

BOROUGH OF FAIR LAWN, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2010

	Animal Trust Fund	Other Trust Fund	Unemployment Comp. Ins. Fund	Self- Insurance Trust Fund	Free Public Library Trust Fund	Cafeteria Plan Trust Fund	Emergency Service LOSAP Fund
Balance - December 31, 2009	\$ 45,898	713,901	59,088	365,786	112,325	7,642	484,401
Increase by Receipts:							
Reserve for Animal Trust Expenditures	24,588						
Interfunds		5,000	45,000				
Prepaid Animal Licenses	1,168						
Due to the State of New Jersey	3,589	3,565					
Animal Trap Deposits	950						
Other Trust Funds		771,794					
Unemployment Tax Withholdings			45,692				
Budget Appropriation				1,130,000			
Worker's Compensation				373			
Self-Insurance Liability				25,551			
Health Benefits Plan				1,511,466			
Library Donations and Receipts						12,862	
Cafeteria Plan Receipts							72,709
Contributions							60,932
Net Gain on Benefit Contributions							
Prior Year Void Checks							
Interest on Investments	187		222	6,880	343	120	
Total Receipts	30,482	780,359	90,914	2,674,270	343	12,982	133,641
	76,380	1,494,260	150,002	3,040,056	112,668	20,624	618,042
Decreased by Disbursements:							
Reserve for Animal Trust Expenditures	22,852						
Interfunds		5,000		610,506			
Due to the State of New Jersey	3,693	3,555	110,167				
Other Trust Funds		751,595					
Animal Trap Deposits	613						
Worker's Compensation				168,004			
Self-Insurance Liability				9,182			
Health Benefits Plan				1,511,466			
Cafeteria Plan Expenditures						10,525	
LOSAP Distributions							5,327
LOSAP Plan Service Charges							260
Total Disbursements	27,158	760,150	110,167	2,299,158		10,525	5,587
Balance - December 31, 2010	49,222	734,110	39,835	740,898	112,668	10,099	612,455

BOROUGH OF FAIR LAWN, N.J.

Schedule of Prepaid Dog Licenses

Trust Funds

Year Ended December 31, 2010

Balance - December 31, 2009	\$ 1,498
Increased by:	
Collections	<u>1,168</u>
	2,666
Decreased by:	
Applied to 2010 Licenses	<u>1,498</u>
Balance - December 31, 2010	<u><u>\$ 1,168</u></u>

Schedule of Animal Trap Deposits

Trust Funds

Year Ended December 31, 2010

Balance - December 31, 2009	\$ 5,928
Increased by:	
Collections	<u>950</u>
	6,878
Decreased by:	
Refunds	<u>613</u>
Balance - December 31, 2010	<u><u>\$ 6,265</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Due to State of New Jersey

Trust Funds

Year Ended December 31, 2010

	Dog License <u>Fees</u>	Civil Union <u>Fees</u>	Marriage License <u>Fees</u>	Burial Permit <u>Fees</u>	Quarterly Unemployment <u>Taxes Due</u>
Balance - December 31, 2009	\$ 379	25	525	20	6,952
Increased by:					
Dog License Fees	3,589				
Reallocated from Animal License Reserv	6				
Civil Union Fees		50			
Marriage License Fees			3,500		
Burial Permit Fees				15	
Withholdings					131,636
	<u>3,595</u>	<u>50</u>	<u>3,500</u>	<u>15</u>	<u>131,636</u>
	3,974	75	4,025	35	138,588
Decreased by:					
Cash Disbursements	<u>3,693</u>	<u>75</u>	<u>3,450</u>	<u>30</u>	<u>110,167</u>
Balance - December 31, 2010	\$ <u>281</u>	<u>75</u>	<u>575</u>	<u>5</u>	<u>28,421</u>

BOROUGH OF FAIR LAWN, N.J.
Schedule of Interfunds Receivable/(Payable)

Trust Funds

Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Animal Control Trust:				
Current Fund	\$ <u>(11,896)</u>		187	<u>(12,083)</u>
Other Trust Fund:				
Current Fund	<u>(53,988)</u>	5,000	33,467	<u>(82,455)</u>
Unemployment Compensation Insurance				
Trust Fund:				
Current Fund	45,000	45,000	45,000	45,000
Payroll Fund	<u>3,551</u>			<u>3,551</u>
	<u>48,551</u>	45,000	45,000	<u>48,551</u>
Self-Insurance Trust Fund:				
Current Fund		610,506	610,506	
		610,506	610,506	
Cafeteria Plan Trust Fund:				
Current Fund	<u>(186)</u>		120	<u>(306)</u>
	<u>\$ (17,519)</u>	<u>660,506</u>	<u>689,280</u>	<u>(46,293)</u>
Receipts		5,000	45,000	
Disbursements			615,506	
Interest on Investments			307	
Reimburse expenses paid by Current		610,506	28,467	
Budget Appropriation		<u>45,000</u>		
		<u>\$ 660,506</u>	<u>689,280</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Sundry Reserve and Deposits

Trust Funds

Year Ended December 31, 2010

	Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2010</u>
Parking Offenses Adjudication Act	\$ 21,936	968		22,904
Tax Title Lien Redemptions	161,300	537,212	538,812	159,700
Found Money	558			558
Insurance Proceeds-				
Damage to Borough Cars	2,047			2,047
State Nextel Purchase	4			4
Miscellaneous Reserves	<u>4,845</u>			<u>4,845</u>
	<u>\$ 190,690</u>	<u>538,180</u>	<u>538,812</u>	<u>190,058</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Escrow Reserve and Deposits

Trust Funds

Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Street Opening Deposits	\$ 4,800	600	800	4,600
Performance Bond	1,000			1,000
Performance Bond 9/16/03	35,480		35,480	0
Performance Bond Paramus Auto Mall	98,130			98,130
Board of Education	1,250			1,250
Fisher Scientific	6,000			6,000
Fisher Scientific Deposit	7,242	359		7,601
Fairlawn Commons Restoration Bond	26,922			26,922
Eldorado Village - Rent Board Capital Imp	2,666			2,666
Maintenance Bond-Hockey Rink	1,213			1,213
Zoning Board Escrow	127,746	102,184	100,922	129,008
Planning Board Escrow	76,427	66,054	62,040	80,441
Council Escrow	7,145			7,145
	<u>\$ 396,021</u>	<u>169,197</u>	<u>199,242</u>	<u>365,976</u>

Street Opening Deposits	4,600
Performance Bonds	99,130
Escrow Accounts	<u>262,246</u>
\$	<u><u>365,976</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Donation Reserve and Deposits

Trust Funds

Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Human Services Donations	\$ 17,439	11,065	8,616	19,888
Tree Planting Donations	1,713			1,713
Economic Development Donations	2,141			2,141
Flower Pot Donations	976			976
Community Police Donations	6,429	6,967	3,600	9,796
Reserve Police Donations	2,093			2,093
Concert Donations	9,411	4,200		13,611
Fireworks Donations	1,333	37,310	22,494	16,149
Fire Victims Donations	1,375			1,375
Camp Donations	343			343
Civil War Event Donations	922			922
Fire Department Donations	6,933		2,450	4,483
Hepatitis Shot Donations	2,024			2,024
LEPC Account Donations	31			31
Senior Center Donations	100			100
Adopt a Bench Donations	3,025	900	696	3,229
Safety Program Donations	252			252
Police Explorers Donations	2,092	3,225	1,448	3,869
Collura Memorial Donations	2,890			2,890
Police Vests Donations	5,750			5,750
Fl Vol Coalition Donations	1,110		500	610
Certification Donations	4,250	750	2,204	2,796
	<u>\$ 72,632</u>	<u>64,417</u>	<u>42,008</u>	<u>95,041</u>
		Cash Receipts 64,417		
		Cash Disbursements 13,541		
		Due to Current Fund 28,467		
		<u>\$ 64,417</u>	<u>42,008</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2010

Balance - December 31, 2009		\$	26,197
Increased by:			
Dog License Fees:			
Collections	\$	12,267	
Prepays Applied		<u>1,498</u>	
	\$	13,765	
Cat License Fees		3,541	
Miscellaneous Revenue:			
Impound Fees		4,635	
Late Fees - Dog		1,800	
Late Fees - Cat		655	
Animal Removal Fees		<u>1,690</u>	
		<u>8,780</u>	
			<u>26,086</u>
			52,283
Decreased by:			
Expenditures Under R.S. 4:19-15.11		22,852	
Due to State of New Jersey		<u>6</u>	
			<u>22,858</u>
Balance - December 31, 2010		\$	<u><u>29,425</u></u>

Animal License Fees Collected

Year

2008	\$	25,199
2009		<u>22,810</u>

Maximum Reserve \$ 48,009

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for State Unemployment
Insurance Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2010

Balance - December 31, 2009		\$	100,687
Increased by:			
Budget Appropriation	\$	45,000	
Payroll Deductions		45,692	
Interest on Investments		<u>222</u>	
			<u>90,914</u>
			191,601
Decreased by:			
Payment of Unemployment Compensation Claims	\$	<u>131,636</u>	
Balance - December 31, 2010		\$	<u><u>59,965</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Worker's
Compensation Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2010

Balance - December 31, 2009		\$	236,252
Increased by:			
Budget Appropriations	\$	338,000	
Water Operating Utility Budget Appropriation		61,000	
Reimbursements		373	
Interest on Investments		<u>2,661</u>	
			<u>402,034</u>
			638,286
Decreased by:			
Due to Current Fund		201,376	
Payment of Claims		<u>168,004</u>	
			<u>369,380</u>
Balance(Deficit) - December 31, 2010		\$	<u><u>268,906</u></u>

BOROUGH OF FAIR LAWN, N.J.

**Schedule of Reserve for Self-
Insurance Trust Fund Expenditures**

Trust Funds

Year Ended December 31, 2010

Balance - December 31, 2009		\$	129,534
Increased by:			
Budget Appropriations	\$	631,000	
Water Operating Utility Budget Appropriation		100,000	
Insurance Reimbursements		25,551	
Interest on Investments		<u>3,800</u>	
			<u>760,351</u>
			889,885
Decreased by:			
Due to Current Fund		409,130	
Payment of Claims		<u>9,182</u>	
			<u>418,312</u>
Balance - December 31, 2010		\$	<u><u>471,573</u></u>

BOROUGH OF FAIR LAWN, N.J.

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

Trust Funds

Year Ended December 31, 2010

Increased by:		
Cash Receipts	\$ 1,511,466	
Interest on Investments	<u>419</u>	
		\$ <u>1,511,885</u>
Decreased by:		
Payment of Claims		<u>1,511,466</u>
Balance - December 31, 2010		\$ <u><u>419</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserves for Library Expenditures

Library Trust Fund

Year Ended December 31, 2010

Balance - December 31, 2009	\$	19,854
Increased by:		
Interest		<u>343</u>
Balance - December 31, 2010	\$	<u><u>20,197</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Restricted Reserves for Library Expenditures

Library Trust Fund

Year Ended December 31, 2010

Balance - December 31, 2009	\$ <u>92,471</u>
Balance - December 31, 2010	\$ <u><u>92,471</u></u>
<u>Analysis of Balance</u>	
Eva Kaplan Trust Fund	\$ 23,140
Shirley T. Rosen Trust Fund	54,550
Endowment Program - Pavers	<u>14,781</u>
	\$ <u><u>92,471</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Cafeteria Plan Expenditures

Year Ended December 31, 2010

Balance - December 31, 2009	\$ 7,456
Increased by:	
Cash Receipts	<u>12,862</u>
	20,318
Decreased by:	
Cash Disbursements	<u>10,525</u>
Balance - December 31, 2010	<u><u>\$ 9,793</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Service Award Contributions Receivable

Trust Funds

Year Ended December 31, 2010

Balance - December 31, 2009	\$	72,709
Increased by:		
2010 Service Award Contributions		<u>65,772</u>
		138,481
Decreased by:		
Distributions		<u>72,709</u>
Balance - December 31, 2010	\$	<u><u>65,772</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Net Assets Available for Benefits

Trust Funds

Year Ended December 31, 2010

Balance - December 31, 2009		\$	557,110
Increased by:			
Contributions	\$	65,772	
Net Gain on Benefit Contributions		<u>60,932</u>	
			<u>126,704</u>
			683,814
Decreased by:			
Plan Service Charges		260	
Distributions		<u>5,327</u>	
			<u>5,587</u>
Balance - December 31, 2010		\$	<u><u>678,227</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2010

Balance - December 31, 2009		\$	2,809,961
Increased by Receipts:			
State Grants and County Grants	\$	60,754	
Federal Grants		45,088	
Interfunds		209,500	
Premium on Bond Sale		282,465	
General Serial Bonds		13,415,000	
Interest on Investments		<u>26,497</u>	
			<u>14,039,304</u>
			16,849,265
Decreased by Disbursements:			
Improvement Authorizations		1,118,410	
Bond Anticipation Notes		13,416,301	
Encumbrances payable		<u>659,568</u>	
			<u>15,194,279</u>
Balance - December 31, 2010		\$	<u><u>1,654,986</u></u>

BOROUGH OF FAIR LAWN, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2010

Fund Balance	\$	1,813,772
State and County Grants Receivable		(543,276)
Federal Grants Receivable		(223,090)
Interfund Accounts Receivable		(43,060)
Encumbrances Payable		650,835
Reserve for Payment of Debt		26,139
Reserve for Public Works Employment Act of 1976		1,750
Reserve for Unappropriated State Grant		15,464
Capital Improvement Fund		171,182
Reserve for Grants Receivable		18,243

Improvement Authorizations:

<u>Ordinance</u>	<u>Number</u>	<u>Improvement Description</u>	
	1408/1514/		
	1541/1637	Improvements to Columbia Park	1,671
	1440	Heights Area Roadway Improv. (CDBG)	28,811
	1453	Improvements to Berdan Avenue	18,696
	1460	Improvements to Municipal Building	12,813
	1548/1578	Improvements to Library	830
	1562/1590/1601	Multiple Purpose - Barrier Free Imps (CDBG)	60,431
	1565/1571	Improvements to Pollitt and Banta Place	253,904
	1592	Improvements to Columbia Terrace Park	2,227
	1641/1700	Imp. of Plaza Road, Section 3 & 4 (DOT)	41,791
	1644	Road Resurfacing/Barrier-Free Curbs (CDBG)	6,325
	1735	Improvements to River Road (DOT)	2,970
	1736	Lyncrest Flashing Lights (DOT)	12,286
	1767	Improvements to Radburn Pathways (DOT)	803
	1794/1807	Various Improvements - Pool/Tennis Courts	(27,800)
	1779	Columbia Terrace Bike Path (DOT)	10,431
	1801	Acq. Telephone System, ATM, Improvements to Walsh Pool	(18,325)
	1809	Multiple Purpose	185,131
	1845	Multiple Purpose	154,204
	1857	Multiple Purpose	14,980
	1864	Multiple Purpose	2,421
	1884	Multiple Purpose	60,288
	1917	Pollitt Drive Improvements	852
	1922	Multiple Purpose	33,320
	1929	Multiple Purpose	46,221
	1941	Multiple Purpose	(13,394)

BOROUGH OF FAIR LAWN, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2010

1951	Field Lighting	36,134
1953	Multiple Purpose	24,891
1965	Multiple Purpose	12,428
1970	Improvement to Streets	42,041
1971	Multi Purpose	3,000
1988	Multi Purpose	64,693
1992	Multi Purpose	(4,459)
2017	Multi Purpose	(102,816)
2021	Improvements to the Library	41
2030	Multi Purpose	105,245
2045	Senior Center Improvements	20,479
2046	Roadway Improvements	6,319
2053	Multi Purpose	(228,911)
2055	Berdan Grove Basketball Lighting	3,332
2074	Multi Purpose	(138,973)
2082	Improvement to River Road	1,663
2090	Acquisition of Computers and Network	(129)
2122	Multi Purpose	(360,106)
2155	Acquisition of Lands	149,500
2156	Installation of Athletic Field and Pool Fencing	4,832
2159	Various Public Improvements	(626,167)
2162	Improvements to Pellack Drive	18,096
2170	Senior Center Building Renovations	40,000
2182	Acquisition of Equipment - Police Department	(38,687)
2183	ADA ramps/curbs/sidewalks	7,427
2185	Fire Department Equipment/Equipment and Supplies for Fire Prevention Office	5,785
2187	Improvements to Berdan Avenue & Phillips St.	
2188	Construction of Warren Point Skate Park	30,000
2194	Various Improvements	(200,518)
		<u>\$ 1,654,986</u>

BOROUGH OF FAIR LAWN, N.J.
Schedule of State & County Grants Receivable

General Capital Fund

Year Ended December 31, 2010

	<u>Grant Amount</u>	<u>Year</u>	<u>Ordinance</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Grants Authorized</u>	<u>Received</u>	<u>Balance Dec. 31, 2010</u>
<u>New Jersey Transportation Trust Funds:</u>							
Improvement of Plaza Road - Section 3	350,000	1996/97	1641/1700	\$ 28,395			28,395
Installation of School Warning Flashers at Lyndcrest School	20,000	1998	1736	6,296			6,296
Improvement of Radburn Pathways	95,000	1999	1767	33			33
Columbia Terrace Bike Path	60,000	2000	1779	8,284			8,284
Pollitt Extension and McBride Ave. 20th, Fairclough, Kipp, and Romaine St.	90,000	2002	1917	8			8
Improvements to 17th Street	45,000	2003	1950	13,979			13,979
Improvements to Various Streets	50,000	2004	1986	20,000			20,000
Improvements to River Road	50,000	2004	1970	50,000			50,000
Improvements to Pellack Drive	25,000	2007	2082	1,664			1,664
Improvements to Berdan Avenue & Phillip St.	100,000	2009	2162	100,000			100,000
	115,000	2010	2187		115,000		115,000
<u>New Jersey Department of Environment Protection:</u>							
Statewide Livable Communities Grant	252,500	2003	1951	36,134			36,134
<u>Bergen County Open Space Preservation Trust Fund:</u>							
Bail Field Improvements	50,000	2004	1988	50,000			50,000
Berdan Grove Park	50,000	2004	1988	18,223			18,223
Berdan Grove Basketball Lighting	17,500	2006	2055	3,332			3,332
Installation of Athletic Field and Pool Fencing	56,500	2009	2156	31,500			31,500
Construction of Warren Point State Park	30,000	2010	2188		30,000		30,000
<u>Bergen County Dept. of Public Works</u>							
County-wide ADA ramps/curbs/sidewalks	88,270	2010	2183		88,270	80,842	7,428
<u>New Jersey Department of Law & Public Safety</u>							
Body Armor Replacement Grant	14,412	2010	2182		14,412		
<u>New Jersey Department of Community Affairs</u>							
Statewide Livable Communities Grant:							
Improvements to Library	23,000	2005	2021	23,000			23,000
				\$ 390,848	247,682	95,254	543,276
						\$ 60,754	
						34,500	
						\$ 95,254	

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

General Capital Fund

Year Ended December 31, 2010

	<u>Grant Amount</u>	<u>Year</u>	<u>Ordinance</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Grants Authorized</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2010</u>
<u>Community Development Block Grant:</u>								
Heights Area Roadway Improvement	95,000	1989	1440	\$ 28,811				28,811
Various Road Improvements	69,100	1993	1542	8,267				8,267
Barrier-Free Municipal Buildings	98,000	1994	1562b	60,064				60,064
Barrier-Free Senior Center	60,000	1995	1601	375				375
Road Resurfacing and Barrier-Free Curb Cuts	80,000	1996	1644	6,325				6,325
	40,000	1999	Reserve	2,807				2,807
Improvements to Public Library	39,280	1997	1704a	13,409				13,409
Memorial Park Rink; Warren Pt. Playground	45,000	2001	1864	2,421				2,421
Multiple Purpose	125,000	2002	1900	17,422				17,422
Improvements to Senior Center	38,000	2004	1971	3,000				3,000
Senior Center Improvements	49,879	2006	2045	20,479				20,479
Roadway Improvements	108,000	2006	2046	6,319				6,319
Barrier Free Improvements	25,000	2009	2163	25,000		25,000		
Senior Center Building Improvements	40,000	2010	2170		40,000			40,000
Total Community Development Block Grants				194,699	40,000	25,000		209,699
<u>U.S. Department of Homeland Security:</u>								
Assistance to Firefighters Grant - FEMA	87,638	2010	2185		87,638	74,247		13,391
Total U.S. Department of Homeland Security					87,638	74,247		13,391
<u>U.S. Department of Justice</u>								
Bullet Proof Vest Grant	20,088	2010	2182		20,088	20,088		
Total U.S. Department of Justice					20,088	20,088		
				\$ 194,699	147,726	119,335		223,090
					Cash \$	45,088		
					Due from Grant Fund	74,247		
						\$ 119,335		

BOROUGH OF FAIR LAWN, N.J.

Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year Ended December 31, 2010

Balance - December 31, 2009		\$ 21,145,000
Increased by:		
General Serial Bonds Issued		<u>13,415,000</u>
		34,560,000
Decreased by:		
Current year Budget Appropriations:		
Capital Lease Principal	\$ 275,000	
Serial Bond Principal	<u>2,350,000</u>	
		<u>2,625,000</u>
Balance - December 31, 2010		<u><u>\$ 31,935,000</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Funded	Balance Dec. 31, 2010	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
General Improvements:								
1794/1807	Various Improvements - Pool/Tennis Court	181,191		153,391	27,800		27,800	
1801	Acquisition of Telephone System, ATM and Improvements to Walsh Pool	18,325			18,325		18,325	119,000
1884	Multiple Purpose	1,397,261		1,278,261	119,000			70,850
1922	Multiple Purpose	432,755		361,905	70,850			214,995
1929	Multiple Purpose	1,599,610		1,384,615	214,995			1,041,606
1941	Multiple Purpose	2,910,387		1,855,387	1,055,000		13,394	80,000
1953	Multiple Purpose	356,322		276,322	80,000			375,000
1965	Multiple Purpose	1,469,549		1,094,549	375,000		4,459	266,541
1992	Multiple Purpose	1,348,407		1,077,407	271,000		102,816	197,184
2017	Multiple Purpose	886,060		586,060	300,000			76,000
2030	Multiple Purpose	736,833		660,833	76,000			228,911
2053	Multiple Purpose	2,916,270		1,666,270	1,250,000		138,973	941,027
2074	Multi Purpose	2,600,000		1,520,000	1,080,000			471
2090	Acquisition of Computers and Network	80,600		80,000	600		129	735,894
2122	Multi Purpose	2,516,000		1,420,000	1,096,000		360,106	2,990,000
2155	Acquisition of Lands	2,990,000			2,990,000			993,333
2159	Various Public Improvements	1,619,500			1,619,500		626,167	4,613
2182	Acquisition of Equipment - Police Department		43,300		43,300		38,687	
2185	Fire Department Equipment/Equipment and Supplies for Fire Prevention Office							
2194	Various Improvements		12,218		12,218		200,518	12,218
			1,232,000		1,232,000			
		\$ 24,059,070	1,287,518	13,415,000	11,931,588		1,760,285	10,171,303

BOROUGH OF FAIR LAWN, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
			Date	Amount					
Multi-Purpose	Aug. 1, 1997	13,300,000	12/1/11-12	1,200,000	4.250%	1,250,000		1,250,000	
			12/1/13-14	1,200,000					
			12/01/15	1,200,000	4.500%				
			12/01/16	1,205,000	4.625%				
Multi-Purpose	Dec. 1, 2001	15,255,000	12/15/11-12	550,000	3.000%		13,415,000		13,415,000
			12/15/13	575,000	3.000%				
			12/15/14	650,000	3.000%				
			12/15/15	725,000	3.000%				
			12/15/16	785,000	3.000%				
			12/15/17	880,000	3.000%				
			12/15/18	905,000	3.000%				
			12/15/19	920,000	3.000%				
			12/15/20	935,000	3.250%				
			12/15/21	950,000	3.500%				
Multi-Purpose	Dec. 15, 2010	13,415,000	12/15/22	965,000	3.500%				
			12/15/23	980,000	3.750%				
			12/15/24	995,000	3.750%				
			12/15/25	1,025,000	3.875%				
			12/15/26	1,025,000	4.000%				
						<u>\$ 9,555,000</u>	<u>13,415,000</u>	<u>2,350,000</u>	<u>20,620,000</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2010

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010
			Date	Amount				
Recreation Center	Nov. 15, 2004	12,860,000	09/15/11	285,000	3.000%	11,590,000	275,000	11,315,000
			09/15/12	295,000	3.250%			
			09/15/13	305,000	3.375%			
			09/15/14	315,000	3.500%			
			09/15/15	325,000	3.625%			
			09/15/16	335,000	4.250%			
			09/15/17	350,000	4.250%			
			09/15/18	365,000	4.000%			
			09/15/19	380,000	4.000%			
			09/15/20	395,000	4.000%			
			09/15/21	410,000	4.125%			
			09/15/22	425,000	5.000%			
			09/15/23	450,000	5.000%			
			09/15/24	470,000	5.000%			
			09/15/25	495,000	5.000%			
			09/15/26	520,000	5.000%			
		09/15/27	545,000	5.000%				
		09/15/28	570,000	5.000%				
		09/15/29	600,000	5.000%				
		09/15/30	630,000	5.000%				
		09/15/31	660,000	5.000%				
		09/15/32	695,000	5.000%				
		09/15/33	730,000	5.000%				
		09/15/34	765,000	5.000%				
						\$ 11,590,000	275,000	11,315,000

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Encumbrances Payable

General Capital Fund

Year Ended December 31, 2010

Balance - December 31, 2009	\$	659,568
Increased by:		
Charged to Improvement Authorizations		<u>650,835</u>
		1,310,403
Decreased by:		
Payments		<u>659,568</u>
Balance - December 31, 2010	\$	<u><u>650,835</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended December 31, 2010

Ord. No.	Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest rate	Balance Dec. 31 2009	Decreased
1794	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	136,692	136,692
1794	Multi Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	18,000	18,000
1884	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	1,278,261	1,278,261
1922	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	361,905	361,905
1929	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	1,384,615	1,384,615
1941	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	1,855,387	1,855,387
1953	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	276,322	276,322
1965	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	1,026,549	1,026,549
1965	Multi Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	68,000	68,000
1992	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	951,407	951,407
1992	Multi Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	126,000	126,000
2017	Multi Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	290,060	290,060
2017	Multi Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	296,000	296,000
2030	Multi Purpose	Dec. 20, 2006	Dec. 16, 2009	Dec. 16, 2010	2.00%	460,833	460,833
2030	Multi Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	200,000	200,000
2053	Multi Purpose	Dec. 20, 2006	Dec. 16, 2009	Dec. 16, 2010	2.00%	976,270	976,270
2053	Multi Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	600,000	600,000
2053	Multi Purpose	Dec. 16, 2009	Dec. 16, 2009	Dec. 16, 2010	2.00%	90,000	90,000
2074	Multi Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	1,000,000	1,000,000
2074	Multi Purpose	Dec. 16, 2009	Dec. 16, 2009	Dec. 16, 2010	2.00%	520,000	520,000
2090	Multi Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	80,000	80,000
2122	Multi Purpose	Dec. 16, 2009	Dec. 16, 2009	Dec. 16, 2010	2.00%	1,420,000	1,420,000
						\$ 13,416,301	\$ 13,416,301

Bond Sale \$ 13,415,000
 Re-establish authorized not issued, Ord. 1794 1,301

\$ 13,416,301

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2010

	Balance <u>Dec. 31, 2009</u>	Balance <u>Dec. 31, 2010</u>
Ordinance 1737	\$ 1,127	1,127
Community Development Block Grants	<u>25,012</u>	<u>25,012</u>
	<u>\$ 26,139</u>	<u>26,139</u>
<u>Analysis of Balance</u>		
Barrier Free Curb Cuts		\$ <u>26,139</u>

BOROUGH OF FAIR LAWN, N.J.
 Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2009		2010 Authorizations	Paid or Charged	Balance Dec. 31, 2010	
			Funded	Unfunded			Funded	Unfunded
General Improvements:								
1408/1514/								
1541/1637	Improvements to Columbia Park	\$ 577,771	\$ 1,671				1,671	
1440	Heights Area Roadway Improv. (CDBG)	95,000	28,811				28,811	
1453	Improvements to Berdan Avenue	57,600	18,696				18,696	
1460	Improvements to Municipal Building	189,000	12,813				12,813	
1548/1578	Improvements to Library	90,000	830				830	
1562/1590/1601	Multiple Purpose - Barrier Free Imps (CDBG)	218,000	60,431				60,431	
1565/1571	Improvements to Pollitt and Banta Place	1,245,300	253,904				253,904	
1592	Improvements to Columbia Terrace Park	68,000	2,227				2,227	
1641/1700	Imp. of Plaza Road, Section 3 & 4 (DOT)	350,000	41,791				41,791	
1644	Road Resurfacing/Barrier-Free Curbs (CDBG)	80,000	6,325				6,325	
1735	Improvements to River Road (DOT)	500,000	2,970				2,970	
1736	Lyncrest Flashing Lights (DOT)	20,000	12,286				12,286	
1767	Improvements to Radburn Pathways (DOT)	95,000	803				803	
1779	Columbia Terrace Bike Path (DOT)	60,000	10,431				10,431	
1809	Multiple Purpose	1,866,900	189,031		3,900		185,131	
1840/1917	Pollitt Drive Improvements	125,000	852				852	
1845	Multiple Purpose	1,666,350	154,204				154,204	
1857/1900	Multiple Purpose (CDBG)	140,000	14,980				14,980	
1864	Multiple Purpose (CDBG)	45,000	2,421				2,421	
1884	Multiple Purpose	1,595,000		181,769		2,481	60,288	119,000
1922	Multiple Purpose	494,400		104,866		695	33,320	70,850
1929	Multiple Purpose	1,800,750		263,903		2,687	46,221	214,995
1941	Multiple Purpose (CDBG)	3,207,750		1,045,198		3,592		1,041,606
1951	Field Lighting	324,500	36,134				36,134	
1953	Multiple Purpose	399,000		105,423		532	24,891	80,000
1965	Multiple Purpose	1,620,000		392,462		5,034	12,428	375,000
1970	Improvement to Streets (DOT)	50,000	42,041				42,041	
1971	Multi Purpose	63,000	3,000				3,000	
1988	Multi Purpose (Open Space)	100,000	64,693				64,693	
1992	Multi Purpose	1,459,500		268,637		2,096		266,541
2017	Multi Purpose	940,800		349,524		152,340		197,184
2021	Improvements to Library	23,000	41				41	
2030	Multi Purpose	804,300		209,956		28,711	105,245	76,000

BOROUGH OF FAIR LAWN, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2010

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2009		2010 Authorizations	Paid or Charged	Balance Dec. 31, 2010	
			Funded	Unfunded			Funded	Unfunded
2045	Senior Center Improvements (CDBG)	49,879	20,479				20,479	
2046	Roadway Improvements (CDBG)	108,000	6,319				6,319	
2055	Berdan Grove Basketball Lighting (Open Space)	17,500	3,332				3,332	
2053	Multi Purpose	3,087,000		1,161,102		140,013		1,021,089
2074	Multi Purpose	2,730,000		971,991		30,964		941,027
2082	Improvement to River Road (DOT)	20,000	1,663				1,663	
2090	Acquisition of Computers and Network	84,630		625		154		471
2122	Multi Purpose	2,642,000		1,011,461		275,567		735,894
2155	Acquisition of Lands	3,139,500	149,500	2,990,000			149,500	2,990,000
2156	Installation of Athletic Field and Pool Fencing Fencing (Open Space)	56,500	31,500			26,668	4,832	
2159	Various Public Improvements	1,701,000		1,485,944		492,611		993,333
2162	Improvements to Pellack Drive (DOT)	100,000				(18,096)	18,096	
2170	Senior Center Building Renovations (CDBG)	40,000			40,000		40,000	
2182	Acquisition of Equipment - Police Department	80,000			80,000	75,387		4,613
2183	ADA ramps/curbs/sidewalks	88,270			88,270	80,843	7,427	
2185	Fire Department Equipment/Equipment and Supplies for Fire Prevention Office	100,500			100,500	82,497	5,785	12,218
2187	Improvements to Berdan Avenue & Phillips Street (DOT)	115,000			115,000	115,000		
2188	Construction of Warren Point Skate Park (Open Space)	30,000			30,000		30,000	
2194	Various Improvements	1,297,050			1,297,050	265,568		1,031,482
			\$ 1,174,179	10,542,861	1,750,820	1,769,245	1,527,312	10,171,303

Capital Improvement Fund \$ 67,894
 Grant Awards 395,408
 Authorized but not Issued 1,287,518

\$ 1,750,820

Cash \$ 1,118,410
 Encumbrances 650,835

\$ 1,769,245

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Public Works Act of 1976

General Capital Fund

Year Ended December 31, 2010

Balance - December 31, 2009	\$ <u>1,750</u>
Balance - December 31, 2010	\$ <u><u>1,750</u></u>

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

General Capital Fund

Year Ended December 31, 2010

Balance - December 31, 2009	\$ <u>15,464</u>
Balance - December 31, 2010	\$ <u><u>15,464</u></u>

BOROUGH OF FAIR LAWN, N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2010

Balance - December 31, 2009	\$	64,076
Increased by:		
Budget Appropriation		<u>175,000</u>
		239,076
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>67,894</u>
Balance - December 31, 2010	\$	<u><u>171,182</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2010

	Due from/(to) Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2010</u>
Current Fund	\$	444,438	470,935	(26,497)
Grant Fund		108,747	34,500	74,247
Water Utility Operating Fund	(4,690)			(4,690)
	<u>\$ (4,690)</u>	<u>553,185</u>	<u>505,435</u>	<u>43,060</u>
 <u>Analysis</u>				
Due to General Capital Fund		283,747	209,500	74,247
Due from General Capital Fund	(4,690)	269,438	295,935	(31,187)
	<u>\$ (4,690)</u>	<u>553,185</u>	<u>505,435</u>	<u>43,060</u>
			Cash Receipts \$ 209,500	
			Interest on Investments 26,497	
		34,500		
		Reimbursement for expenditures paid 175,000		
		Capital Improvement Fund 269,438	269,438	
		Bond Anticipation Notes Interest Payable 74,247		
		Grants Receivable		
		<u>\$ 553,185</u>	<u>505,435</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2010

Balance - December 31, 2009 \$ 18,243

Balance - December 31, 2010 \$ 18,243

Analysis of Balance

Salt Shed/Glen Road \$ 3,255

Various Other Grants 14,988

\$ 18,243

BOROUGH OF FAIR LAWN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Authorizations</u>	<u>Balance Dec. 31, 2010</u>
<u>General improvements:</u>				
1600	Improvements to Pollitt Drive	\$		
1794	Multiple Purpose	26,499	1,301	27,800
1801	Multiple Purpose	18,325		18,325
1884	Multiple Purpose	119,000		119,000
1922	Multiple Purpose	70,850		70,850
1929	Multiple Purpose	214,995		214,995
1941	Multiple Purpose	1,055,000		1,055,000
1953	Multiple Purpose	80,000		80,000
1965	Multiple Purpose	375,000		375,000
1992	Multiple Purpose	271,000		271,000
2017	Multiple Purpose	300,000		300,000
2030	Multiple Purpose	76,000		76,000
2053	Multiple Purpose	1,250,000		1,250,000
2074	Multi Purpose	1,080,000		1,080,000
2090	Acquisition of Computers and Network	600		600
2122	Multi Purpose	1,096,000		1,096,000
2155	Acquisition of Lands	2,990,000		2,990,000
2159	Multi Purpose	1,619,500		1,619,500
2182	Acquisition of Equipment - Police Department		43,300	43,300
2185	Fire Department Equipment/Equipment and Supplies for Fire Prevention Department		12,218	12,218
2194	Various Improvements		1,232,000	1,232,000
		\$ 10,642,769	1,288,819	11,931,588
Current Year Improvement Authorizations \$			1,287,518	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Cash - Treasurer

Water Utility Fund

Year ended December 31, 2010

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2009	\$ <u>407,031</u>	<u>5,187</u>
Increased by Receipts:		
Water Collector	5,558,810	
Interest on Investments	3,598	42
Other Miscellaneous	2,325	
Water Rent Overpayments	8,144	
Water Utility Bonds Issued		2,245,000
Serial Bond Premiums		45,983
Interfunds	<u>42</u>	<u>114,000</u>
	<u>5,572,919</u>	<u>2,405,025</u>
	5,979,950	2,410,212
Decreased by Disbursements:		
2010 Appropriations	4,420,370	
2009 Appropriation Reserves	154,807	
Interfunds	413,532	
Water Rent Overpayments	2,340	
Accrued Interest on Bonds	88,394	
Bond Anticipation Notes		2,248,699
Encumbrances		50,194
Improvement Authorizations	<u> </u>	<u>64,997</u>
	<u>5,079,443</u>	<u>2,363,890</u>
Balance, December 31, 2010	\$ <u><u>900,507</u></u>	<u><u>46,322</u></u>

BOROUGH OF FAIR LAWN, N.J.

Analysis of Cash

Water Utility Capital Fund

December 31, 2010

		Balance, Dec. 31, <u>2010</u>
Fund Balance		\$ 97,357
Encumbrances		
Capital Improvement Fund		9,500
Interfunds Accounts Payable		263,532
Unallocated Deferred Charges		40,233
Improvement authorizations:		
Ordinance		
<u>number</u>	<u>General improvements</u>	
1371	Multi-Purpose	(8,614)
1456	Multi-Purpose	(1,318)
1729	Multi-Purpose	(33,725)
1756	Multi-Purpose	7,650
1771	Multi-Purpose	2,469
1810	Multi-Purpose	7,720
1846	Improvements to the Water System	1,453
1863	Multi-Purpose	5,087
1930	Improvements to the Water System	8,582
1942	Multi-Purpose	8,055
1993	Multi-Purpose	2,757
2031	Multi-Purpose	(97,922)
2054	Improvement to Water System	(169,807)
2123	Improvement to Water System	(48,621)
2160	Improvement to Water System	(56,066)
2195	Improvement to Water System	8,000
		<u>\$ 46,322</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds

Water Utility Operating Fund

Year ended December 31, 2010

	Due from/(to) Balance Dec. 31, 2009	Increased	Decreased	Due from/(to) Balance Dec. 31, 2010
Current Fund	\$ (25,626)	299,532	359,532	(85,626)
General Capital Fund	4,690			4,690
Water Utility Capital Fund	<u>(162,151)</u>	<u>437,683</u>	<u>12,000</u>	<u>263,532</u>
	<u>\$ (183,087)</u>	<u>737,215</u>	<u>371,532</u>	<u>182,596</u>
<u>Analysis</u>				
Due to Water Utility Operating Fund	4,690	263,532		268,222
Due from Water Utility Operating Fund	<u>(187,777)</u>	<u>473,683</u>	<u>371,532</u>	<u>(85,626)</u>
	<u>\$ (183,087)</u>	<u>737,215</u>	<u>371,532</u>	<u>182,596</u>

Cash Receipts	\$	42	
Cash Disbursements		413,532	
Reimbursement for Expenditures Paid			60,000
Budget Revenue		323,641	
Interest on Serial Bonds			44,532
Principal on Serial Bonds			255,000
Budget Appropriations - Capital Improvement Fund			<u>12,000</u>
	\$	<u>737,215</u>	<u>371,532</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Deferred Charges

Water Utility Operating Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ 253,269
Increased by:	
Emergency Authorizations	<u>375,000</u>
	628,269
Decreased by:	
Budget Appropriations	<u>253,269</u>
Balance, December 31, 2010	<u><u>\$ 375,000</u></u>

BOROUGH OF FAIR LAWN, N.J.

**Schedule of Consumers' Accounts Receivable -
Operating Fund**

Water Utility Fund

Year ended December 31, 2010

Balance, December 31, 2009		\$	340,802
Increased by:			
2010 Levy			<u>5,773,565</u>
			6,114,367
Decreased by:			
Overpayments Applied	8,913		
Cash receipts	<u>5,558,811</u>		
			<u>5,567,724</u>
Balance, December 31, 2010		\$	<u>546,643</u>

Inventory - Material and Supplies

Water Utility Fund

Year ended December 31, 2010

Balance, December 31, 2009		\$	85,929
Increased by:			
Purchases			<u>36,931</u>
			122,860
Decreased by:			
Inventory usage			<u>58,816</u>
Balance, December 31, 2010		\$	<u>64,044</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2010

<u>Account</u>	Balance, Dec. 31, <u>2010</u>
Springs and Wells	\$ 1,726,211
Land and Pumping Stations	231,878
Structure and Pumping Stations	149,876
Electrical Pumping Equipment	161,456
Miscellaneous Pumping Equipment	68,622
Storage Reservoirs and Tanks	567,062
Distribution Mains and Accessories	7,537,556
Meters	648,774
Fire Hydrants	74,201
Garage	39,068
Other Tangible Water Capital	424,436
Distribution Equipment	10,642
Engineering During Construction	156,076
Legal Expenses During Construction	20,243
Interest During Construction	35,641
Miscellaneous Charges During Construction	<u>47,257</u>
	<u>\$ 11,898,999</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year ended December 31, 2010

Ordinance number	Improvement description	Ordinance		Balance, Dec. 31, 2009	2010 Authorizations	Balance, Dec. 31, 2010
		Date	Amount			
1572	Improvement of Water Supply and Distribution System	Sept. 13, 1994	232,400 \$	232,400		232,400
1597	Improvement of Water Supply and Distribution System	May 20, 1995	671,000	671,000		671,000
1639	Improvement of Water Supply and Distribution System	May 24, 1996	488,600	458,600		458,600
1678	Multi-Purpose	Mar. 25, 1997	205,200	205,200		205,200
1729	Multi-Purpose	June 9, 1998	434,600	434,600		434,600
1756	Multi-Purpose	May 4, 1999	84,000	84,000		84,000
1771	Multi-Purpose	Oct. 12, 1999	55,900	55,900		55,900
1810	Multi-Purpose	Sept. 5, 2000	302,400	302,400		302,400
1846	Improvements to the Water System	March 27, 2001	265,965	265,965		265,965
1863	Multi-Purpose	June 25, 2001	133,665	133,665		133,665
1930	Improvements to the Water System	November 11, 2002	257,145	257,145		257,145
1942	Multi-Purpose	March 25, 2003	904,050	904,050		904,050
1993	Multi-Purpose	October 12, 2004	690,900	690,900		690,900
2031	Multi-Purpose	October 11, 2005	814,800	814,800		814,800
2054	Improvement to Water System	May 23, 2006	373,800	373,800		373,800
2123	Improvement to Water System	August 19, 2008	94,200	92,400		92,400
2160	Improvement to Water System	July 21, 2009	294,000	294,000		294,000
2195	Improvement to Water System	Sept. 21, 2010	158,500	158,500	158,500	158,500
				\$ 6,270,825	158,500	6,429,325

BOROUGH OF FAIR LAWN, N.J.

Schedule of 2009 Appropriation Reserves

Water Utility Fund

Year ended December 31, 2010

	Balance, Dec. 31, <u>2009</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 30,901	30,901	7,200	23,701
Other Expenses	<u>72,052</u>	<u>235,326</u>	<u>154,807</u>	<u>80,519</u>
	<u>\$ 102,953</u>	<u>266,227</u>	<u>162,007</u>	<u>104,220</u>
Appropriation Reserves		102,953		
Encumbrances		<u>163,274</u>		
		<u>\$ 266,227</u>		
			Cash \$ 154,807	
Transfer to Reserve for Supervisors Contract			<u>7,200</u>	
			<u>\$ 162,007</u>	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Accounts Payable

Water Utility Fund

Year ended December 31, 2010

Balance, December 31, 2009		\$	<u>3,234</u>
Balance, December 31, 2010		\$	<u><u>3,234</u></u>
<u>Analysis of Balance</u>			
	<u>Purchase</u>	<u>Vendor</u>	
	<u>Order Number</u>		
	66679	Tilcon N.J. Inc.	\$ 399
	36118	Pagenet Inc.	51
		Pagenet Inc.	525
	57217	American Nursery	35
	58027	Ridgewood Water Department	<u>2,224</u>
			\$ <u><u>3,234</u></u>

Schedule of Water Rent Overpayments

Water Utility Fund

Year ended December 31, 2010

Balance, December 31, 2009		\$	5,281
Increased by:			
Current year overpayments			<u>17,057</u>
			22,338
Decreased by:			
Overpayments applied	\$	8,913	
Refunded		<u>2,340</u>	
			<u>11,253</u>
Balance, December 31, 2010		\$	<u><u>11,085</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Fund

Year ended December 31, 2010

Balance, December 31, 2009	\$ 14,928
Increased by:	
Budget Appropriation	<u>105,055</u>
	119,983
Decreased by:	
Payments	<u>88,394</u>
Balance, December 31, 2010	<u>\$ 31,589</u>

Analysis of Accrued Interest

Principal Outstanding <u>Dec. 31, 2010</u>	<u>Period</u>	<u>Interest Rate</u>	<u>Amount</u>
\$ 366,000	5 Months	4.70%	\$ 7,168
345,000	1 Month	4.40%	1,265
2,245,000	15 Days	3.00%	2,806
Unallocated Accruals			<u>20,350</u>
			<u>\$ 31,589</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Supervisors Contract

Water Utility Fund

Year Ended December 31, 2010

Increased by:

Transfer from Appropriation Reserves \$ 7,200

Balance - December 31, 2010 \$ 7,200

BOROUGH OF FAIR LAWN, N.J.

Schedule of Reserve for Encumbrances Payable

Water Utility Capital Fund

Year Ended December 31, 2010

Balance - December 31, 2009	\$ <u>50,194</u>
Decreased by:	
Payments	\$ <u><u>50,194</u></u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year ended December 31, 2010

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2009		2010 Authorizations	Expended	Balance, Dec. 31, 2010	
				Funded	Unfunded			Funded	Unfunded
1572	Improvement of Water Supply and Distribution System	Sept. 13, 1994	\$ 232,400	\$	21,300				21,300
1597	Improvement of Water Supply and Distribution System	May 20, 1995	671,000		150				150
1729	Multi-Purpose	June 9, 1998	434,600		56,608			7,650	56,608
1756	Multi-Purpose	May 4, 1999	84,000		17,701		51		10,000
1771	Multi-Purpose	Oct. 12, 1999	55,900		3,707		3,707		
1810	Multi-Purpose	Sept. 5, 2000	302,400		35,828		108	7,720	28,000
1846	Improvements to the Water System	March 27, 2001	265,965		24,853		100	1,453	23,300
1863	Multi-Purpose	June 25, 2001	133,665		32,423		36	5,087	27,300
1930	Improvements to the Water System	November 11, 2002	257,145		41,068		(7,412)	8,582	39,898
1942	Multi-Purpose	March 25, 2003	904,050		141,284		(2,771)	8,055	136,000
1993	Multi-Purpose	October 12, 2004	690,900		132,338		581	2,757	129,000
2031	Multi-Purpose	October 11, 2005	814,800		612,080		2		612,078
2054	Improvement to Water System	May 23, 2006	373,800		94,260		4,067		90,193
2123	Improvement to Water System	August 19, 2008	92,400		47,278		7,999		39,279
2160	Improvement to Water System	July 21, 2009	92,400	6,170	280,000		62,236	7,325	216,609
2195	Improvement to Water System	Sept. 21, 2010				158,500		8,000	150,500
			\$	6,170	1,540,878	158,500	64,997	60,336	1,580,215

BOROUGH OF FAIR LAWN, N.J.

Schedule of Interfunds

Water Utility Capital Fund

Year ended December 31, 2010

	Due from/(to) Balance <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2010</u>
Water Utility Operating Fund	\$ <u>162,151</u>	<u>12,000</u>	<u>437,683</u>	<u>(263,532)</u>
	\$ <u>162,151</u>	<u>12,000</u>	<u>437,683</u>	<u>(263,532)</u>

Analysis

Due to Water Utility Capital Fund

Due from Water Utility Capital Fund	<u>162,151</u>	<u>12,000</u>	<u>437,683</u>	<u>(263,532)</u>
	\$ <u>162,151</u>	<u>12,000</u>	<u>437,683</u>	<u>(263,532)</u>

Cash Receipts	\$	114,000
Interest on Investments		42
Budget Revenue		323,641
Budget Appropriations - Capital Improvement Fund		<u>12,000</u>
	\$	<u>12,000</u>
		<u>437,683</u>

BOROUGH OF FAIR LAWN, N.J.
Schedule of Capital Improvement Fund
Water Utility Capital Fund
Year ended December 31, 2010

Balance, December 31, 2009	\$	5,500
Increased by:		
2010 Budget Appropriation		12,000
		17,500
Decreased by:		
Appropriated to Finance Improvement Authorizations		8,000
Balance, December 31, 2010	\$	9,500

Schedule of Reserve for Amortization
Water Utility Capital Fund
Year ended December 31, 2010

Balance, December 31, 2009	\$	12,231,444
Increased by:		
Budget Appropriation - Serial Bond Principal		255,000
Balance, December 31, 2010	\$	12,486,444

BOROUGH OF FAIR LAWN, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year ended December 31, 2010

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of Ordinance</u>	Balance, Dec. 31, <u>2009</u>	<u>Increased</u>	Balance, Dec. 31, <u>2010</u>
1371	Multi-Purpose	June 23, 1987	\$ 86,349		86,349
1398	Multi-Purpose	June 28, 1988	220,995		220,995
1456	Multi-Purpose	Sept. 11, 1990	138,361		138,361
1486	Multi-Purpose	June 20, 1991	4,200		4,200
1506	Improvement of Water Supply and Distribution System	July 28, 1992	5,300		5,300
1531	Multi-Purpose	June 22, 1993	11,200		11,200
1534	Improvement of Water Supply and Distribution System	Oct. 12, 1993	59,750		59,750
1572	Improvement of Water Supply and Distribution System	Sept. 13, 1994	11,100		11,100
1597	Improvement of Water Supply and Distribution System	May 9, 1995	32,000		32,000
1639	Improvement of Water Supply and Distribution System	May 24, 1996	21,850		21,850
1678	Multi-Purpose	Mar. 25, 1997	12,717		12,717
1729	Multi-Purpose	June 9, 1998	21,750		21,750
1756	Multi-Purpose	May 4, 1999	(225)		(225)
1771	Multi-Purpose	Oct. 12, 1999	15,559		15,559
1810	Multi-Purpose	Sept. 5, 2000	31,056		31,056
1846	Improvements to the Water System	March 27, 2001	18,488		18,488
1863	Multi-Purpose	June 25, 2001	24,547		24,547
1930	Improvements to the Water System	November 11, 2002	18,299		18,299
1942	Multi-Purpose	March 25, 2003	61,370		61,370
1993	Multi-Purpose	October 12, 2004	42,137		42,137
2031	Multi-Purpose	October 11, 2005	40,159		40,159
2054	Improvement to Water System	May 23, 2006	17,800		17,800
2123	Improvement to Water System	August 19, 2008	4,500		4,500
2160	Improvement to Water System	July 21, 2009	14,000		14,000
2195	Improvement to Water System	Sept. 21, 2010		8,000	8,000
			<u>\$ 913,262</u>	<u>8,000</u>	<u>921,262</u>

BOROUGH OF FAIR LAWN, N.J.

Schedule of Water Utility Serial Bonds

Water Utility Capital Fund

Year ended December 31, 2010

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2010		Interest rate	Balance, Dec. 31, 2009	Issued	Decreased	Balance, Dec. 31, 2010
			Date	Amount					
Water Improvements	Aug. 1, 1997	2,621,000	Aug. 1, 2011	200,000	4.70	566,000		200,000	366,000
			Aug. 1, 2012	166,000	4.70				
Water Improvements	Dec. 1, 2001	715,000	Dec. 1, 2011	55,000	4.40	400,000		55,000	345,000
			Dec. 1, 2012-13	60,000	4.40				
			Dec. 1, 2014	60,000	4.50				
			Dec. 1, 2015	60,000	4.60				
			Dec. 1, 2016	50,000	4.70				
Water Improvements	Dec. 15, 2010	2,245,000	Dec. 15, 2011	105,000	3.00		2,245,000		2,245,000
			Dec. 15, 2012	140,000	3.00				
			Dec. 15, 2013-19	200,000	3.00				
			Dec. 15, 2020	200,000	3.00				
			Dec. 15, 2021	200,000	3.25				
			Dec. 15, 2022	200,000	3.50				
						\$ 966,000	2,245,000	255,000	2,956,000
						Budget Appropriation		\$ 255,000	

BOROUGH OF FAIR LAWN, N.J.

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year ended December 31, 2010

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest rate	Balance Dec.31 2009	Decreased
1756	Multi-Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	74,483	74,483
1771	Multi-Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	39,103	39,103
1810	Multi-Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	243,344	243,344
1846	Improvement to Water System	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	224,177	224,177
1863	Multi-Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	81,818	81,818
1930	Multi-Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	123,948	123,948
1930	Multi-Purpose	Dec. 20, 2006	Dec. 16, 2009	Dec. 16, 2010	2.00%	75,000	75,000
1942	Multi-Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	581,680	581,680
1942	Multi-Purpose	Dec. 20, 2006	Dec. 16, 2009	Dec. 16, 2010	2.00%	90,000	90,000
1942	Multi-Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	35,000	35,000
1993	Multi-Purpose	Dec. 22, 2005	Dec. 16, 2009	Dec. 16, 2010	2.00%	240,762	240,762
1993	Multi-Purpose	Dec. 20, 2006	Dec. 16, 2009	Dec. 16, 2010	2.00%	213,000	213,000
1993	Multi-Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	66,000	66,000
2031	Multi-Purpose	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	64,384	64,384
2031	Multi-Purpose	Dec. 20, 2006	Dec. 16, 2009	Dec. 16, 2010	2.00%	50,000	50,000
2054	Improvement to Water System	Dec. 19, 2007	Dec. 16, 2009	Dec. 16, 2010	2.00%	46,000	46,000
						\$ 2,248,699	2,248,699
						Bonds Issued	2,245,000
						Paid by Budget	3,699
							2,248,699

BOROUGH OF FAIR LAWN, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

Year ended December 31, 2010

Ordinance Number	<u>Improvement Description</u>	Balance <u>Dec. 31, 2009</u>	2010 <u>Authorizations</u>	Balance <u>Dec. 31, 2010</u>
1371	Multi-Purpose	\$ 8,614		8,614
1456	Multi-Purpose	1,318		1,318
1572	Improvement of the Water Supply and Distribution System	21,300		21,300
1597	Improvement of the Water Supply and Distribution System	150		150
1729	Multi-Purpose	90,333		90,333
1756	Multi-Purpose	10,000		10,000
1771	Multi-Purpose	1,238		1,238
1810	Multi-Purpose	28,000		28,000
1846	Improvement to the water system	23,300		23,300
1863	Multi-Purpose	27,300		27,300
1930	Improvement to the water system	39,898		39,898
1942	Multi-Purpose	136,000		136,000
1993	Multi-Purpose	129,000		129,000
2031	Multi-Purpose	710,000		710,000
2054	Improvement to Water System	260,000		260,000
2123	Improvement to Water System	87,900		87,900
2160	Improvement to Water System	280,000		280,000
2195	Improvement to Water System		150,500	150,500
		<u>\$ 1,854,351</u>	<u>150,500</u>	<u>2,004,851</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, 2010

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
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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

August 8, 2011

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

We have audited 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, 2010, and have issued our report thereon dated August 8, 2011. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Borough of Fair Lawn prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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.

Internal Control Over Financial Reporting

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

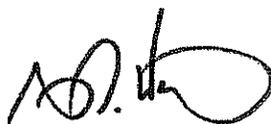
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

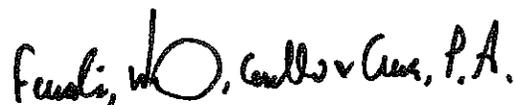
As part of obtaining reasonable assurance about whether the Borough of Fair Lawn's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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.

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.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

August 8, 2011

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 July 1, 2005, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$21,000 and with a qualified purchasing agent the threshold may be up to \$29,000. In addition, effective July 1, 2010 the bid threshold was increased to \$26,000 and \$39,000, respectively.

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:

Ambulance Corps' Supplies	Police, Auxiliary Police, School Guard Uniforms
Berdan Ave Storm Drain Improvements	Generator Maintenance
Courtroom Seating	Tree Planting
Scada System Maintenance	HVAC Repair and Maintenance
Radio Repair and Maintenance	Senior Center Maintenance and Cleaning
Firefighter Emergency Egress System	Well Service
Roadway Improvements	Industrial Supplies
Cadmus Place GAC Demonstration	Fire Dept. And Fire Prevention Uniforms
Water and Sewer Pump Station Maintenance	Kubota B25 Tractor Loader-Backhoe

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

The governing body on January 5, 2010 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;

BOROUGH OF FAIR LAWN

GENERAL COMMENTS

(continued)

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 June 8, 2010 and was complete.

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

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

<u>Year</u>	<u>Number of liens</u>
2010	3
2009	3
2008	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

COMMENTS

Finance/Treasurer

- 1.* The Borough did not implement the requirements of Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting By Employer For Postemployment Benefits Other Than Pensions*.
- 2.* There are petty cash funds in use by the Borough that exceed the Division of Local Government Services approved amounts in accordance with N.J.S.A. 40A:5-21 entitled "Petty Cash Fund of Local Unit".

Municipal Court

1. According to the Municipal Court management reports, there are 186 tickets Assigned over 180 days.
2. On five occasions throughout the year, deposits were not made in a timely manner in accordance with N.J.S.A. 40A:5-15.
3. There was one month during 2010 that monies collected were not turned over to the proper agencies on or before the fifteen of the following month.
- 4.* The court is carrying outstanding checks over one year old as reconciling items in the Fines and Bail accounts (N.J.S.A. 40A:5-5).
- 5.* Reconciled cash bail per the bank account does not agree to the Bail on Account per ATS/ACS.

BOROUGH OF FAIR LAWN

RECOMMENDATIONS

Finance/Treasurer

- 1.* That the Borough take the necessary steps to implement and maintain the requirements of Government Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
2. That an application be sent to the Division of Local Government Services for approval of the revised amounts and custodians for petty cash funds.

Municipal Court

1. That tickets over 180 days be recalled by the Court Administrator.
2. That monies collected be deposited within 48 hours of receipt per N.J.S.A. 40A:5-15.
3. That monies collected be turned over to the proper agencies on or before the fifteen of the following month.
- 4.* That stale dated checks in be investigated and cancelled by resolution.
- 5.* Bail on Account must be reconciled to the Bail Account cash on a monthly basis.

BOROUGH OF FAIR LAWN

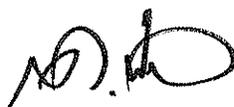
Status of Prior Year Audit Findings/Recommendation

A review was performed on all prior year recommendations and corrective action was taken on all.

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. Wielkocz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

August 8, 2011