	<u>32,791,857</u>	<u>35,932</u>	<u>32,755,925</u>
	<u>\$91,967,624</u>	<u>\$59,211,699</u>	<u>\$32,755,925</u>

Net debt of \$32,755,925 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$5,099,931,766 equals .642% for 2019.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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

	<u>2020</u>	<u>2019</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$183,125,159	\$178,497,612
Net Debt	<u>35,284,020</u>	<u>32,755,925</u>
Remaining Borrowing Power	<u>\$147,841,139</u>	<u>\$145,741,687</u>

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

	<u>2020</u>	<u>2019</u>
Cash receipts from fees, rents or other charges for year	<u>\$8,196,348</u>	<u>\$8,371,797</u>
Deductions:		
Operating and Maintenance Cost	6,606,500	6,507,000
Debt Service per Water Account	<u>611,822</u>	<u>587,059</u>
Total Deductions	<u>7,218,322</u>	<u>7,094,059</u>
Excess in Revenue - "Self Liquidating"	<u>\$978,026</u>	<u>\$1,277,738</u>

The Borough's long-term debt consisted of the following at December 31, 2020 and 2019:

Paid by Current Fund:

<u>General Obligation Bonds</u>	<u>2020</u>	<u>2019</u>
\$13,415,000, 2001 Bonds due in annual installments of \$550,000 to \$1,250,000 through December 2026, interest at 3.00% to 4.00%	\$	\$935,000
\$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%	9,545,000	10,595,000
\$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%	<u>5,801,000</u>	<u>5,801,000</u>
Total General Serial Bonds	<u>15,346,000</u>	<u>17,331,000</u>

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Paid by Water Utility Fund:

<u>Water Utility Serial Bonds</u>	<u>2020</u>	<u>2019</u>
\$2,245,000, 2010 Bonds due in annual installments of \$105,000 to \$200,000 through December 2022, interest at 3.000% to 3.500%	\$	\$200,000
\$5,065,000, 2016 Bonds due in annual installments of \$200,000 to \$350,000 through September 2033, interest at 1.000% to 2.375%	4,185,000	4,425,000
\$404,000, 2017 Refunding Bonds due in installments of \$202,000 through December 2022, interest at 3.00%	<u>404,000</u>	<u>404,000</u>
Total Water Utility Bonds	<u>4,589,000</u>	<u>5,029,000</u>
Total Serial Bonds	<u>\$19,935,000</u>	<u>\$22,360,000</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>
2021	2,890,419	1,938,000	396,099	457,000	99,320
2022	2,536,119	1,648,000	347,959	452,000	88,160
2023	2,317,619	1,660,000	305,519	275,000	77,100
2024	2,299,319	1,665,000	262,719	300,000	71,600
2025	2,295,719	1,695,000	210,119	325,000	65,600
2026-2030	9,114,994	6,740,000	417,894	1,730,000	227,100
2031-2033	<u>1,098,563</u>			<u>1,050,000</u>	<u>48,563</u>
	<u>\$22,552,752</u>	<u>\$15,346,000</u>	<u>\$1,940,309</u>	<u>\$4,589,000</u>	<u>\$677,443</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, 2020 the Borough had authorized but not issued debt as follows:

General Capital Fund	\$5,873,952
Water Utility Capital Fund	3,431,767

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	781,475	460,000	321,475
2022	782,275	470,000	312,275
2023	782,875	480,000	302,875
2024	782,675	490,000	292,675
2025	781,650	500,000	281,650
2026-2030	3,905,750	2,810,000	1,095,750
2031-2034	<u>3,125,000</u>	<u>2,770,000</u>	<u>355,000</u>
	<u>\$10,941,700</u>	<u>\$7,980,000</u>	<u>\$2,961,700</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, 2020 and 2019, the Borough had \$14,100,000 and \$11,065,000, respectively, in outstanding General Capital bond anticipation notes. The Borough also had \$5,000,000 and \$3,300,000, respectively, in outstanding Water Utility bond anticipation notes as of December 31, 2020 and 2019.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 5. BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2020 and 2019.

<u>2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Notes Payable:				
Jefferies, LLC	<u>\$11,065,000</u>	<u>\$14,100,000</u>	<u>\$11,065,000</u>	<u>\$14,100,000</u>
	<u>11,065,000</u>	<u>14,100,000</u>	<u>11,065,000</u>	<u>14,100,000</u>
Water and Sewer Utility Notes Payable:				
Jefferies, LLC	<u>3,300,000</u>	<u>5,000,000</u>	<u>3,300,000</u>	<u>5,000,000</u>
	<u>3,300,000</u>	<u>5,000,000</u>	<u>3,300,000</u>	<u>5,000,000</u>
	<u>\$14,365,000</u>	<u>\$19,100,000</u>	<u>\$14,365,000</u>	<u>\$19,100,000</u>

<u>2019</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Notes Payable:				
Jefferies, LLC	<u>\$</u>	<u>\$11,065,000</u>	<u>\$</u>	<u>\$11,065,000</u>
TD Securities	<u>8,690,000</u>	<u></u>	<u>8,690,000</u>	<u></u>
	<u>8,690,000</u>	<u>11,065,000</u>	<u>8,690,000</u>	<u>11,065,000</u>
Water and Sewer Utility Notes Payable:				
Jefferies, LLC	<u></u>	<u>3,300,000</u>	<u></u>	<u>3,300,000</u>
TD Securities	<u>1,300,000</u>	<u></u>	<u>1,300,000</u>	<u></u>
	<u>1,300,000</u>	<u>3,300,000</u>	<u>1,300,000</u>	<u>3,300,000</u>
	<u>\$9,990,000</u>	<u>\$14,365,000</u>	<u>\$9,990,000</u>	<u>\$14,365,000</u>

NOTE 6. FUND BALANCE APPROPRIATED

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

Current Fund	\$6,125,000
Water Utility Operating Fund	1,700,640

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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, 2020 and 2019 would approximate \$1,673,121 and \$1,582,650, 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, 2020 and 2019 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, 2020 and 2019, \$115,600 and \$115,128 of the Borough's bank balance of \$72,773,955 and \$69,299,192, 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, 2020 and 2019
(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, 2020 and 2019 amounted to \$2,009,742 and \$1,677,592, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Fixed Account Plus	\$142,125	\$128,542
Health Sciences Fund	126,057	110,550
Mid Cap Value Fund	107,485	99,895
Money Market I Fund	213,144	185,840
Science & Technology Fund	138,236	95,025
Vanguard Lifestrategy - Growth	284,285	260,092
All Others	<u>998,410</u>	<u>797,648</u>
Total	<u>\$2,009,742</u>	<u>\$1,677,592</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, 2020 and 2019
(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, 2020 and 2019:

	Restated Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2020</u>
Land	\$87,660,900	\$	\$	\$87,660,900
Buildings and Building Improvement	18,314,600			18,314,600
Machinery and Equipment	<u>19,244,443</u>	<u>2,433,272</u>	<u>403,860</u>	<u>21,273,855</u>
	<u>\$125,219,943</u>	<u>\$2,433,272</u>	<u>\$403,860</u>	<u>\$127,249,355</u>

	Restated Balance <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>Dec. 31, 2019</u>
Land	\$87,660,900	\$	\$	\$87,660,900
Buildings and Building Improvement	18,314,600			18,314,600
Machinery and Equipment	<u>18,142,273</u>	<u>1,770,557</u>	<u>668,387</u>	<u>19,244,443</u>
	<u>\$124,117,773</u>	<u>\$1,770,557</u>	<u>\$668,387</u>	<u>\$125,219,943</u>

NOTE 11. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2020 consist of the following:

\$ 2,350	Due to the Current Fund from the Federal and State Grant Fund for reimbursement for expenses paid.
23,892	Due to the Current Fund from the Animal Control Trust Fund for interest earned on investments and statutory excess.
6,364	Due to the Current Fund from the Other Trust Fund for interest earned on investments.
909	Due to the Current Fund from the Human Services Trust Fund for interest earned on investments.
3,386	Due to the Current Fund from the Unemployment Trust Fund for interest earned on investments.
2,525,772	Due to the Current Fund from the General Capital Fund for reimbursement for expenditures paid and interest earned on investments.
2,999,099	Due to the Current Fund from the Water Utility Operating Fund for cash advanced.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 11. INTERFUND BALANCES AND ACTIVITY, (continued)

21,166	Due to the Current Fund from the Health Benefits Trust Fund for interest earned on investments.
21,709	Due to the Liability-Self Insurance Fund from the Current Fund for interest earned on investments.
2,500,000	Due to the Current Fund from the Water Utility Capital Fund for cash advanced.
14,209	Due to the Current Fund from the Workers Compensation Fund for interest earned on investments.
169	Due to the Current Fund from the Cafeteria Plan Trust Fund for interest earned on investments.
98	Due to the Current Fund from the Veterans Affair Trust for interest earned on investments.
60,485	Due to the Current Fund from the Payroll Fund for interest earned on investments and excess funds in the account.
71	Due to the Current Fund from the Developers Trust Fund for interest earned on investments.
<u>9,681</u>	Due to the Water Utility Operating Fund from the Water Utility Capital Fund for interest earned on investments.
<u>\$8,189,360</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 2020 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, 2020 and 2019
(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, 2020.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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>	Health Benefits Plan <u>Trust Fund</u>
Balance - December 31, 2019	\$2,405,434	\$3,542,112	\$4,278,967
Receipts	747,436	1,031,258	700,049
Disbursements	<u>559,139</u>	<u>698,801</u>	<u>2,000,000</u>
Balance - December 31, 2020	<u>\$2,593,731</u>	<u>\$3,874,569</u>	<u>\$2,979,016</u>

	Workers' Compensation <u>Trust Fund</u>	Self-Insurance <u>Trust Fund</u>	Health Benefits Plan <u>Trust Fund</u>
Balance - December 31, 2018	\$2,105,548	\$3,115,591	\$4,278,903
Receipts	886,127	1,215,895	64
Disbursements	<u>586,241</u>	<u>789,374</u>	
Balance - December 31, 2019	<u>\$2,405,434</u>	<u>\$3,542,112</u>	<u>\$4,278,967</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) Comprehensive Annual Financial Report (CAFR), 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, 2020 and 2019
(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 provides they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total OPEB Liability

The following other post employment benefit information is as of June 30, 2019 which is the latest information available. This information is eighteen months prior to December 31, 2020. 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, 2020 and 2019
(continued)

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

At December 31, 2019, the Borough had a liability of \$29,555,631 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. At June 30, 2019, the Borough's proportion was 0.218186 percent.

For the year ended December 31, 2019, the Borough recognized OPEB expense of \$(1,403,612). At December 31, 2019, 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	\$	\$8,643,218
Changes of assumptions		10,473,858
Net difference between projected and actual earnings on OPEB plan investment	24,346	
Changes in proportion	<u>358,888</u>	<u>7,027,606</u>
Total	<u>\$383,234</u>	<u>\$26,144,682</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:	
2020	\$(3,109,590)
2021	(3,109,590)
2022	(3,111,499)
2023	(3,114,583)
2024	(3,117,402)
Thereafter	(3,530,067)

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(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 of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

Mortality:

PERS

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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, 2020 and 2019
(continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected.. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	June 30, 2019		
	1% Decrease <u>2.50%</u>	At Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Borough's proportionate share of Net OPEB liability	\$34,173,828	\$29,555,631	\$25,802,735

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

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

	June 30, 2019		
	1% Decrease <u>Trend Rate</u>	Healthcare Cost Trend Rate	1% Increase <u>Trend Rate</u>
Borough's proportionate share of Net OPEB liability	\$24,941,310	\$29,555,631	\$45,016,920

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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.

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, 2019, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$12,418,611 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$164,612.

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:

	Balance <u>Dec 31, 2020</u>	Balance <u>Dec 31, 2019</u>
Prepaid Taxes	<u>\$980,965</u>	<u>\$704,939</u>
Cash Liability for Taxes Collected in Advance	<u>\$980,965</u>	<u>\$704,939</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.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

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

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.

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, 2020 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 16. OTHER MATTERS

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

In addition, during 2020 revenues of the Borough were not materially affected.

BOROUGH OF FAIR LAWN
Notes to Financial Statements
Years Ended December 31, 2020 and 2019
(continued)

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 22, 2021, the date which the financial statements were available to be issued and the following additional item was noted for disclosure:

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 \$3,231,446.84 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

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)
Marilyn B. Bojanowski	Borough Clerk	(A)
Connie Graci	Tax Collector	(A)
Jason T. Shafron	Magistrate	(A)
Claire 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 Twiggs	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>2020</u>	<u>2019</u>	<u>2018</u>
Tax rate	<u>3.430</u>	<u>3.370</u>	<u>3.308</u>
Apportionment of tax rate:			
Municipal	0.901	0.901	0.901
School	2.221	2.173	2.115
County	<u>0.308</u>	<u>0.296</u>	<u>0.292</u>

Assessed Value

2020	\$ 4,253,357,611
2019	4,227,830,527
2018	4,211,610,740

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> Percentage of Collection
2020	\$ 146,714,582	145,760,277	99.35%
2019	143,388,372	142,636,703	99.48%
2018	139,933,151	139,059,469	99.38%

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</u> <u>delinquent</u> <u>taxes</u>	<u>Tax title</u> <u>liens</u>	<u>Total</u> <u>delinquent</u>	<u>Percentage</u> <u>of tax</u> <u>levy</u>
2020	\$ 910,735	19,710	930,445	0.63%
2019	707,730	19,364	727,094	0.51%
2018	812,756	19,024	831,780	0.59%

BOROUGH OF FAIR LAWN, N.J.

Supplementary data

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2020 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>
2020	\$	73,260
2019		73,260
2018		73,260

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2020	\$	19,274,117	6,125,000
	2019		18,834,638	5,500,000
	2018		17,142,124	4,200,000
	2017		15,503,666	4,000,000
	2016		13,354,795	3,650,000
Water Utility Operating Fund	2020		4,369,150	1,700,640
	2019		4,905,393	1,668,000
	2018		5,334,274	1,550,000
	2017		5,662,521	1,101,583
	2016		5,281,710	575,600

BOROUGH OF FAIR LAWN

Schedule of Expenditures of Federal Awards

Year ended December 31, 2020

Program	CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Expenditures	MEMO Cumulative Total Expenditures
Federal and State Grant Fund: Department of Environmental Protection State Forestry Grant	10.664			2010	3,000			* 600
								* 600
Department of Justice Cops in Shops	16.727			2011	4,500			* 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
								* 9,193
								* *
U.S. Department of Law & Public Safety Public Assistance Grants Hazard Mitigation Grant Program	97.036	4086DRNJP0000001	01CPX1600179798	2013	142,080			* *
Coronavirus Pandemic	97.036		100-1200-066-C50	2020	23,171	23,171	23,171	* 23,171
Emergency Management Program	97.042	EMN2016EP00002	01CPX1603800855	2016	5,000			* *
Flow Through the County of Bergen CARES ACT	21.019	S425D200027		2020	269,111	269,111	269,111	* 269,111
						292,282	292,282	* 292,282
Subtotal Federal and State Grant Fund						292,282	292,282	* 302,075
Current Fund:								* *
Department of Law and Public Safety Coronavirus Pandemic	97.036		100-1200-066-C50	2020	23,818	23,818	23,818	* 23,818

BOROUGH OF FAIR LAWN

Schedule of Expenditures of Federal Awards

Year ended December 31, 2020

Program	CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Expenditures	MEMO Cumulative Total Expenditures
Flow Through the County of Bergen CARES ACT	21.019	S425D200027		2020	182,349	182,349	182,349	182,349
Subtotal Current Fund					206,167	206,167	206,167	206,167
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	3,520	3,520	8,865
Handicapped Accessible Restrooms at Senior Center	14.218		Ordinance #2504	2019	64,000			
30th Street Improvements	14.218		Ordinance #2537	2020	49,848	49,848	49,848	49,848
Senior Center Ramps	14.218		Ordinance #2538	2020	73,663	51,205	51,205	51,205
					3,520	104,573	104,573	258,596
U.S. Dept. of Transportation								
National Highway Safety Pass through State of NJ								
Improvements to 20th Street	20.205		480-078-6320-AMF-6010	Ord. 2390	155,500			122,656
Improvements to 17th Street	20.205		2018-078-6320-480-AM2	Ord. 2472	202,000			136,096
Improvements to Plaza Rd., Section 2	20.205		2019-078-6320-480-ANP	Ord. 2551	157,600	157,600	15,776	15,776
Improvements to Prospect Avenue	20.205		2020-078-6320-480-AN8	Ord. 2552	200,000	110,600	30,960	30,960
					268,200	46,736	46,736	305,488
Subtotal General Capital Fund					271,720	151,309	151,309	564,084
Total Federal Awards					\$ 770,169	649,758	649,758	1,072,326

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, 2020

	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:							
Department of Environmental Protection							
Clean Communities Program	4900-765-042-4900-004	2013	44,865		195		44,865
Clean Communities Program	4900-765-042-4900-004	2014	49,394		446		49,394
Clean Communities Program	4900-765-042-4900-004	2015	60,032		1,403		60,032
Clean Communities Program	4900-765-042-4900-004	2016	68,638		16,962		68,638
Clean Communities Program	4900-765-042-4900-004	2017	58,312		7,446		58,312
Clean Communities Program	4900-765-042-4900-004	2018	55,799		28,731		55,762
Clean Communities Program	4900-765-042-4900-004	2019	62,274		17,624		41,087
Clean Communities Program	4900-765-042-4900-004	2020	56,151	56,151	15,521		15,521
Environmental Grant		2013	1,675				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	PY	970		104		970
Alcohol Education and Rehabilitation	4250-700-05000-063	2006	2,576		1,146		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				
				56,151	89,578		1,491,645
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	1,320	2,606		2,606
Body Armor Grant	1020-718-066-1020-001	2012	7,189				2,088
Body Armor Grant	1020-718-066-1020-001	2014	5,223				
Body Armor Grant	1020-718-066-1020-001	2016	5,151				
Body Armor Grant	1020-718-066-1020-001	2017	5,300		598		598
Body Armor Grant	1020-718-066-1020-001	2018	5,240				
Body Armor Grant	1020-718-066-1020-001	2019	5,869				
Body Armor Grant	1020-718-066-1020-001	2020	5,536	5,536			
Drive Sober or Get Pulled Over	1160-100-165-1160-066	2020	5,500	3,025	3,025		3,025

BOROUGH OF FAIR LAWN

Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2020

	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Cancellation	MEMO Cumulative Total Expenditures
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2010	21,156				* 444
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2011	4,924				* *
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2012	6,633				* 843
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2015	1,773				* *
Drunk Driving Enforcement Fund	4230-100-046-4750-241	2019	32,630		(1,538)		* 13,927
Emergency Management Assistant Fund		2011	5,000				* 5,000
				9,881	4,691		* 28,531
Department of Community Affairs		2009	7,000				* *
Smart Future Growth Grant				66,032	94,269		* 1,520,176
Total Federal and State Grant Fund							* *
Current Fund:							* *
Recycling Tonnage Grant	4900-100-042-4910-224	2012	44,865		29,092		* 44,865
Recycling Tonnage Grant	4900-100-042-4910-224	2013	66,723		66,723		* 66,723
Recycling Tonnage Grant	4900-100-042-4910-224	2014	59,351		59,351		* 59,351
Recycling Tonnage Grant	4900-100-042-4910-224	2015	103,438		103,438		* 103,438
Recycling Tonnage Grant	4900-100-042-4910-224	2015	51,505		51,505		* 51,505
Recycling Tonnage Grant	4900-100-042-4910-224	2016	109,000		109,000		* 109,000
Recycling Tonnage Grant	4900-100-042-4910-224	2017	60,943		60,943		* 60,943
Recycling Tonnage Grant	4900-100-042-4910-224	2018	135,480		56,675		* 56,675
Total Current Fund					536,727		* 536,727
Total State Awards				66,032	630,996		* 2,072,676
Federal and State Grant Fund							* *
NJACCHO - 2017		2017	2,320				* 1,845
NJACCHO - 2020a		2020	5,615	5,615	5,615		* 5,615
NJACCHO - 2020b		2020	24,519	5,738	11,228		* 11,228
Flood Insurance Sustainable NJ		2020	20,920				* *
Bergen County Census		2020	2,000	2,000	1,275		* 1,275
POAA Grant		2020	8,000	4,520	4,520		* 4,520
BCUA Recycling Grant		2019	17,316				* 17,316
FM Global Fire Prevention Grant		2019	3,000	3,000			* 2,752
		2019	1,208				* *
				20,873	22,638		* 44,551

BOROUGH OF FAIR LAWN

Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2020

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Cancellation</u>	<u>MEMO Cumulative Total Expenditures</u>
<u>County of Bergen</u>							
Police Grant		2010	2,250			*	*
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2015	15,279			(2,118)	15,205
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2016	15,279			(9,734)	5,545
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2017	15,279			(1,000)	12,213
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2018	15,279	3,035		(2,713)	14,966
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2019	15,279		2,400		35
				3,035	2,400	(15,565)	47,964
				23,908	25,038	(15,565)	92,515
Total Federal and State Grant Fund							
<u>General Capital Fund:</u>							
<u>Bergen County Open Space</u>							
Naugle/Vanderbeck House Renovations		Ord. 2375	115,000	115,000	8,655	*	104,189
Memorial Park and Pool Improvements		Ord. 2384	50,000			*	49,011
Naugle/Vanderbeck House Renovations		Ord. 2402	131,226			*	
Memorial Park and Pool Improvements		Ord. 2503	50,000		6,585	*	41,690
Memorial Park Splash Park		Ord. 2527	90,000			*	
				115,000	15,240		194,890
Total Bergen County Open Space							
<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		*	225,142
Drainage Imps. Within Saddle River Road Ord. #2518		2019	59,155	59,155	59,155	*	59,155
				284,297	59,155		483,144
Total Bergen County Dept of Public Works							
				399,297	74,395		678,034
Total General Capital Fund							
Total Local Financial Assistance				423,205	99,433	(15,565)	770,549
Total State and Local Financial Assistance				\$ 489,237	730,429	(15,565)	2,843,225

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, 2020

	Current Fund	Federal and State Grant Fund
Balance - December 31, 2019	\$ 34,504,215	566,193
Increased by Receipts:		
Taxes Receivable	145,469,027	
Miscellaneous Revenue Not Anticipated	496,242	
Petty Cash	900	
Veteran Deductions	187,238	
Construction Code Training Fees	49,049	
Revenue Accounts Receivable	10,014,255	
Interfunds	10,438,950	294,380
Tax Overpayments	324,570	
Prepaid Taxes	980,965	
Reserve for Library Expenditures	28,348	
Grants Receivable		89,940
Interest on Investments		2,350
Various Reserves	764,422	
	<u>168,753,966</u>	<u>386,670</u>
	203,258,181	952,863
Decreased by Disbursements:		
Current Year Budget Appropriations	46,088,157	
Petty Cash	900	
Tax Overpayments	209,037	
Interfunds	9,507,855	162,280
Construction Code Training Fees	46,832	
Appropriation Reserves	3,140,082	
Local District School Taxes	94,467,587	
County Taxes Payable	13,141,079	
Special District Taxes	270,200	
Reserve for Library Expenditures	10,335	
Accounts Payable	32,679	
Various Reserves	1,302,204	
Refunds	43,002	
Appropriated Grant Reserves		356,613
Grant Encumbrances		55,576
	<u>168,259,949</u>	<u>574,469</u>
Balance - December 31, 2020	\$ <u>34,998,232</u>	<u>378,394</u>

Exhibit A-5

BOROUGH OF FAIR LAWN, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019 \$ 705

Balance - December 31, 2020 \$ 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, 2020

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, 2020

Year	Balance, Dec. 31, 2019	Levy	Added Taxes	2019	2020	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2020
2018	1,108				1,108				97
2019	706,622		5,906		712,431				97
	707,730		5,906		713,539				
2020		146,161,622	552,960	704,939	144,868,558	186,780	346	43,321	910,638
	707,730	146,161,622	558,866	704,939	145,582,097	186,780	346	43,321	910,735

Tax Overpayments Applied \$ 113,070
Cash 145,469,027
\$ 145,582,097

Analysis of Tax Levy

Tax Yield:

General Purpose Tax \$ 145,890,166
Special District Taxes 271,456
Added Tax (R.S. 54:4-63.1 et seq.) 552,960

\$ 146,714,582

Tax Levy:

Local District School Tax \$ 94,467,587
Local Open Space Taxes 213,475
Special District Tax 271,456

County Tax \$ 12,557,949
County Open Space Preservation 527,052
County Added and Omitted Taxes 49,621

13,134,622

Local Tax for Municipal Purposes \$ 38,112,865
Additional Taxes 514,577

38,627,442

\$ 146,714,582

Exhibit A-8**BOROUGH OF FAIR LAWN, N.J.****Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2020**

Balance - December 31, 2019	\$	19,364
Increased by:		
Transfers from Taxes Receivable		<u>346</u>
	\$	<u>19,710</u>
Balance - December 31, 2020		

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

Balance - December 31, 2019	\$	<u>629</u>
Balance - December 31, 2020	\$	<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, 2020

Increased by:

FEMA Grant Receivable

\$ 23,818

Balance - December 31, 2020

\$ 23,818

Exhibit A-11

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

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019

\$ 73,260

Balance - December 31, 2020

\$ 73,260

BOROUGH OF FAIR LAWN, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2020

	Balance Dec. 31, 2019	Accrued	Collected	Balance Dec. 31, 2020
Clerk:				
Licenses:				
Alcoholic beverages	\$	42,290	42,290	
Other		16,665	16,665	
Fees and Permits		483,713	483,713	
Municipal Court :				
Fines and Costs	25,089	194,493	213,123	6,459
Interest and Costs on Taxes		204,192	204,192	
Interest on Investments and Deposits		390,404	390,404	
Tax and Assessment Searches		60	60	
Memorial Pool		143,169	143,169	
Sewer User Charges		75,379	75,379	
Cable Television Franchise Fees		430,262	430,262	
Uniform Fire Safety Act - Local		225,852	225,852	
Hotel Tax		71,689	71,689	
Ambulance Fees		423,576	423,576	
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		1,113,370	1,113,370	
Board of Education - Resource Officers		509,802	509,802	
Borough of Hawthorne - Vehicle Maintenance				
Board of Education - Maintenance Garage		33,315	33,315	
Trust-Self Insurance Reserve		2,000,000	2,000,000	
	<u>\$ 25,089</u>	<u>10,102,764</u>	<u>10,121,394</u>	<u>6,459</u>
		Cash	10,014,255	
		Interfund	107,139	
		<u>\$ 10,121,394</u>		

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2020

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Federal and State Grant Fund	\$ 139,368	321,999	459,017	2,350
Animal Control Trust Fund	17,039	23,892	17,039	23,892
Other Trust Fund	10,484	6,364	10,484	6,364
Human Services	1,444	909	1,444	909
Unemployment Trust Fund	5,560	3,386	5,560	3,386
General Capital Fund	2,551,576	2,525,772	2,551,576	2,525,772
Water Utility Operating Fund	3,999,099	3,000,000	4,000,000	2,999,099
Health Benefits Trust	43,023	21,166	43,023	21,166
Liability - Self Insurance Fund	34,935	21,709	34,935	21,709
Water Utility Capital Fund	2,500,000	2,500,000	2,500,000	2,500,000
Workers Compensation	24,759	14,209	24,759	14,209
Cafeteria Plan Trust Fund	277	169	277	169
Veterans Affair Trust	235	98	235	98
Payroll Fund	54,557	1,010,485	1,004,557	60,485
Developers Trust Fund	77	71	77	71
Open Space Trust Fund		213,475	213,475	
	<u>\$ 9,382,433</u>	<u>9,663,704</u>	<u>10,866,458</u>	<u>8,179,679</u>
Due to Current Fund	9,382,433	9,450,229	10,652,983	8,179,679
Due from Current Fund		213,475	213,475	
	<u>\$ 9,382,433</u>	<u>9,663,704</u>	<u>10,866,458</u>	<u>8,179,679</u>
Cash Receipts \$			10,438,950	
Cash Disbursements		9,507,855		
Statutory Excess		23,441		
Fund Balance			1,096	
Local Open Space Levy			213,475	
Canceled Grants Receivable			4,455	
Canceled Appropriated Grants		25,269		
Interest on Investments		107,139		
Reimbursement for Expenses Paid			208,482	
		<u>\$ 9,663,704</u>	<u>10,866,458</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</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	\$ 810	810	281	529
Municipal Clerk	2,647	2,647	134	2,513
Financial Administration	11,065	7,065	1,985	5,080
Cultural Center	270	270		270
Collection of Taxes	298	298		298
Assessment of Taxes	1,141	1,141		1,141
Engineering Services and Costs	7,201	7,201		7,201
Emergency Management Services	5	12,005	9,849	2,156
Fire	16,272	36,272	30,174	6,098
Ambulance	2,096	21,096	16,963	4,133
Police	393,727	273,727	37,150	236,577
Police Dispatch	6,332	6,332	3,340	2,992
Uniform Fire Safety	18,110	18,110	6,885	11,225
Municipal Court	22,675	7,675	862	6,813
Municipal Prosecutor	255	255		255
Road Repairs and Maintenance	2,500	10,500	9,081	1,419
Shade Tree	4,997	4,997	1,082	3,915
Electrical Services	6,231	6,231	340	5,891
Public Buildings and Grounds	5,493	5,493	1,556	3,937
Maintenance of Garage	13,537	3,537	577	2,960
Administration of Public Works	650	650		650
Sanitation				
Sewer System	8,995	8,995	1,229	7,766
Recycling Program	2,300	2,300	963	1,337
Health Department	2,525	2,525	1,961	564
Administration of Social Services	4,201	5,201	2,100	3,101
Recreation	21,855	18,855	14,092	4,763
Parks and Playgrounds	19,711	9,711	164	9,547
Uniform Construction Code:				
Construction Code Official	44,741	24,741	6,556	18,185
Unclassified:				
Terminal Leave	1	1		1
Public Defender		150	150	
Total Salaries and Wages Within "CAPS"	620,641	498,791	147,474	351,317

BOROUGH OF FAIR LAWN, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, 2019	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Other Expenses Within "CAPS":				
Administrative and Executive	12,380	16,438	6,822	9,616
Purchasing	3,255	5,124	2,592	2,532
Mayor and Council	18,069	21,842	7,486	14,356
Municipal Clerk	11,603	7,468	684	6,784
Financial Administration	27,856	63,946	33,925	30,021
Cultural Center	1,931	2,441	255	2,186
Assessment of Taxes	1,971	20,921	18,950	1,971
Collection of Taxes	1,968	3,438	470	2,968
Legal Services and Costs	21,561	32,898	17,004	15,894
Labor Attorney	11,358	14,472	12,064	2,408
Engineering Services and Costs	4,011	4,011		4,011
Municipal Land Use Law (N.J.S.A 40:55D-1)				
Planning Board	5,626	6,975	1,491	5,484
Zoning Board of Adjustment	11,715	7,040	1,383	5,657
Self Insurance Program:				
Liability Insurance (N.J.S.A. 40:10-12)		345,561	345,000	561
Workers Compensation (N.J.S.A. 40:10-12)		82,202	81,578	624
Group Insurance Plan for Employee's:				
Group Insurance/Self Insurance		104,762		104,762
Health Insurance	135,728	708,966	701,411	7,555
Other Insurance Premiums	15,645	15,783	138	15,645
Police	46,260	197,988	178,513	19,475
Emergency Management Services	1,957	43,488	32,582	10,906
Fire	5,174	152,353	130,938	21,415
Ambulance	4,811	37,461	28,637	8,824
Uniform Fire Safety Act	5,268	32,906	27,638	5,268
Municipal Court	3,025	27,245	22,744	4,501
Road Repairs and Maintenance	9,291	217,840	203,599	14,241
Shade Tree	11,185	75,952	71,424	4,528
Electrical Services	896	3,960	2,457	1,503
Public Buildings and Grounds	7,680	77,298	61,776	15,522
Maintenance Garage	12,433	53,318	32,185	21,133
Community Services Act	66	66		66
Administration of Public Works	45,812	94,061	79,414	14,647
Sanitation:				
Sewer System	8,273	33,549	17,777	15,772
Recycling Program	394	2,292		2,292
Recycling Contract	8	100,008	100,000	8
Health Department	8,166	13,637	5,471	8,166
Administration of Social Services	1,034	1,062		1,062
Animal Control	8,013	3,513		3,513
Recreation	11,395	18,896	8,745	10,151

BOROUGH OF FAIR LAWN, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, 2019	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Recreation - Special Clubs	2,806	3,531	735	2,796
Parks and Playgrounds	3,229	160,093	149,792	10,301
Celebration of Public Events	7,769	8,857	888	7,969
Veteran's Service Bureau	5,000	5,000		5,000
Postage-Other Expenses	5,361	5,650	289	5,361
Electricity	15,053	152,336	85,091	67,245
Street Lighting	2,230	61,230	29,497	31,733
Telephone, Internet & Communication Lines	9,705	23,864	13,197	10,667
Natural Gas	3,066	39,084	12,562	26,522
Heating Oil		12,648	3,305	9,343
Gasoline	1,536	51,276	24,010	27,266
Diesel	1,402	17,427	8,865	8,562
Cable/TV	8,568	11,683	170	11,513
Garbage and Trash Removal				
Contractual	18,996	79,813	67,688	12,125
Other Expenses	19,514	42,697	4,681	38,016
Construction Code Official	322	3,305	2,690	615
Contingent	1,000	1,000		1,000
Total Other expenses Within "CAPS"	581,375	3,330,675	2,638,613	692,062
Deferred Charges and Statutory Expenditures Within "CAPS":				
Statutory Expenditures				
Social Security System (O.A.S.I.)	8,054	6,004	1,593	4,411
Consolidated Police and Firemen's Pension	2,000	2,000		2,000
Defined Contribution Pension Plan	4,576	4,576		4,576
Total Deferred Charges and Statutory Expenditures Within "CAPS"	14,630	12,580	1,593	10,987
Other Expenses Excluded From "CAPS":				
Passaic Valley Sewer Commission				
Share of Costs	57,843	57,843		57,843
Maintenance of Free Public Library				
Salaries and Wages	19,182	19,182	19,182	
Other Expenses	69,965	274,607	274,607	
LOSAP	1	1		1
Recycling Tax Appropriation	5,277	8,777	3,146	5,631

BOROUGH OF FAIR LAWN, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</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	55,583	55,583		55,583
Maintenance of Garage-Other Expenses	5,294	5,294		5,294
Borough of Elmwood Park				
Construction Official-Salaries and Wages	7,446	7,446		7,446
Total Other Expenses Excluded from "CAPS"	<u>220,591</u>	<u>428,733</u>	<u>296,935</u>	<u>131,798</u>
Public and Private Programs Offset by Revenues:				
Matching Funds for Grants	6,180	6,180		6,180
Matching Funds for Municipal Alliance	1	1		1
Total Public and Private Programs Offset by Revenues	<u>6,181</u>	<u>6,181</u>		<u>6,181</u>
Capital Improvement Fund				
Acquisition of Equipment	5,922	197,009	194,086	2,923
Total Capital Improvements Excluded from "CAPS"	<u>5,922</u>	<u>197,009</u>	<u>194,086</u>	<u>2,923</u>
Total Reserves	<u>\$ 1,449,340</u>	<u>4,473,969</u>	<u>3,278,701</u>	<u>1,195,268</u>
Appropriation Reserves \$	1,449,340			
Encumbrances		<u>3,024,629</u>		
		<u>\$ 4,473,969</u>		
Transfers to Reserve for Library \$			103,731	
Transfer to Accounts Payable			34,888	
Cash			<u>3,140,082</u>	
			<u>\$ 3,278,701</u>	

BOROUGH OF FAIR LAWN, N.J.**Schedule of Encumbrances Payable****Current Fund****Year Ended December 31, 2020**

Balance - December 31, 2019	\$ 3,024,629
Increased by:	
Transferred from Current Year Budget	<u>2,702,146</u>
	5,726,775
Decreased by:	
Transferred to Appropriation Reserves	<u>3,024,629</u>
Balance - December 31, 2020	\$ <u><u>2,702,146</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	588,612
Increased by:			
Transfer from Appropriation Reserves			<u>34,888</u>
			623,500
Decreased by:			
Cash Disbursements	\$	32,679	
Canceled		<u>47,044</u>	
			<u>79,723</u>
Balance - December 31, 2020		\$	<u><u>543,777</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Other Expenditures

Current Fund

Year Ended December 31, 2020

	Recycling	Police - Outside Service	Elevator Surcharge	Terminal Leave	Employment Contracts	Retiree's Insurance	Community Center	Special Assessments	Storm Damage	Total
Balance - December 31, 2019	\$ 3,328,816	1,055,350	3,152	2,215,076	765,075	303,113	924,883	76,001	202,468	8,873,934
Increased by:										
Cash Receipts	122,891	615,903					25,628			764,422
	3,451,707	1,671,253	3,152	2,215,076	765,075	303,113	950,511	76,001	202,468	9,638,356
Decreased by:										
Cash Disbursements	536,727	528,619			215,432	189	21,237			1,302,204
	536,727	528,619			215,432	189	21,237			1,302,204
Balance - December 31, 2020	\$ 2,914,980	1,142,634	3,152	2,215,076	549,643	302,924	929,274	76,001	202,468	8,336,152

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Library Expenditures

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	89,357
Increased by:		
State Library Aid	\$	14,064
Book Fines		14,284
Transfer from Appropriation Reserves		<u>103,731</u>
		<u>132,079</u>
		221,436
Decreased by:		
Cash Disbursements		<u>10,335</u>
Balance - December 31, 2020	\$	<u><u>211,101</u></u>

Analysis of Balance

Library State Aid	\$	103,186
Library Fees		<u>107,915</u>
	\$	<u><u>211,101</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, 2020

Balance - December 31, 2019		\$	(189,498)
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	28,500	
Veterans' Deductions Per Tax Billing		163,500	
Senior Citizen's and Veteran's Allowed - 2020		<u>1,250</u>	
			<u>193,250</u>
			3,752
Decreased by:			
State Share of Senior Citizens and Veteran			
Deductions Received in Cash		187,238	
Senior Citizen's and Veteran's Disallowed - 2019		5,656	
Senior Citizen's and Veteran's Disallowed - 2020		<u>6,470</u>	
			<u>199,364</u>
Balance - December 31, 2020		\$	<u><u>(195,612)</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, 2020**

Balance - December 31, 2019	\$	11,920
Increased by:		
Cash Receipts		<u>49,049</u>
		60,969
Decreased by:		
Cash Disbursements		<u>46,832</u>
Balance - December 31, 2020	\$	<u><u>14,137</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	58,293
Increased by:		
Cash Receipts		<u>324,570</u>
		382,863
Decreased by:		
Applied	\$	113,070
Cancelled		44,824
Cash Disbursements		<u>209,037</u>
		<u>366,931</u>
Balance - December 31, 2020	\$	<u><u>15,932</u></u>

Exhibit A-22**BOROUGH OF FAIR LAWN, N.J.****Schedule of Local School District Tax Payable****Current Fund****Year Ended December 31, 2020**

Balance - December 31, 2019	\$	620,862
Increased by:		
2020 Levy		<u>94,467,587</u>
		95,088,449
Decreased by:		
Cash Disbursements		<u>94,467,587</u>
Balance - December 31, 2020	\$	<u><u>620,862</u></u>

Exhibit A-23**Schedule of County Taxes Payable****Current Fund****Year Ended December 31, 2020**

Balance - December 31, 2019	\$	56,078
Increased by:		
2020 Levy	\$	12,557,949
2020 Open Space		527,052
2020 Added Assessments		<u>49,621</u>
		<u>13,134,622</u>
		13,190,700
Decreased by:		
Cash Disbursements		<u>13,141,079</u>
Balance - December 31, 2020	\$	<u><u>49,621</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Special Improvement District Taxes Payable

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	2,820
Increased by:		
Tax Levy		<u>271,456</u>
		274,276
Decreased by:		
Cash Disbursements		<u>270,200</u>
Balance - December 31, 2020	\$	<u><u>4,076</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 704,939
Increased by:	
Cash Receipts	<u>980,965</u>
	1,685,904
Decreased by:	
Applied to 2020 Taxes Receivable	<u>704,939</u>
Balance - December 31, 2020	\$ <u><u>980,965</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$ <u>(139,368)</u>	<u>459,017</u>	<u>321,999</u>	<u>(2,350)</u>
	\$ <u>(139,368)</u>	<u>459,017</u>	<u>321,999</u>	<u>(2,350)</u>
	Cash Receipts \$		294,380	
	Cash Disbursements	162,280		
	Canceled Grant Receivable	4,455		
	Canceled Appropriated Grants		25,269	
	Grants Receivable	292,282		
	Interest on Investments		2,350	
		<u>\$ 459,017</u>	<u>321,999</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, 2019	2020 Budget Revenue <u>Realized</u>	<u>Received</u>	<u>Canceled</u>	Balance, Dec. 31, 2020
Body Armor	\$	5,536	5,536		
Fair Lawn Carbon Grant	124,727				124,727
Fire Prevention		1,208	1,208		
Clean Communities Program		56,151	56,151		
Drive Sober or Get Pulled Over		5,500	3,025		2,475
NJACCHO - Health Grant	1,500				1,500
NJACCHO - Health Grant 2020a		5,615	5,615		
NJACCHO - Health Grant 2020b		24,519	5,738		18,781
Municipal Alliance on Alcoholism and Drug Abuse-2017	2,066			2,066	
Municipal Alliance on Alcoholism and Drug Abuse-2018	15,279		3,035		12,244
Municipal Alliance on Alcoholism and Drug Abuse-2019	2,389			2,389	
Sustainable NJ		2,000	2,000		
CARES Act		269,111	269,111		
BCUA Recycling Enhancement Grant - 2019	3,000		3,000		
Pedestrian Safety Grant - 2019	20,000		1,320		18,680
Bullet Proof Vest Partnership Fund	2,660				2,660
Bergen County Census		8,000	4,520		3,480
FEMA		23,171	23,171		
	<u>\$ 171,621</u>	<u>400,811</u>	<u>383,430</u>	<u>4,455</u>	<u>184,547</u>
Adopted Budget \$		12,244			
Added by N.J.S.A. 40A:4-87		<u>388,567</u>			
		<u>\$ 400,811</u>			
Unappropriated Reserve \$			1,208		
Interfund			292,282		
Cash			<u>89,940</u>		
			<u>\$ 383,430</u>		

BOROUGH OF FAIR LAWN, N.J.**Schedule of Unappropriated Reserves for Grants****Federal and State Grant Fund****Year Ended December 31, 2020**

<u>Grant</u>	Balance, Dec. 31, <u>2019</u>	Transfer To 2020 <u>Budget</u>	Balance, Dec. 31, <u>2020</u>
Body Armor Grant	\$ 5,240		5,240
FM Global Fire Prevention Grant	<u>1,208</u>	<u>1,208</u>	<u></u>
	\$ <u>6,448</u>	<u>1,208</u>	<u>5,240</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, 2019	Transfer From 2020 Budget	<u>Canceled</u>	<u>Expended</u>	Balance, Dec. 31, 2020
Clean Communities Program Grant - 2018	\$ 390			390	
Clean Communities Program Grant - 2019	38,065			36,337	1,728
Clean Communities Program Grant - 2020		56,151		33,391	22,760
Body Armor Replacement Program - 2012	7,189			895	6,294
Body Armor Replacement Program - 2015	5,223				5,223
Body Armor Replacement Program - 2016	5,151				5,151
Body Armor Replacement Program - 2017	5,300			598	4,702
Body Armor Replacement Program - 2019	5,869				5,869
Body Armor Replacement Program - 2020		5,536			5,536
Drunk Driving Enforcement Grant - 2011	25,636				25,636
Drunk Driving Enforcement Grant - 2012	4,081				4,081
Drunk Driving Enforcement Grant - 2015	1,773				1,773
Drunk Driving Enforcement Grant - 2019	17,165			(1,538)	18,703
Drive Sober or Get Pulled Over-2020		5,500		3,025	2,475
Enforcing Underage Drinking	1,666				1,666
Alcohol Education and Rehabilitation	104			104	
Alcohol Education and Rehabilitation - 2007	1,692			1,146	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 - 15	2,118		2,118		
Municipal Alliance on Alcoholism and Drug Abuse - 16	9,734		9,734		
Municipal Alliance on Alcoholism and Drug Abuse - 17	3,066		3,066		
Municipal Alliance - Match - 17	3,819		3,819		
Municipal Alliance on Alcoholism and Drug Abuse - 18	2,713		2,713		
Municipal Alliance - Match - 18	3,819		3,819		
Municipal Alliance on Alcoholism and Drug Abuse - 19	15,244			2,400	12,844
Municipal Alliance - Match - 19	3,820			600	3,220
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, 2020

<u>Grant</u>	Balance, Dec. 31, 2019	Transfer From 2020 Budget	Canceled	Expended	Balance, Dec. 31, 2020
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		1,275	725
CARES Act		269,111		269,111	
NJACCHO-2020a		5,615		5,615	
NJACCHO-2020b		24,519		11,228	13,291
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		8,000		4,520	3,480
FEMA		23,171		23,171	
Fire Prevention Grant		1,208			1,208
Emergency Management Assistance Funding	5,000				5,000
BCUA Recycling Grant - 2019	248				248
Pedestrian Safety Grant - 2019	20,000			2,606	17,394
	<u>\$ 536,422</u>	<u>400,811</u>	<u>25,269</u>	<u>394,874</u>	<u>517,090</u>

Budget \$ 12,244
Appropriated by 40a:4-87 388,567

\$ 400,811

Cash Disbursed \$ 356,613
Encumbrances 38,261
\$ 394,874

BOROUGH OF FAIR LAWN, N.J.

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	55,576
Increased by:		
Charged to Appropriated Grant Reserves		<u>38,261</u>
		93,837
Decreased by:		
Cash Disbursements		<u>55,576</u>
Balance - December 31, 2020	\$	<u><u>38,261</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2020

	Animal Trust <u>Fund</u>	Other Trust <u>Fund</u>	Emergency Service LOSAP <u>Fund</u>	Open Space <u>Fund</u>
Balance - December 31, 2019	\$ 80,122	13,379,469	1,677,592	26,664
Increase by Receipts:				
Prepaid Dog License Fees Collected	4,633			
Dog License Fees Collected	11,612			
Cat License Fees Collected	1,611			
Other Miscellaneous Fees	3,160			
State Fees	2,610	3,100		
Other Trust Receipts - Sundry Reserves and Deposits		722,814		
Escrow Deposits		198,855		
Other Trust Receipts - Donations and Deposits		129,847		
Veterans Affairs		1,150		
Storm Recovery		268,338		
Insurance-Health Benefits		700,049		
Insurance-Workers Comp		747,437		
Insurance-Liability		1,031,258		
Contributions Deposited		6,750	100,230	
Interest Income/ Gain on Investment			269,691	209
Interfund	451	68,086		
Open Space Levy				213,475
Unemployment		172,425		
Cafeteria Plan		41,016		
Council on Affordable Housing		181,046		
Total Receipts	24,077	4,272,171	369,921	213,684
	104,199	17,651,640	2,047,513	240,348
Decreased by Disbursements:				
Animal License Expenditures	1,923			
State Fees	2,260	78,467		
Due to Current Fund	17,039	120,799		
Other Trust Disbursements-Sundry Reserves and Deposits		468,483		
Escrow Disbursements		154,963		
Other Trust Disbursements-Donations and Deposits		44,794		
Insurance-Health Benefits		2,000,000		
Insurance-Liability Claims		698,801		
Insurance-Worker's Compensations Claims		595,140		
Storm Recovery Disbursements		115,278		
Cafeteria Plan Disbursements		38,151		
Plan Service Charges			1,092	
Veterans Affairs Disbursements		17,290		
Council on Affordable Housing		5,882	36,679	
Total Disbursements	21,222	4,338,048	37,771	
Balance - December 31, 2020	\$ 82,977	13,313,592	2,009,742	240,348

Exhibit B-2

BOROUGH OF FAIR LAWN, N.J.

Schedule of Prepaid Dog Licenses

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 5,579
Increased by:	
Collections	<u>4,633</u>
	10,212
Decreased by:	
Applied to 2020 Licenses	<u>5,579</u>
Balance - December 31, 2020	<u><u>\$ 4,633</u></u>

Exhibit B-3

Schedule of Animal Trap Deposits

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>7,840</u>
Balance - December 31, 2020	<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, 2020

	Dog License Fees	Marriage/ Civil Union Fees	Other Trust Burial Permit Fees	Quarterly Unemployment Taxes Due
Balance - December 31, 2019	\$ 414	950	5	3,523
Increased by:				
Dog License Fees	2,610			
Marriage License Fees		3,100		
Withholdings				78,854
	2,610	3,100		78,854
	3,024	4,050	5	82,377
Decreased by:				
Cash Disbursements	2,260	3,250		75,217
Balance - December 31, 2020	\$ 764	800	5	7,160

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds Receivable/(Payable)

Trust Funds

Year Ended December 31, 2020

	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
Animal Control Trust:				
Current Fund	\$ (17,039)	17,039	23,892	(23,892)
Other Trust Fund:				
Current Fund (Other Trust)	(10,484)	10,484	6,364	(6,364)
Current Fund (Human Services)	(1,444)	1,444	909	(909)
Current Fund (Developers Trust-Bergen Development)	(27)	27	25	(25)
Current Fund (Developers Trust-Barrister Home)	(40)	40	21	(21)
Current Fund (Developers Trust-Fair Lawn Riverview)	(4)	4		
Current Fund (Developers Trust-Autozone)	(6)	6	4	(4)
Current Fund (Developers Trust-River Lofts)		2	10	(8)
Current Fund (Developers Trust-Cohen Plaza)			1	(1)
Current Fund (Developers Trust-Columbia Bank)		3	13	(10)
Current Fund (Developers Trust-24-19 Broadway)			2	(2)
Current Fund (Unemployment Compensation Insurance)	(5,560)	5,560	3,386	(3,386)
Current Fund (Workers Compensation)	(24,759)	24,759	14,209	(14,209)
Current Fund (Health Benefits Fund)	(43,023)	43,023	21,166	(21,166)
Current Fund (Self-Insurance Liability)	(34,935)	34,935	21,709	(21,709)
Current Fund (Cafeteria Plan Trust Fund)	(277)	277	169	(169)
Current Fund (Veterans Affairs)	(235)	235	98	(98)
	<u>(120,794)</u>	<u>120,799</u>	<u>68,086</u>	<u>(68,081)</u>
Open Space Trust:				
Current Fund		213,475	213,475	
	<u>\$ (137,833)</u>	<u>351,313</u>	<u>305,453</u>	<u>(91,973)</u>
Cash Receipts \$			213,475	
Cash Disbursements		137,838		
Open Space Levy		212,668		
Open Space Added/Omitted Levy		807		
Interest on Investments			68,537	
Statutory Excess			23,441	
		<u>\$ 351,313</u>	<u>305,453</u>	

BOROUGH OF FAIR LAWN, N.J.**Schedule of Sundry Reserve and Deposits****Trust Funds****Year Ended December 31, 2020**

	Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2020</u>
Parking Offenses Adjudication Act	\$ 8,978	616	384	9,210
Tax Title Lien Redemptions	361,624	707,298	459,152	609,770
Green Team/Beautification	200	1,830	481	1,549
Arts & Cultural Events		1,500		1,500
Recreation Softball	2,595			2,595
Recreation Hockey	<u>14,756</u>	<u>11,570</u>	<u>8,466</u>	<u>17,860</u>
	<u>\$ 388,153</u>	<u>722,814</u>	<u>468,483</u>	<u>642,484</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Escrow Reserve and Deposits

Trust Funds

Year Ended December 31, 2020

	Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2020</u>
Street Opening Deposits	\$ 18,900	7,500	7,500	18,900
Performance Bond	1,000			1,000
Performance Bond Paramus Auto Mall	98,130			98,130
Zoning Board Escrow	41,782	25,247	16,306	50,723
Zoning Board Residential	3,500	10,875	5,125	9,250
Planning Board Escrow	191,131	56,378	76,384	171,125
Council Escrow	7,575			7,575
Developer's Escrow	<u>98,670</u>	<u>98,855</u>	<u>49,648</u>	<u>147,877</u>
	<u>\$ 460,688</u>	<u>198,855</u>	<u>154,963</u>	<u>504,580</u>
		Street Opening Deposits		18,900
		Performance Bonds		99,130
		Escrow Accounts		238,673
		Developer's Escrow		<u>147,877</u>
				<u>\$ 504,580</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Donation Reserve and Deposits

Trust Funds

Year Ended December 31, 2020

	Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2020</u>
Human Services Donations	\$ 154,294	34,431	15,838	172,887
Tree Planting Donations	3,958	50		4,008
Flower Pot Donations	4,362			4,362
Community Police Donations	9,120	14,075	6,387	16,808
Reserve Police Donations	2,705			2,705
Concert Donations	38,616	2,150		40,766
Fireworks Donations	186,065	50		186,115
Fire Victims Donations	524	50		574
Fire Department Donations	3,133	20		3,153
Senior Center Donations	3,245	75,000	19,928	58,317
Adopt a Bench Donations	1,512	2,920	1,840	2,592
Police Vests Donations	5,750			5,750
Certification Donations	3,192	1,101	801	3,492
ADA Donations	256			256
Nauglehouse	2,350			2,350
	<u>\$ 419,082</u>	<u>129,847</u>	<u>44,794</u>	<u>504,135</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019		\$	49,250
Increased by:			
Dog License Fees:			
Collections	\$	11,612	
Prepays Applied		<u>5,579</u>	
	\$	17,191	
Cat License Fees		1,611	
Miscellaneous Revenue:			
Dog/Cat License Late Fees		2,560	
Kennel License		<u>600</u>	
		<u>3,160</u>	
			<u>21,962</u>
			71,212
Decreased by:			
Expenditures Under R.S. 4:19-15.11		1,923	
Statutory Excess Due to Current Fund		<u>23,441</u>	
			<u>25,364</u>
Balance - December 31, 2020		\$	<u><u>45,848</u></u>

Animal License Fees Collected

<u>Year</u>	
2018	24,796
2019	<u>21,052</u>
Maximum Reserve \$	<u><u>45,848</u></u>

BOROUGH OF FAIR LAWN, N.J.
Schedule of Reserve for State Unemployment
Insurance Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 520,038
Increased by:	
Cash Receipts	<u>172,425</u>
	692,463
Decreased by:	
Due to State of New Jersey	<u>78,854</u>
Balance - December 31, 2020	<u><u>\$ 613,609</u></u>

BOROUGH OF FAIR LAWN, N.J.

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

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 2,405,434
Increased by:	
Cash Receipts	<u>747,437</u>
	3,152,871
Decreased by:	
Payment of Claims	<u>595,140</u>
Balance - December 31, 2020	<u><u>\$ 2,557,731</u></u>

BOROUGH OF FAIR LAWN, N.J.

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

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 3,542,112
Increased by:	
Cash Receipts	<u>1,031,258</u>
	4,573,370
Decreased by:	
Payment of Claims	<u>698,801</u>
Balance - December 31, 2020	\$ <u><u>3,874,569</u></u>

BOROUGH OF FAIR LAWN, N.J.
Schedule of Reserve for Health
Benefits Plan Trust Fund Expenditures
Trust Funds
Year Ended December 31, 2020

Balance - December 31, 2019	\$ 4,278,967
Increased by:	
Cash Receipts	<u>700,049</u>
	4,979,016
Decreased by:	
Payment of Claims	<u>2,000,000</u>
Balance - December 31, 2020	<u><u>\$ 2,979,016</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Council on Affordable Housing Expenditures

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019		\$	405,726
Increased by:			
Cash Receipts	\$	181,046	
Interest on Investments		<u>652</u>	
			<u>181,698</u>
			587,424
Decreased by:			
Cash Disbursements		<u>5,882</u>	
Balance - December 31, 2020		\$	<u><u>581,542</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserves for Library Expenditures

Library Trust Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	26,963
Increased by:		
Interest		<u>542</u>
Balance - December 31, 2020	\$	<u><u>27,505</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Restricted Reserves for Library Expenditures

Library Trust Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>92,471</u>
-----------------------------	------------------

Balance - December 31, 2020	\$ <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, 2020

Balance - December 31, 2019	\$	29,747
Increased by:		
Cash Receipts		<u>41,016</u>
		70,763
Decreased by:		
Cash Disbursements		<u>38,151</u>
Balance - December 31, 2020	\$	<u><u>32,612</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Service Award Contributions Receivable

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 100,230
Increased by:	
2020 Service Award Contributions	<u>97,325</u>
	197,555
Decreased by:	
Distributions	<u>100,230</u>
Balance - December 31, 2020	<u>\$ 97,325</u>

BOROUGH OF FAIR LAWN, N.J.**Schedule of Net Assets Available for Benefits****Trust Funds****Year Ended December 31, 2020**

Balance - December 31, 2019		\$ 1,777,822
Increased by:		
Contributions	\$ 97,325	
Gain on Investment	266,182	
Interest on Investments	<u>3,509</u>	
		<u>367,016</u>
		2,144,838
Decreased by:		
Plan Service Charges	1,092	
Distributions	<u>36,679</u>	
		<u>37,771</u>
Balance - December 31, 2020		\$ <u><u>2,107,067</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Veteran Affairs Expenditures

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 23,776
Increased by:	
Cash Receipts	<u>1,150</u>
	24,926
Decreased by:	
Cash Disbursements	<u>17,290</u>
Balance - December 31, 2020	\$ <u><u>7,636</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Open Space

Year Ended December 31, 2020

Balance - December 31, 2019	\$	26,664
Increased by:		
Interest Earnings	\$	209
Open Space Levy		212,668
Added/Omitted Levy		<u>807</u>
		<u>213,684</u>
Balance - December 31, 2020	\$	<u><u>240,348</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Storm Recovery

Year Ended December 31, 2020

Balance - December 31, 2019		\$	661,040
Increased by:			
Interest Earnings	\$	5,556	
Cash Receipts		<u>268,338</u>	
			<u>273,894</u>
			934,934
Decreased by:			
Cash Disbursements		<u>115,278</u>	
Balance - December 31, 2020		\$	<u><u>819,656</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	6,371,335
Increased by Receipts:			
State Grants and County Grants	\$	399,297	
Federal Grants		271,720	
Interfunds		2,500,000	
Premium on Note Sale		173,143	
Improvement Authorizations		2,000,000	
Capital Improvement Fund		255,000	
Deferred Charges - Unfunded		73,305	
Bond Anticipation Notes		3,227,600	
Special Reserves		3,900	
Interest on Investments		<u>25,772</u>	
			<u>8,929,737</u>
			15,301,072
Decreased by Disbursements:			
Improvement Authorizations		1,828,983	
Interfunds		2,550,480	
Encumbrances payable		<u>1,335,875</u>	
			<u>5,715,338</u>
Balance - December 31, 2020		\$	<u><u>9,585,734</u></u>

BOROUGH OF FAIR LAWN, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2020

Fund Balance	\$ 2,240,622
State and County Grants Receivable	(563,666)
Federal Grants Receivable	(400,643)
Encumbrances Payable	3,605,659
Special Reserves	69,918
Reserve for Unappropriated State Grant	15,464
Capital Improvement Fund	257,398
Interfund Accounts Payable	2,525,772
Reserve for Grants Receivable	18,243

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
2053	Multi Purpose	(41,695)
2245	Various Improvements	180,644
2259	Improvements to Parks - Vogel/George St.	(50,000)
2284	Various Improvements	2,338
2294	Berdan Grove ADA Park Imps.	(50,000)
2310	Various Improvements	142,195
2337	Various Improvements	371,177
2376	Various Improvements	280,417
2377	Various Road Improvements	(101,614)
2384	Memorial Park and Pool Improvements	989
2387/2390	Improvements to 20th Street	32,844
2402	Naugle-Vanderbeck House	131,226
2427	Various Improvements	199,710
2428	Roadway Improvements	1,232
2458	Various Improvements	372,723
2459	Roadway Improvements	3,960
2461	CDBG - ADA Curb Cuts	2,786
2462	CDBG - Senior Center Improvements	21,310
2472	Improvements to 17th Street	65,904
2495	Various Improvements	550,607
2496	Improvements to Various Roads	9,627
2503	Memorial Pool and Park Improvements	6,516
2506	County-Wide ADA Ramps, Curbs and Sidewalks	54,858
2530	Various Capital Improvements	(1,900,469)
2532	Improvements to Various Roads	(507,318)
2546	County-Wide ADA Ramps, Curbs and Sidewalks	37,000
2550	Construction of Administration Building at Memorial Pool	2,000,000
		<u>\$ 9,585,734</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of County Grants Receivable

General Capital Fund

Year Ended December 31, 2020

	<u>Grant Amount</u>	<u>Year</u>	<u>Ordinance</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Grants Authorized</u>	<u>Received</u>	<u>Balance Dec. 31, 2020</u>
<u>Bergen County Open Space Grant:</u>							
Naugle - Vanderbeck	115,000	2015	2375	\$ 115,000		115,000	
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	50,000			50,000
Memorial Park Splash Park	90,000	2020	2527		90,000		90,000
<u>Bergen County Dept. of Public Works</u>							
County-wide ADA ramps/curbs/sidewalks	237,000	2014	2293/2409/2546	200,000	37,000		237,000
County-wide ADA ramps/curbs/sidewalks	280,000	2019	2506	280,000		225,142	54,858
Drainage Imps. Within Saddle River Road	56,835	2019	2518	56,835	2,320	59,155	
				\$ 833,643	129,320	399,297	563,666

BOROUGH OF FAIR LAWN, N.J.
Schedule of Federal and State Grants Receivable

General Capital Fund

Year Ended December 31, 2020

	Grant Amount	Year	Ordinance	Balance Dec. 31, 2019	2020 Grants Authorized	Received	Balance Dec. 31, 2020
<u>Community Development Block Grant:</u>							
Senior Center Improvements	30,175	2018	2462	\$ 30,175		3,520	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
Total Community Development Block Grants				\$ 94,175	123,511	3,520	214,166
<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 Plaza Rd., Section 2 - 2019 MA	157,600	2020	2551		157,600	157,600	
Improvements to Prospect Avenue - 2020 MA	200,000	2020	2552		200,000	110,600	89,400
Total New Jersey Transportation Trust Fund				\$ 97,077	357,600	268,200	186,477
				\$ 191,252	481,111	271,720	400,643

BOROUGH OF FAIR LAWN, N.J.**Schedule of Deferred Charges to Future
Taxation - Funded****General Capital Fund****Year Ended December 31, 2020**

Balance - December 31, 2019	\$	25,761,000
-----------------------------	----	------------

Decreased by:

Current year Budget Appropriations:

Capital Lease Principal	\$	450,000
Serial Bond Principal		<u>1,985,000</u>

	<u>2,435,000</u>
--	------------------

Balance - December 31, 2020	\$	<u><u>23,326,000</u></u>
-----------------------------	----	--------------------------

Analysis of Balance:

Capital Leases Payable	\$	7,980,000
Bonds Payable		<u>15,346,000</u>
	\$	<u><u>23,326,000</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Funded	Balance Dec. 31, 2020	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
	<u>General improvements:</u>							
2053	Multiple Purpose	\$ 66,152			66,152		41,695	24,457
2259	Improv. To Parks - Vogel/George St.	50,000			50,000		50,000	
2281	Mun. Park Improv. - BC OS	73,305		73,305				
2294	Berdan Grove ADA Park Improv	50,000			50,000		50,000	
2337	Various Improvements	820,000		29,000	791,000	791,000		
2376	Various Road Improvements	2,012,400		87,600	1,924,800	1,924,800		
2377	Various Road Improvements	1,362,000		76,000	1,286,000	1,180,000	101,614	4,386
2427	Various Improvements	2,190,000			2,190,000	2,171,000		19,000
2428	Roadway Improvements	1,438,000			1,438,000	1,435,000		3,000
2439	Refunding Bond Ordinance	795,000			795,000			795,000
2458	Various Improvements	1,845,000			1,845,000	1,845,000		
2459	Roadway Improvements	1,529,000			1,529,000	1,525,600		3,400
2495	Various Improvements	1,800,000			1,800,000	1,800,000		
2496	Improvements to Various Roads	1,430,000			1,430,000	1,427,600	2,400	
2530	Various Capital Improvements		3,820,000		3,820,000		1,900,469	1,919,531
2532	Improvements to Various Roads		959,000		959,000		507,318	451,682
		<u>\$ 15,460,857</u>	<u>4,779,000</u>	<u>265,905</u>	<u>19,973,952</u>	<u>14,100,000</u>	<u>2,653,496</u>	<u>3,220,456</u>
			Cash Receipt \$ 73,305					
			Paydown of Notes 192,600					
			\$ 265,905					
					Improvement Authorizations - Unfunded			
					Less: Unexpended proceeds			
					of Bond Anticipation Notes			
					Ordinance:			
					2337		371,177	
					2376		280,417	
					2427		199,710	
					2428		1,232	
					2458		372,723	
					2459		3,960	
					2495		550,607	
					2496		12,027	
								<u>1,791,853</u>
								<u>\$ 3,220,456</u>

General Capital Fund

Year Ended December 31, 2020

-140-

BOROUGH OF FAIR LAWN, N.J.

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
Recreation Center	Nov. 15, 2004	12,860,000	09/15/21	460,000	4.000%	8,430,000	450,000	7,980,000
			09/15/22	470,000	2.000%			
			09/15/23	480,000	2.000%			
			09/15/24	490,000	2.000%			
			09/15/25	500,000	2.125%			
			09/15/26	520,000	2.250%			
			09/15/27	540,000	4.000%			
			09/15/28	555,000	4.000%			
			09/15/29	585,000	2.750%			
			09/15/30	610,000	5.000%			
			09/15/31	640,000	5.000%			
			09/15/32	675,000	5.000%			
			09/15/33	710,000	5.000%			
			09/15/34	745,000	5.000%			
						\$ 8,430,000	450,000	7,980,000

BOROUGH OF FAIR LAWN, N.J.
Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended December 31, 2020

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31 2019	Increased	Decreased	Balance, Dec. 31, 2020
2337	Various Improvements	09/16/16	09/10/20	09/10/21	1.50%	\$ 820,000	791,000	820,000	791,000
2376	Various Improvements	09/16/16	09/10/20	09/10/21	1.50%	2,012,400	1,924,800	2,012,400	1,924,800
2377	Various Road Improvements	09/16/16	09/10/20	09/10/21	1.50%	1,256,000	1,180,000	1,256,000	1,180,000
2427	Various Improvements	09/13/18	09/10/20	09/10/21	1.50%	2,171,000	2,171,000	2,171,000	2,171,000
2428	Roadway Improvements	09/13/18	09/10/20	09/10/21	1.50%	1,435,000	1,435,000	1,435,000	1,435,000
2458	Various Improvements	09/12/19	09/10/20	09/10/21	1.50%	1,845,000	1,845,000	1,845,000	1,845,000
2459	Roadway Improvements	09/12/19	09/10/20	09/10/21	1.50%	1,525,600	1,525,600	1,525,600	1,525,600
2495	Various Improvements	09/10/20	09/10/20	09/10/21	1.50%		1,800,000		1,800,000
2496	Improvements to Various Roads	09/10/20	09/10/20	09/10/21	1.50%		1,427,600		1,427,600
						<u>\$ 11,065,000</u>	<u>14,100,000</u>	<u>11,065,000</u>	<u>14,100,000</u>
						Cash \$	3,227,600		
						Budget Appropriation		192,600	
						Renewed	10,872,400	10,872,400	
						<u>\$</u>	<u>14,100,000</u>	<u>11,065,000</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Special Reserves

General Capital Fund

Year Ended December 31, 2020

	Balance Dec. 31, 2019	Increased	Balance Dec. 31, 2020
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		25,200	25,200
Board of Education Parking Project	7,036		7,036
Reserve for Debt	9,793		9,793
	<u>\$ 44,718</u>	<u>25,200</u>	<u>69,918</u>
Cash Receipts		3,900	
Interfund		1,096	
Fund Balance		<u>20,204</u>	
		<u>\$ 25,200</u>	
<u>Analysis of Balance</u>			
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		25,200	
Reserve for Board of Education Joint Paving Project		7,036	
Reserve for Debt		9,793	
		<u>\$ 69,918</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Balance Dec. 31, 2020	
			Funded	Unfunded			Funded	Unfunded
<u>General Improvements:</u>								
2053	Multi Purpose	3,087,000		24,457				24,457
2245	Various Improvements	2,656,000	206,272			25,628	180,644	
2284	Various Improvements	2,217,700	14,011			11,673	2,338	
2310	Various Improvements	1,612,000	175,283			33,088	142,195	
2337	Various Improvements	2,100,000		554,678		183,501		371,177
2376	Various Improvements	2,300,000		379,339		98,922		280,417
2377	Various Road Improvements	1,510,000		4,386				4,386
2384	Memorial Park and Pool Improvements	50,000	989				989	
2387/2390	Improvements to 20th Street	155,500	32,844				32,844	
	Naugle-Vanderbeck House	131,226	131,226				131,226	
2427	Various Improvements	2,300,000		297,288		78,578		218,710
2428	Roadway Improvements	1,510,000		4,232				4,232
2439	Refunding Bond Ordinance	6,596,000		795,000				795,000
2458	Various Improvements	2,050,000		390,491		17,768		372,723
2459	Roadway Improvements	1,610,000		9,535		2,175		7,360
2461	CDBG - ADA Curb Cuts	39,300	2,786				2,786	
2462	CDBG - Senior Center Improvements	30,175	21,276			(34)	21,310	
2472	Improvements to 17th Street	202,000	65,904				65,904	
2495	Various Improvements	1,900,000		1,265,393		714,786		550,607
2496	Improvements to Various Roads	1,510,000		1,043,541		1,031,514		12,027
2503	Memorial Pool and Park Improvements	50,000	8,441			1,925	6,516	
2506	County-Wide ADA Ramps, Curbs and Sidewalks	280,000	54,858				54,858	
2518/2519	Drainage Imps. Within Saddle River Road	59,155			2,320	2,320		
	Memorial Park Splash Park	90,000			90,000	90,000		
2530	Various Capital Improvements	4,022,900			4,022,900	2,103,369		1,919,531
2532	Improvements to Various Roads	1,010,000			1,010,000	558,318		451,682
2537	30th Street Improvements	49,848			49,848	49,848		

BOROUGH OF FAIR LAWN, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Balance Dec. 31, 2020	
			Funded	Unfunded			Funded	Unfunded
2538	Senior Center Ramps	73,663			73,663	73,663		
2546	County-Wide ADA Ramps, Curbs and Sidewalks	37,000			37,000		37,000	
2550	Construction of Administration Building at Memorial Pool	2,000,000			2,000,000			2,000,000
2551	Imps. To Plaza Road, Section 2	157,600			157,600	157,600		
2552	Imps. To Prospect Avenue	200,000			200,000	200,000		
		\$	713,890	4,768,340	7,643,331	5,434,642	2,678,610	5,012,309
			Capital Improvement Fund \$					
			Community Development Block Grant					
			Bergen County Department of Public Works					
			Bergen County Open Space Trust Fund					
			Deferred Charges - Unfunded					
			2020 Budget Appropriation					
			State Department of Transportation Grant					
			\$					
			7,643,331					
			Encumbrances Payable \$					
			3,605,659					
			Cash Disbursements					
			1,828,983					
			\$					
			5,434,642					

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Encumbrances Payable

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 1,335,875
Increased by:	
Charged to Improvement Authorizations	<u>3,605,659</u>
	4,941,534
Decreased by:	
Payments	<u>1,335,875</u>
Balance - December 31, 2020	<u><u>\$ 3,605,659</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, 2020

Balance - December 31, 2019	\$ <u>15,464</u>
Balance - December 31, 2020	\$ <u><u>15,464</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 256,298
Increased by:	
Budget Appropriation	<u>255,000</u>
	511,298
Decreased by:	
Appropriated to Finance Improvement	
Authorizations	<u>253,900</u>
Balance - December 31, 2020	\$ <u><u>257,398</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2020

	Due from/(to) Balance Dec. 31, 2019	Increased	Decreased	Due from/(to) Balance Dec. 31, 2020
Current Fund	\$ (2,551,576)	2,551,576	2,525,772	(2,525,772)
	<u>\$ (2,551,576)</u>	<u>2,551,576</u>	<u>2,525,772</u>	<u>(2,525,772)</u>
<u>Analysis</u>				
Due from General Capital Fund	(2,551,576)	2,551,576	2,525,772	(2,525,772)
	<u>\$ (2,551,576)</u>	<u>2,551,576</u>	<u>2,525,772</u>	<u>(2,525,772)</u>
Cash Receipts \$			2,500,000	
Interest on Investments			25,772	
Re-establish Reserve for JP Morgan Co-operative		1,096		
Cash Disbursements		<u>2,550,480</u>		
		<u>\$ 2,551,576</u>	<u>2,525,772</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$ <u>18,243</u>
-----------------------------	------------------

Balance - December 31, 2020	\$ <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, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2020</u>
<u>General Improvements:</u>					
2053	Multiple Purpose	\$ 66,152			66,152
2259	Imps. To Parks - Vogel/George St.	50,000			50,000
2281	Municipal Park Imps. - BCOS	73,305		73,305	
2294	Berdan Grove ADA Park Imps.	50,000			50,000
2377	Various Road Improvements	106,000			106,000
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
2495	Various Improvements	1,800,000		1,800,000	
2496	Improvements to Various Roads	1,430,000		1,427,600	2,400
2530	Various Capital Improvements		3,820,000		3,820,000
2532	Improvements to Various Roads		959,000		959,000
		<u>\$ 4,395,857</u>	<u>4,779,000</u>	<u>3,300,905</u>	<u>5,873,952</u>
Bond Anticipation Notes Issued \$				3,227,600	
Budget Appropriation - Deferred Charged - Unfunded				73,305	
				<u>\$ 3,300,905</u>	

BOROUGH OF FAIR LAWN, N.J.**Schedule of Cash - Treasurer****Water Utility Fund****Year ended December 31, 2020**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2019	\$ 9,757,640	3,956,545
Increased by Receipts:		
Water Collector	6,261,355	
Interest on Investments	43,439	9,681
Interfund	3,029,304	2,500,000
Other Miscellaneous	56,961	
Miscellaneous Revenue Not Anticipated	156,912	
Overpayments	1,961	
Capital Improvement Fund		200,000
Fund Balance		61,405
Bond Anticipation Notes		1,700,000
	<u>9,549,932</u>	<u>4,471,086</u>
	19,307,572	8,427,631
Decreased by Disbursements:		
2020 Appropriations	6,210,594	
2019 Appropriation Reserves	253,452	
Interfunds	4,000,000	2,529,304
Water Rent Overpayments	586	
Accrued Interest on Bonds	168,209	
Encumbrances		580,520
Improvement Authorizations		395,804
	<u>10,632,841</u>	<u>3,505,628</u>
Balance, December 31, 2020	\$ <u>8,674,731</u>	<u>4,922,003</u>

BOROUGH OF FAIR LAWN, N.J.

Analysis of Cash

Water Utility Capital Fund

December 31, 2020

		Balance, Dec. 31, <u>2020</u>
Fund Balance	\$	405,913
Encumbrances Payable		504,475
Capital Improvement Fund		187,730
Interfunds Accounts Payable		2,509,681
Improvement Authorizations:		
Ordinance		
<u>Number</u>	<u>General Improvements</u>	
2218	Various Improvements to Water System	(59)
2243	Various Improvements to Water System	105,567
2286	Impr. To Water Supply & Distr. System	62,537
2311	Impr. To Water Supply & Distr. System	33,399
2378	Impr. To Water Supply & Distr. System	34,849
2378	Impr. To Water Supply & Distr. System	107,000
2429	Impr. To Water Supply & Distr. System	359,460
2460	Impr. To Water Supply & Distr. System	19,320
2497	Various Improvements to Water System	564,393
2531	Various Improvements to Water System	<u>27,738</u>
	\$	<u><u>4,922,003</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds

Water Utility Operating Fund

Year ended December 31, 2020

	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$ (3,999,099)	4,000,000	3,000,000	(2,999,099)
Water Utility Capital Fund	<u>29,304</u>	<u>9,681</u>	<u>29,304</u>	<u>9,681</u>
	<u>\$ (3,969,795)</u>	<u>4,009,681</u>	<u>3,029,304</u>	<u>(2,989,418)</u>
<u>Analysis</u>				
Due from Other Funds	29,304	9,681	29,304	9,681
Due from Water Utility Operating Fund	<u>(3,999,099)</u>	<u>4,000,000</u>	<u>3,000,000</u>	<u>(2,999,099)</u>
	<u>\$ (3,969,795)</u>	<u>4,009,681</u>	<u>3,029,304</u>	<u>(2,989,418)</u>
Cash Receipts	\$		3,029,304	
Cash Disbursements		4,000,000		
Interest on Investments		<u>9,681</u>		
	\$	<u>4,009,681</u>	<u>3,029,304</u>	

Exhibit D-8

BOROUGH OF FAIR LAWN, N.J.
Schedule of Consumers' Accounts Receivable -
Operating Fund
Water Utility Fund
Year ended December 31, 2020

Balance, December 31, 2019	\$ 389,533
Increased by:	
2020 Levy	<u>6,470,899</u>
	6,860,432
Decreased by:	
	<u>6,261,355</u>
Balance, December 31, 2020	<u><u>\$ 599,077</u></u>

Exhibit D-9

Inventory - Material and Supplies
Water Utility Fund
Year ended December 31, 2020

Balance, December 31, 2019	\$ 169,736
Increased by:	
Purchases	<u>66,117</u>
	235,853
Decreased by:	
Inventory Usage	<u>66,466</u>
Balance, December 31, 2020	<u><u>\$ 169,387</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2020

<u>Account</u>	Balance, Dec. 31, <u>2019</u>	Balance, Dec. 31, <u>2020</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	9,420,269	9,420,269
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>\$ 17,630,815</u>	<u>17,630,815</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2019	2020 Authorizations	Decreased	Balance, Dec. 31, 2020
		Date	Amount				
2123	Improvements to Water System	08/19/08	\$ 94,200	\$ 79,500			79,500
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
2339	Improv of Water Supply & Distr. System	04/14/15	800,000	800,000			800,000
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	3,680,000			3,680,000
2531	Various Improvements to Water System	04/28/20	736,000		736,000		736,000
				\$ 12,712,978	736,000		13,448,978

BOROUGH OF FAIR LAWN, N.J.

Schedule of 2019 Appropriation Reserves

Water Utility Fund

Year ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Tranfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 127,680	127,680	17,085	110,595
Other Expenses	<u>295,200</u>	<u>607,966</u>	<u>210,649</u>	<u>397,317</u>
Total Operating	<u>422,880</u>	<u>735,646</u>	<u>227,734</u>	<u>507,912</u>
Capital Improvements:				
Capital Outlay	<u>13,825</u>	<u>78,857</u>	<u>25,718</u>	<u>53,139</u>
Total Capital Improvements	<u>13,825</u>	<u>78,857</u>	<u>25,718</u>	<u>53,139</u>
Deferred Charges and Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>12,680</u>	<u>12,680</u>		<u>12,680</u>
Total Deferred Charges and Statutory Expenditures	<u>12,680</u>	<u>12,680</u>		<u>12,680</u>
	<u>\$ 449,385</u>	<u>827,183</u>	<u>253,452</u>	<u>573,731</u>
Appropriation Reserves	\$ 449,385			
Encumbrances		<u>377,798</u>		
		<u>\$ 827,183</u>		

Schedule of Water Rent Overpayments

Water Utility Fund

Year ended December 31, 2020

Balance, December 31, 2019	\$ 7,318
Increased by:	
Current Year Overpayments	<u>1,961</u>
	9,279
Decreased by:	
Refunded	<u>586</u>
Balance, December 31, 2020	\$ <u><u>8,693</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Accrued Interest on Bonds and Notes

Water Utility Fund

Year ended December 31, 2020

Balance, December 31, 2019	\$ 47,951
Increased by:	
Budget Appropriation	<u>171,822</u>
	219,773
Decreased by:	
Payments	<u>168,209</u>
Balance, December 31, 2020	<u>\$ 51,564</u>

Analysis of Accrued Interest

	Principal Outstanding <u>Dec. 31, 2020</u>	<u>Period</u>	Interest <u>Rate</u>	<u>Amount</u>
Serial Bonds				
\$ 4,185,000	120 Days	2.00%	27,900	
404,000	16 Days	3.00%	539	
Bond Anticipation Notes				
5,000,000	111 Days	1.50%	23,125	
				<u>\$ 51,564</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Encumbrances Payable

Water Utility Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	862,033
Increased by:			
Charged to Improvement Authorizations			<u>311,063</u>
			1,173,096
Decreased by:			
Payments	\$	580,520	
Cancelled		<u>88,101</u>	
Cash Disbursements			<u>668,621</u>
Balance - December 31, 2020		\$	<u><u>504,475</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year ended December 31, 2020

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2019		2020 Authorizations		Balance, Dec. 31, 2020	
				Funded	Unfunded	Funded	Expended	Funded	Unfunded
2243	Various Improvements to Water System	Sept. 11, 2012	1,688,000	\$ 105,567				105,567	
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	
2339	Impr. To Water Supply & Distr. System	April 14, 2015	800,000				(33,399)	34,849	
2378	Impr. To Water Supply & Distr. System	April 19, 2016	1,140,000	107,000			(34,849)	107,000	
2429	Impr. To Water Supply & Distr. System	April 25, 2017	1,800,000		742,315		(19,853)		762,168
2460	Impr. To Water Supply & Distr. System	April 17, 2018	2,670,000		873,135		317,815		555,320
2497	Various Improvements to Water System	April 23, 2019	3,680,000		2,738,183		377,790		2,360,393
2531	Various Improvements to Water System	April 28, 2020	736,000			736,000	11,262	27,738	697,000
				\$ 275,104	4,353,633	736,000	618,766	371,090	4,374,881
				Authorized Not Issued \$ 697,000					
				Capital Improvement Fund 39,000					
				\$ 736,000					
				Encumbrances \$ 311,063					
				PY Encumbrances Cancelled (88,101)					
				Cash Disbursement 395,804					
				\$ 618,766					

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds

Water Utility Capital Fund

Year ended December 31, 2020

	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$ (2,500,000)	2,500,000	2,500,000	(2,500,000)
Water Utility Operating Fund	<u>(29,304)</u>	<u>29,304</u>	<u>9,681</u>	<u>(9,681)</u>
	<u>\$ (2,529,304)</u>	<u>2,529,304</u>	<u>2,509,681</u>	<u>(2,509,681)</u>
<u>Analysis</u>				
Due to Other Funds	<u>(2,529,304)</u>	<u>2,529,304</u>	<u>2,509,681</u>	<u>(2,509,681)</u>
	<u>\$ (2,529,304)</u>	<u>2,529,304</u>	<u>2,509,681</u>	<u>(2,509,681)</u>
Cash Disbursements	\$ 2,529,304			
Cash Receipts			2,500,000	
Interest on Investments			<u>9,681</u>	
	\$ <u>2,529,304</u>		<u>2,509,681</u>	

Exhibit D-18**BOROUGH OF FAIR LAWN, N.J.****Schedule of Capital Improvement Fund****Water Utility Capital Fund****Year ended December 31, 2020**

Balance, December 31, 2019	\$	26,730
Increased by:		
2020 Budget Appropriation		<u>200,000</u>
		226,730
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>39,000</u>
Balance, December 31, 2020	\$	<u><u>187,730</u></u>

Exhibit D-19**Schedule of Reserve for Amortization****Water Utility Capital Fund****Year ended December 31, 2020**

Balance, December 31, 2019	\$	16,853,998
Increased by:		
Budget Appropriation - Serial Bond Principal		<u>440,000</u>
Balance, December 31, 2020	\$	<u><u>17,293,998</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year ended December 31, 2020

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance, Dec. 31, <u>2019</u>	<u>Increased</u>	Balance, Dec. 31, <u>2020</u>
2123	Improvement to Water System	August 19, 2008	\$ 19,771		19,771
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
2339	Various Improvements to Water System	April 14, 2015	38,200		38,200
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
			<u>\$ 726,028</u>	<u>39,000</u>	<u>765,028</u>
			Capital Improvement Fund \$ <u>39,000</u>		

BOROUGH OF FAIR LAWN, N.J.

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year ended December 31, 2020

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31 2019	Increased	Decreased	Balance, Dec. 31, 2020
2429	Various Improvements to Water System	Sept. 13, 2018	Sept. 10, 2020	Sept. 10, 2021	1.50%	\$ 1,300,000	1,300,000	1,300,000	1,300,000
2460	Various Improvements to Water System	Sept. 13, 2019	Sept. 10, 2020	Sept. 10, 2021	1.50%	2,000,000	2,000,000	2,000,000	2,000,000
2497	Various Improvements to Water System	Sept. 10, 2020	Sept. 10, 2020	Sept. 10, 2021	1.50%		1,700,000		1,700,000
						<u>\$ 3,300,000</u>	<u>5,000,000</u>	<u>3,300,000</u>	<u>5,000,000</u>
						Cash \$ 1,700,000			
						Renewals 3,300,000		3,300,000	
						<u>\$ 5,000,000</u>	<u>5,000,000</u>	<u>3,300,000</u>	<u>3,300,000</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

Year ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Decreased by:	Balance Dec. 31, 2020
2218	Various Improvements to Water System	\$ 59			59
2429	Improvement of Water Supply & Distribution System	402,708			402,708
2460	Improvement of Water Supply & Distribution System	536,000			536,000
2497	Various Improvements to Water System	3,496,000		1,700,000	1,796,000
2531	Various Improvements to Water System		697,000		697,000
		<u>\$ 4,434,767</u>	<u>697,000</u>	<u>1,700,000</u>	<u>3,431,767</u>
			Bond Anticipation Note Issuance	\$ 1,700,000	
				<u>\$ 1,700,000</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, 2020



WIELKOTZ & COMPANY ^{LLC}

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
THOMAS M. FERRY, CPA, RMA, PSA

HEADQUARTERS
401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
(973)-835-7900
OFFICE@W-CPA.COM

ROCKAWAY OFFICE
100 ENTERPRISE DRIVE
SUITE 301
ROCKAWAY, NEW JERSEY 07866
(973)-835-7900

**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, 2020 and the related notes to the financial statements, and have issued our report thereon dated July 22, 2021, 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. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



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

July 22, 2021



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 or 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, 2020, 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:

- Fair Lawn Senior Center Restroom Renovations
- Electrical Repair and Maintenance
- Uniforms: Police, Special Police and School Crossing Guards
- SCADA System Improvements
- Radio Shelter Rehabilitation (Gordon Place)
- Municipal Facilities HVAC Maintenance and Repair
- Roadway Improvements 2020
- Snow Plowing and Hauling Services
- Chlorine - Accutab Calcium Hypochlorite Tablets - Memorial Pool
- Library Acoustical Ceiling Replacement
- Mini Electric Ambulance
- Disposal of Solid Waste
- Fire Department and Fire Protection Uniforms
- Water & Sewer Pump Station Maintenance and Repair
- Various Water Analysis
- Disposal of Recyclable Materials

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 7, 2020 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 30, 2020 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>
2020	2
2019	2
2018	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.

**BOROUGH OF FAIR LAWN
FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2020**

COMMENTS:

FINANCE

1. *There are General Capital and Water Utility Capital Improvement Authorizations greater than five years old that have unfunded portions outstanding creating cash deficits.
2. There is an unallocated balance in the Current Fund Claims Account.

RECOMMENDATIONS:

FINANCE

1. *General Capital and Water Utility Capital Fund Improvement Authorizations greater than five years old should be funded through a budget appropriation or the issuance of debt in order to fund cash deficits created by ordinance expenditures.
2. The Current Fund Claims Account should be maintained on an imprest basis.

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

July 22, 2021