BOROUGH OF FAIR LAWN
BERGEN COUNTY, NEW JERSEY

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2014 AND 2013

BOROUGH OF FAIR LAWN
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

Part I

Independent Auditor's Report	1 – 3
Current Fund	Exhibit
Comparative Balance Sheet- Regulatory Basis	A
Comparative Statement of Operations and Changes in Fund Balance – Regulatory Basis	A – 1
Statement of Revenues – Regulatory Basis	A – 2
Statement of Expenditures – Regulatory Basis	A – 3
Trust Fund	
Comparative Balance Sheet – Regulatory Basis	B
Capital Fund	
Comparative Balance Sheet- Regulatory Basis	C
Comparative Statement of Changes in Fund Balance – Regulatory Basis	C – 1
Water Utility Fund	
Comparative Balance Sheet- Regulatory Basis	D
Comparative Statement of Operations and Changes in Operating Fund Balance – Regulatory Basis	D – 1
Comparative Schedule of Fund Balance - Regulatory Basis	D – 2
Statement of Revenues – Regulatory Basis	D – 3
Statement of Expenditures – Regulatory Basis	D – 4
General Fixed Assets	
Comparative Statement of General Fixed Assets – Regulatory Basis	E
Net Payroll and Withholding Payable	
Comparative Statement of Net Payroll and Withholding Payable	F
Notes to Financial Statements	4 – 28
Current Fund	
Schedule of Cash – Treasurer – Current Fund and Grant Fund	A – 4
Schedule of Cash – Change Fund	A – 5
Schedule of Petty Cash	A – 6
Schedule of Amount Due From/ (To) State of New Jersey for Senior Citizens' and Veterans Deductions- CH73 P.L. 1076	A – 7
Schedule of Interfunds – Federal and State Grant Fund	A – 8

BOROUGH OF FAIR LAWN
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS
(Continued)

Part I (Continued)

Current Fund	Exhibit
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A – 9
Schedule of Tax Title Liens Receivable	A – 10
Schedule of Other Liens Receivable	A – 11
Schedule of Property Acquired for Taxes (At Assessed Valuation)	A – 12
Schedule of Revenue Accounts Receivable	A – 13
Schedule of Deferred Charges	A – 14
Schedule of Deferred Charges- N.J.S.A. 40A:4-55 Special Emergency	A – 15
Schedule of Interfunds	A – 16
Schedule of Appropriation Reserves	A – 17
Schedule of Encumbrances Payable	A – 18
Schedule of Accounts Payable	A – 19
Schedule of Various Reserves	A – 20
Schedule of Reserve for Library Expenditures	A – 21
Schedule of Amount Due to the State of New Jersey	A – 22
Schedule of Tax Overpayments	A – 23
Schedule of Local District School Tax Payable	A – 24
Schedule of County Taxes Payable	A – 25
Schedule of Special Improvement Taxes Payable	A – 26
Schedule of Prepaid Taxes	A – 27
Schedule of Reserve for Emergency Notes	A – 28
Schedule of Grants Receivable- Federal and State Grants	A – 29
Schedule of Unappropriated Reserves for Grants	A – 30
Schedule of Appropriated Reserves for Grants – Federal and State Grant Fund	A – 31
Schedule of Encumbrances Payable- Federal and State Grants	A – 32

Trust Fund	
Schedule of Cash – Collector – Treasurer	B – 1
Schedule of Prepaid Dog Licenses	B – 2
Schedule of Animal Trap Deposits	B – 3
Schedule of Due to State of New Jersey	B – 4
Schedule of Interfunds Receivable/Payables	B – 5
Schedule of Sundry Reserve and Deposits	B – 6
Schedule of Escrow Reserve and Deposits	B – 7
Schedule of Donation Reserve and Deposits	B – 8
Schedule of Reserve for Animal Trust Fund Expenditures	B – 9
Schedule of Reserve for State Unemployment	B – 10
Schedule of Reserve for Worker's Compensation Trust	B – 11
Schedule of Reserve for Liability Insurance Trust Fund Expenditures	B – 12
Schedule of Reserve for Health Benefits Plan Expenditure	B – 13
Schedule of Reserve for Council on Affordable Housing Expenditures	B – 14

BOROUGH OF FAIR LAWN
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS
(Continued)

Part I (Continued)	Exhibit
Trust Fund (Continued)	
Schedule of Reserve for Library Expenditures	B – 15
Schedule of Restricted Reserve for Library Expenditures	B – 16
Schedule of Reserve for Cafeteria Plan Expenditures	B – 17
Schedule of Service Award Contributions Receivable	B – 18
Schedule of Net Assets Available for Benefits	B – 19
General Capital Fund	
Schedule of Cash	C – 2
Schedule of Analysis of Cash	C – 3
Schedule of State and County Grants Receivable	C – 4
Schedule of Other Receivables	C – 4a
Schedule of Federal Grants Receivable	C – 5
Schedule of Deferred Charges to Future Taxation – Funded	C – 6
Schedule of Deferred Charges to Future Taxation – Unfunded	C – 7
Schedule of General Serial Bonds Payable	C – 8
Schedule of Capital Leases Payable	C – 9
Schedule of Reserve for Encumbrances Payable	C – 10
Schedule of Bond Anticipation Notes Payable	C – 11
Schedule of Special Reserves	C – 12
Schedule of Improvement Authorizations	C – 13
Schedule of Premium on Bond Anticipation Notes	C – 14
Schedule of Reserve for Unappropriated State Grant for NJ Storm Management Grant	C – 15
Schedule of Capital Improvement Fund	C – 16
Schedule of Interfunds	C – 17
Schedule of Reserve for Grants Receivable	C – 18
Schedule of Bonds and Notes Authorized Not Issued	C – 19
Water Utility Fund	
Schedule of Cash and Cash Equivalents-Treasurer	D – 5
Schedule of Analysis of Cash	D – 6
Schedule of Interfunds	D – 7
Schedule of Consumers' Accounts Receivable- Operating Fund	D – 8
Schedule of Inventory-Material and Supplies	D – 9
Schedule of Fixed Capital	D – 10
Schedule of Fixed Capital Authorized and Uncompleted	D – 11
Schedule of 2013 Appropriation Reserves	D – 12
Schedule of Accounts Payable	D – 13
Schedule of Water Rent Overpayments	D – 14
Schedule of Accrued Interest on Bonds and Notes	D – 15
Schedule of Reserve for Supervisor Contract- Water Utility Fund	D – 16
Schedule of Reserve for Encumbrances Payable- Water Utility Capital Fund	D – 17

BOROUGH OF FAIR LAWN
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS
(Continued)

Part I (Continued)	Exhibit
Water UtilityFund (Continued)	
Schedule of Improvement Authorizations	D – 18
Schedule of Interfunds	D – 19
Schedule of Capital Improvement Fund	D – 20
Schedule of Reserve for Amortization	D – 21
Schedule of Reserve for Deferred Amortization	D – 22
Schedule of Water Utility Serial Bonds Payable	D – 23
Schedule of Bond Anticipation Notes Payable	D – 24
Schedule of Bonds and Notes Authorized not Issued	D – 25
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	29-30
Schedule of Expenditures of Federal Financial Assistance	I-1
Schedule of Expenditures of State Financial Assistance	I-2
Notes to Schedule of Expenditures of Federal and State Financial Assistance	31
Roster of Officials and Surety Bonds	32
General Comments	33-34
Summary Schedule of Prior Year Audit Findings	35
Audit Comments and Recommendations	36-37
Appreciation	38

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
Of the Fair Lawn Council
Borough of Fair Lawn, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative balance sheets - regulatory basis of the various funds of the Borough of Fair Lawn, County of Bergen, State of New Jersey (the "Borough"), as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance – regulatory basis for the year then ended, and the related statements of revenues and expenditures – regulatory basis, and comparative statement of general fixed assets group of accounts – regulatory basis for the year ended December 31, 2014, 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 - regulatory basis (the "financial statements") in accordance with the financial reporting provision of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division. 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair representation 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.

The Length of Service Awards Program (LOSAP) of the Borough has not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements.

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

As described in Note 1, the financial statements are prepared and presented by the Borough on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirement of the State of New Jersey for municipal government entities. The effect on financial statements of the variances between the regulatory accounting practices and accounting principles of 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 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 conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough as of December 31, 2014 and 2013, or the changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph, with the exception of the Length of Services Awards Program, present fairly, in all material respects, the comparative financial position – regulatory basis, of each funds and account group of the Borough as of December 31, 2014 and 2013, and each fund's respective operations and changes in financial position and fund balance – regulatory basis for the years then ended, on the basis of the financial reporting provisions of the Division as described in Note 1.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division, to supplement the financial statements and therefore it has not been presented by management. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary schedules and the schedules of federal, state and county financial assistance are presented for purpose of additional analysis as required by the Division, and are not a required part of the basic financial statements.

The supplementary schedules and schedules of federal, state and county financial assistance are the responsibility of management and were derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subject 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 Unites States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2015 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.

Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534

Garbarini & Co. P.C.
Certified Public Accountants

June 29, 2015
Carlstadt, New Jersey

BOROUGH OF FAIR LAWN
CURRENT AND GRANT FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A

	Reference	2014	2013
Assets			
Current Assets:			
Cash	A-4	$ 23,497,476.97	$ 19,245,572.41
Change Fund	A-5	630.00	3,468.82
		23,498,106.97	19,249,041.23
Receivable and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-9	1,011,910.33	875,587.28
Tax Title Liens Receivable	A-10	22,022.48	104,604.78
Other Liens Receivable	A-11	629.26	629.26
Property Acquired for Taxes - Assessed Valuations	A-12	73,260.00	73,260.00
Revenue Accounts Receivable	A-13	36,900.89	456,298.98
Interfunds Receivable	A-16	3,290,976.82	2,596,543.90
	Contra	4,435,699.78	4,106,924.20
Deferred Charges :			
Special Emergency Authorizations NJSA 40A:4-53	A-15	180,000.00	270,000.00
		28,113,806.75	23,625,965.43
Federal and State Grant Fund:			
Cash	A-4	326,089.89	546,368.65
Interfund Accounts Receivable	A-8		
Grants Receivable	A-29	369,559.01	386,568.42
		695,648.90	932,937.07
TOTAL ASSETS		$ 28,809,455.65	$ 24,558,902.50

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT AND GRANT FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONTINUED)

A

	Reference	2014	2013
Liabilities, Reserves and Fund Balance			
Liabilities:			
Appropriation Reserves	A-3, A-17	$ 2,941,047.72	$ 2,246,696.30
Encumbrances Payable	A-3,A-18	2,204,987.21	609,849.99
Interfund Accounts Payable	A-16	19,800.00	0.00
Accounts Payable	A-19	302,264.96	284,004.96
Reserve for Other Expenditures	A-20	7,964,604.19	6,882,961.72
Reserve For Library Expenditures	A-21	47,769.61	66,403.84
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	181,271.10	186,922.63
Construction Training Fees	A-22	27,712.00	11,538.00
Tax Overpayments	A-23	103,491.97	35,442.24
Local School Taxes Payable	A-24	563,771.00	563,771.00
County Taxes Payable	A-25	52,263.32	11,966.11
SID Taxes Payable	A-26	757.12	411.95
Special Emergency Note	A-28	180,000.00	630,000.00
Prepaid Taxes	A-27	553,290.35	546,137.10
		15,143,030.55	12,076,105.84
Reserve for Receivable and Other Assets	Contra	4,435,699.78	4,106,924.20
Fund Balance	A-1	8,535,076.42	7,442,935.39
		28,113,806.75	23,625,965.43
Federal and State Grant Fund :			
Unappropriated Reserve for Grants	A-30	9,312.97	294,809.58
Appropriated Reserve for Grants	A-31	443,137.57	559,505.08
Ecumbrances Payable	A-32	45,823.19	78,226.29
Interfund Accounts Payable	A-8	197,375.17	396.12
		695,648.90	932,937.07
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 28,809,455.65	$ 24,558,902.50

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

A-1

	Reference	2014	2013
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	$ 3,000,000.00	$ 3,000,000.00
Miscellaneous Revenue Anticipated	A-2	7,941,188.82	7,958,483.68
Receipts from Delinquent Taxes	A-2	957,890.04	1,084,946.45
Receipts from Current Taxes	A-2	125,079,265.82	123,057,246.87
Non-Budget Revenues	A-2	958,165.92	677,117.31
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	405,150.41	610,235.65
Prior Year Interfunds Returned in 2014			110,968.49
Unexpended Balance of Appropriations	A-3	52,516.96	985.83
Canceled Grant Reserves	A-16	28,726.93	
Prior Year Canceled County Taxes	A-25		43,174.25
Total Revenue and Other Income		138,422,904.90	136,543,158.53
Expenditures:			
Budget and Emergency Appropriations			
Operations:			
Salaries and Wages	A-3	18,806,140.00	18,663,361.00
Other Expenses	A-3	17,831,526.39	17,271,671.95
Capital Improvements	A-3	312,000.00	130,000.00
Municipal Debt Service	A-3	3,670,000.00	3,595,400.00
Deferred Charges and Statutory Expenditures - Municipal	A-3	3,966,330.00	4,015,100.00
Bank Service Charges & Adjustments	A-4	471.23	529.79
Prior Year Seniors and Veterans Deductions	A-7	11,663.01	19,675.05
Adjustment to Change Funds	A-5	2,838.82	
Canceled Grant Receivables	A-16	37,941.34	
Prior Year DCA Payable	A-22		3,874.92
Interfund Advances		696,553.88	1,050,000.00
Local District School Tax	A-24	78,015,909.00	76,823,149.00
Prior Year County Tax Adjustment	A-25	143.69	
County Taxes uncluding Added Taxes	A-25	10,363,894.05	10,434,738.80
Municipal Open Space Tax	A-20	206,880.00	206,880.00
Special Improvement District Taxes	A-26	268,545.17	268,200.00
Tax Appeals	A-23	139,927.29	166,613.74
Total Expenditures		134,330,763.87	132,649,194.25
Excess in Revenue		4,092,141.03	3,893,964.28
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year		-	-
Statutory Excess to Surplus		4,092,141.03	3,893,964.28
Fund Balance January 1		7,442,935.39	6,548,971.11
		11,535,076.42	10,442,935.39
Decreased by:			
Fund Balance Utilizes as Budget Revenue	A-2	3,000,000.00	3,000,000.00
Fund Balance December 31	A	$ 8,535,076.42	$ 7,442,935.39

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	A-1	$3,000,000.00	$3,000,000.00	$0.00
Miscellaneous Revenues:				
Licenses				
Alcoholic Beverages		43,000.00	43,190.00	190.00
Other		15,000.00	21,955.00	6,955.00
Fees and Permits		315,000.00	390,709.27	75,709.27
Fines and Costs - Municipal Court		450,000.00	508,639.20	58,639.20
Interest and Costs on Taxes		175,000.00	227,045.57	52,045.57
Interest on Investments and Deposits		30,000.00	46,871.96	16,871.96
Tax and Assessment Searches		10.00	510.00	500.00
Memorial Pool		250,000.00	288,582.50	38,582.50
Sewer User Charges		25,000.00	37,965.79	12,965.79
Cable Television Franchise Fees		375,000.00	419,832.30	44,832.30
Uniform Fire Safety Act		208,000.00	215,141.32	7,141.32
Hotel Tax		110,000.00	152,640.21	42,640.21
Ambulance Revenue		475,000.00	563,431.43	88,431.43
Consolidated Municipal Property Tax Relief Aid		26,389.00	26,389.00	-
Energy Receipts Tax		3,718,144.00	3,718,144.00	-
Uniform Construction Code Fees		900,000.00	1,143,345.00	243,345.00
Clean Communities Program		68,471.94	68,471.94	-
Clean Communities Program-Chapt 159		49,394.39	49,394.39	-
Cops in Shop Grant		6,180.00	6,180.00	-
Municipal Alcohol Education		949.94	949.94	-
Emergency Management Assistance Program		10,000.00	10,000.00	-
BC Historic Preservation Grant- Chapt 159		1,800.00	1,800.00	-
Total Miscellaneous Revenues	A-1	7,252,339.27	7,941,188.82	688,849.55

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

A-2

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	A-1, Next Pg.	925,000.00	957,890.04	32,890.04
Subtotal General Revenues		11,177,339.27	11,899,078.86	721,739.59
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes		35,242,984.21	38,058,364.69	2,815,380.48
Minimum Library Tax		1,465,672.91	1,465,672.91	0.00
	A-9,Next Pg.	36,708,657.12	39,524,037.60	2,815,380.48
Total General Revenues - Adopted	A-3	$47,885,996.39	51,423,116.46	$3,537,120.07
Non-Budget Revenues	A-1, Next Pg.		958,165.92	
			$52,381,282.38	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

A-2

	Reference	2014
Analysis of Realized Revenues		
Allocation of Current Tax Collections		
Revenue from Collections	A-1	$ 125,079,265.82
Allocated to School, County, Special District, and Municipal Open Space Taxes	A-9	88,855,228.22
Balance for Support of Municipal Appropriations		36,224,037.60
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	3,300,000.00
Amount for Support of Municipal Budget Appropriations	Previous Pg.	$ 39,524,037.60
Receipts from Delinquent Taxes		
Prior Year Taxes	Previous Pg.	$ 957,890.04
Analysis of Miscellaneous Revenues		
Cash Received - Treasurer Revenue Accounts Receivable	A-13	$ 7,804,392.55
Grant Receivable - Grant Fund	A-29	51,194.39
Grants - Reserve Transfer	A-30	85,601.88
		$ 7,941,188.82
Analysis of Non-Budget Revenues		
Miscellaneous Revenues Not Anticipated:		
Recreation Fees		$ 116,997.50
Xerox Fee		1,330.37
Plans and Specs		75.00
Police Fees		886.18
Traffic Lights		856.23
Maps		78.00
Code Letter/ C of O		320.00
Visa		1,965.00
Misc. Budget Offset		47,274.01
Tax Sale - Special Charges		854.23
Dumpsters		2,300.00
List of Property Owners		616.00
Admin Charge- Med Ben		47.42
Property Maintenance Charges		13,971.73
Bad Check Charge		133.54
Outside Caf		1,700.00
Hep B Shots/Flu Shots		8,866.45
Advertising Tax Sale		3,710.65
Meals on Wheels Revenue		1,025.40
Reimbursement County Snow Plowing		5,550.00
Copies		106.60
Bus Shelter Revenue		4,800.00
Vending Machine- Municipal Building		424.36
Medicare Part B drug Reimbursement		43,759.26
Board of Ed. Auto Repairs		55,933.38
Ridgewood Health Reimbursements		8,550.00
DMV Inspection Fines		7,311.01
Miscellaneous		5,731.20
Cell Tower Lease- AT&T		50,385.71
Cell Tower Lease- T-Mobile		86,686.87
Cell Tower Lease- Verizon		28,886.00
Easement PSEG		9,000.00
Reserve Budget Offsets		22,300.57
Police Budget Offset- Presecutor		835.00
Police- Budget Offset- JIF Accreditation		8,500.00
Police- Budget Offset- Resource Officer		87,004.59
Restitution Payment		32.00
Clerk Auction		69,125.26
Borough of Elmwood Park- UCC Shared Revenue		56,000.00
Reimbursement COAH Legal Fees		38,483.64
Reimbursement Borough Calendar		7,029.42
Senior & Vet Fee		6,213.92
PSEG Energy Savings		14,205.42
Hawthorne- Fire Vehicle Maintenance Reimbursements		804.00
Miscellaneous Refunds and Rebates		137,500.00
	A-4, Previous Pg.	$ 958,165.92

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Over-Expenditure
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Mayor and Council						
Salaries and Wages	$ 10,000.00	$ 10,000.00	$ 9,999.60	$ 0.40	$ -	$ -
Other Expenses	171,800.00	170,000.00	91,251.44	78,748.56	-	-
Administrative and Executive						
Salaries and Wages	456,600.00	502,700.00	501,861.38	838.62	-	-
Other Expenses	102,950.00	102,950.00	89,453.84	13,496.16	-	-
Human Services:						
Other Expenses	60,000.00	60,000.00	50,136.00	9,864.00	-	-
Financial Administration						
Salaries and Wages	310,000.00	310,000.00	304,531.61	5,468.39	-	-
Other Expenses	97,000.00	97,000.00	94,025.80	2,974.20	-	-
Collection of Taxes						
Salaries and Wages	123,000.00	123,000.00	120,603.77	2,396.23	-	-
Other Expenses	34,300.00	34,300.00	29,126.95	5,173.05	-	-
Assessment of Taxes						
Salaries and Wages	213,000.00	213,000.00	212,265.82	734.18	-	-
Other Expenses	35,700.00	35,700.00	32,695.42	3,004.58	-	-
Municipal Clerk:						
Salaries and Wages	255,500.00	255,500.00	221,358.63	34,141.37		
Other Expenses	62,800.00	62,800.00	51,479.78	11,320.22		
Legal Services and Cost:						
Other Expenses	297,000.00	297,000.00	219,647.18	77,352.82	-	-
Engineering Services and Costs:						
Salaries and Wages	263,000.00	276,350.00	274,641.55	1,708.45		
Other Expenses	9,550.00	9,550.00	3,384.95	6,165.05		
Municipal Land Use Law (N.J.S.A. 40:55D-1 et esq.):						
Planning Board						
Salaries and Wages	17,000.00	17,000.00	14,933.88	2,066.12	-	-
Other Expenses	41,650.00	41,650.00	15,379.19	26,270.81	-	-

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Over-Expenditure
OPERATIONS - WITHIN "CAPS" (CONT'D)						
Zoning Board						
Salaries and Wages	$ 10,000.00	$ 10,000.00	$ 7,922.98	$ 2,077.02	$ -	$ -
Other Expenses	24,800.00	24,800.00	17,463.43	7,336.57	-	-
Self Insurance Program:						
Liability Insurance (N.J.S.A. 40:10-12)	650,000.00	525,000.00	519,469.96	5,530.04	-	-
Workers Compensation Insurance (N.J.S.A. 40:10-12)	550,000.00	675,000.00	670,765.28	4,234.72	-	-
Group Insurance Plan for Employee's:						
Hospital Service Insurance	6,735,300.00	6,746,100.00	5,803,208.29	942,891.71	-	-
Other Insurance Premiums	107,600.00	107,600.00	53,646.06	53,953.94	-	-
Unemployment Compensation Insurance (N.J.S.A. 43:21-3)	90,000.00	90,000.00	90,000.00	-	-	-
Public Safety						
Police:						
Salaries and Wages	7,885,000.00	7,885,000.00	7,838,642.05	46,357.95	-	-
Other Expenses	362,600.00	362,600.00	331,538.42	31,061.58	-	-
Police Dispatch:						
Salaries and Wages	489,000.00	489,000.00	391,131.05	97,868.95	-	-
Emergency Management						
Salaries and Wages	26,600.00	26,600.00	26,078.00	522.00	-	-
Other Expenses	138,550.00	141,550.00	137,477.26	4,072.74	-	-
Fire:						
Salaries and Wages	3,000.00	3,000.00	2,700.10	299.90	-	-
Other Expenses	215,700.00	215,700.00	192,937.31	22,762.69	-	-
Ambulance:						
Other Expenses	91,500.00	91,500.00	88,673.53	2,826.47	-	-
Uniform Fire Safety Act (P.L. 1983 Chap. 383):						
Salaries and Wages	233,600.00	233,600.00	222,131.72	11,468.28	-	-
Other Expenses	13,200.00	13,200.00	10,829.58	2,370.42	-	-
Municipal Prosecutor:						
Salaries and Wages	19,900.00	20,400.00	20,399.88	0.12	-	-
Municipal Court						
Salaries and Wages	256,300.00	256,300.00	247,461.00	8,839.00	-	-
Other Expenses	28,800.00	28,800.00	28,437.65	362.35	-	-

(Continued Next Page)

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Over-Expenditure
OPERATIONS - WITHIN "CAPS" (CONT'D)						
Public Works:						
Road Repairs and Maintenance						
Salaries and Wages	$ 745,000.00	$ 745,000.00	$ 702,450.92	$ 42,549.08	$ -	$ -
Other Expenses	80,600.00	72,600.00	63,290.80	9,309.20	-	-
Shade Tree:						
Salaries and Wages	558,000.00	538,000.00	512,014.71	25,985.29	-	-
Other Expenses	62,400.00	62,400.00	59,016.82	3,383.18	-	-
Electrical Services:						
Salaries and Wages	52,500.00	52,500.00	47,496.78	5,003.22	-	-
Other Expenses	9,450.00	11,450.00	9,367.09	2,082.91	-	-
Public Buildings and Grounds:						
Salaries and Wages	304,000.00	360,300.00	354,261.30	6,038.70	-	-
Other Expenses	63,750.00	95,250.00	79,844.59	15,405.41	-	-
Maintenance Garage:						
Salaries and Wages	274,000.00	274,000.00	263,706.36	10,293.64	-	-
Other Expenses	207,150.00	217,150.00	214,092.65	3,057.35	-	-
Community Services Act:				-		
Other Expenses	35,000.00	35,000.00	35,000.00	-	-	-
Administration of Public Works:						
Salaries and Wages	157,000.00	175,250.00	175,231.03	18.97	-	-
Other Expenses	10,050.00	9,550.00	8,565.24	984.76	-	-
Sanitation:						
Sewer System:						
Salaries and Wages	507,000.00	445,200.00	381,554.90	63,645.10	-	-
Other Expenses	101,750.00	103,750.00	96,469.01	7,280.99	-	-

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Over-Expenditure
OPERATIONS - WITHIN "CAPS" (CONT'D)						
Recycling:						
Salaries and Wages	$ 810,000.00	$ 744,950.00	$ 740,275.29	$ 4,674.71	$ -	$ -
Other Expenses	16,200.00	16,200.00	14,597.37	1,602.63	-	-
Health and Human Services:						
Health Department:						
Salaries and Wages	401,000.00	401,000.00	362,708.96	38,291.04	-	-
Salaries and Wages- Animal Control	141,000.00	141,000.00	87,678.85	53,321.15		
Other Expenses	60,000.00	60,000.00	57,440.08	2,559.92	-	-
Administration of Social Services						
Salaries and Wages	79,000.00	79,000.00	53,261.51	25,738.49	-	-
Other Expenses	12,400.00	12,400.00	2,289.96	10,110.04	-	-
Mental Health Program (N.J.S.A. 40:5-9):						
Other Expenses	12,200.00	12,200.00	12,200.00	-	-	-
Recreation and Parks:						
Recreation:						
Salaries and Wages	1,270,800.00	1,306,300.00	1,299,508.52	6,791.48	-	-
Other Expenses	109,100.00	124,100.00	119,562.27	4,537.73	-	-
Parks and Playgrounds:						
Salaries and Wages	571,700.00	582,700.00	578,997.49	3,702.51	-	-
Other Expenses	83,100.00	83,100.00	78,429.86	4,670.14	-	-
Celebration of Public Events:						
Other Events	46,500.00	51,000.00	47,696.45	3,303.55	-	-
					-	-
Veterans' Service Bureau:					-	-
Other Expenses	3,300.00	3,300.00	3,300.00	-	-	-
Unclassified:						
Terminal Leave:						
Salaries and Wages	145,000.00	145,000.00	129,576.59	15,423.41	-	-
Postage:						
Other Expenses	63,500.00	63,500.00	59,683.26	3,816.74	-	-

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Over-Expenditure
OPERATIONS - WITHIN "CAPS" (CONT'D)						
Utility Expenses and Bulk Purchases						
Electricity	$ 500,000.00	$ 500,000.00	$ 415,759.25	$ 84,240.75	$ -	$ -
Street Lighting	320,000.00	320,000.00	291,253.56	28,746.44	-	-
Telephone	134,000.00	134,000.00	93,803.97	40,196.03	-	-
Gas	90,000.00	90,000.00	69,090.49	20,909.51	-	-
Fuel Oil	15,000.00	15,000.00	14,650.58	349.42	-	-
Gasoline	420,200.00	420,200.00	354,977.54	65,222.46	-	-
Landfill and Solid Waste Disposal						
Garbage and Trash Removal:						
Contracrual	950,000.00	950,000.00	938,666.60	11,333.40	-	-
Other Expenses	1,180,000.00	1,180,000.00	912,126.93	267,873.07	-	-
Uniform Construction Code:						
Construction Code Official:						
Salaries and Wages	746,500.00	746,500.00	712,544.59	33,955.41	-	-
Other Expenses	8,900.00	8,900.00	5,898.11	3,001.89	-	-
Public Defender						
Salaries and Wages	7,000.00	7,150.00	6,950.00	200.00	-	-
Purchase of Vehicles	45,000.00	47,000.00	46,764.00	236.00	-	-
Salary and Wage Adjustment	125,000.00	18,400.00	-	18,400.00	-	-
Contingent	1,000.00	1,000.00		1,000.00	-	-
TOTAL OPERATIONS WITHIN "CAPS"	32,027,350.00	32,025,550.00	29,549,744.62	2,475,805.38	-	-
Detail:						
Salaries and Wages	17,466,000.00	17,393,700.00	16,824,880.82	568,819.18	-	-
Other Expenses (Including Contingent)	14,561,350.00	14,631,850.00	12,724,863.80	1,906,986.20	-	-

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Over-Expenditure
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	$ 1,251,229.00	$ 1,251,229.00	$ 1,158,565.59	$ 92,663.41	$ -	$ -
Social Security System (O.A.S.I.)	1,100,000.00	1,100,000.00	1,023,480.25	76,519.75	-	-
Consolidated Police and Firemen's Pension	17,000.00	17,000.00		17,000.00	-	-
Police and Firemen's Retirement System of N.J.	1,502,801.00	1,502,801.00	1,405,830.65	96,970.35	-	-
DCRP	5,300.00	5,300.00	5,294.20	5.80	-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	3,876,330.00	3,876,330.00	3,593,170.69	283,159.31	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	35,903,680.00	35,901,880.00	33,142,915.31	2,758,964.69	-	-
OPERATIONS - EXCLUDED FROM "CAPS"						
Passaic Valley Sewer Commisssion:						
Share of Costs	1,800,000.00	1,800,000.00	1,713,351.31	86,648.69	-	-
Maintenance of Free Public Library	2,333,022.00	2,333,022.00	2,254,776.81	78,245.19		
LOSAP Program	90,000.00	90,000.00	77,051.70	12,948.30		
Contribution				-		
				-		
Declared State of Emergency Costs for Snow Removal				-		
Salaries and Wages	158,240.00	158,240.00	158,240.00	-		
Other Expenses	41,760.00	41,760.00	41,509.91	250.09		
				-	-	-
Recycling Tax Appropriation	40,500.00	40,500.00	36,509.24	3,990.76		
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	4,463,522.00	4,463,522.00	4,281,438.97	182,083.03	-	-

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Over-Expenditure
OPERATIONS - EXCLUDED FROM "CAPS"						
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
Clean Communities Grant	$ 68,471.94	$ 68,471.94	$ 68,471.94	$ -	$ -	$ -
Clean Communities Grant- Chapter 159	49,394.39	49,394.39	49,394.39	-		
BC Historic Preservation Grant Chapter 159	1,800.00	1,800.00	1,800.00	-		
Cops in Shops Grant	6,180.00	6,180.00	6,180.00	-	-	-
Municipal Alcohol Education	949.94	949.94	949.94	-		
Emergency Management Assistance Funding	10,000.00	10,000.00	10,000.00	-	-	-
Matching Funds for Grants	9,998.12	11,798.12	11,798.12	-	-	-
Total Public and Private Programs Offset by Revenues	146,794.39	148,594.39	148,594.39	-	-	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	4,610,316.39	4,612,116.39	4,430,033.36	182,083.03	-	-
Detail:						
Salaries and Wages	1,412,440.00	1,412,440.00	1,401,439.98	11,000.02		
Other Expenses	3,197,876.39	3,199,676.39	3,028,593.38	171,083.01	-	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	130,000.00	130,000.00	130,000.00	-	-	-
Deferred Charges - Unfunded	182,000.00	182,000.00	182,000.00	-		
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	312,000.00	312,000.00	312,000.00	-	-	-

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	APPROPRIATIONS		EXPENDED			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Over-Expenditure
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	$ 1,850,000.00	$ 1,850,000.00	$ 1,850,000.00	$ -	$ -	$ -
Payment of Bond Anticipation Notes and Capital Notes	150,000.00	150,000.00	150,000.00			
Interest on Bonds	620,000.00	620,000.00	590,246.89		29,753.11	-
Interest on Notes	120,000.00	110,000.00	94,112.25		15,887.75	-
Bergen County Improvement Authority					-	
Payment of Bond Principal	515,000.00	515,000.00	511,744.99		3,255.01	-
Interest on Bonds	415,000.00	425,000.00	421,378.91		3,621.09	-
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	3,670,000.00	3,670,000.00	3,617,483.04	-	52,516.96	-
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"						
Special Emergency Authorizations - 5 years	90,000.00	90,000.00	90,000.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE-EXCLUDED FROM "CAPS"	8,682,316.39	8,684,116.39	8,449,516.40	182,083.03	52,516.96	-
SUBTOTAL GENERAL APPROPRIATIONS	44,585,996.39	44,585,996.39	41,592,431.71	2,941,047.72	52,516.96	-
Reserve for Uncollected Taxes	3,300,000.00	3,300,000.00	3,300,000.00	-	-	-
TOTAL GENERAL APPROPRIATIONS	$ 47,885,996.39	$ 47,885,996.39	$ 44,892,431.71	$ 2,941,047.72	$ 52,516.96	$ -
Reference	A-2	A-2	Below	A	A-1	

Cash Disbursements	A-4	$ 39,160,648.23
Due to Grant Fund	A-31	136,796.27
Reserve for Uncollected Taxes	A-2	3,300,000.00
Deferred Charges - Special Emergency Authorization	A-15	90,000.00
Encumbrance Payable	A-18	2,204,987.21
	Above	$ 44,892,431.71

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B

Assets	Reference	2014	2013
Animal Trust Fund:			
Cash and Cash Equivalents	B-1	$ 50,996.26	$ 40,700.99
		50,996.26	40,700.99
Other Trust Fund:			
Cash and Cash Equivalents	B-1	1,153,105.73	1,053,559.11
Unemployment Compensation Insurance Trust Fund:			
Cash and Cash Equivalents	B-1	216,386.37	181,360.41
Interfund Accounts Receivables	B-5	3,551.15	3,551.15
		219,937.52	184,911.56
Self-Insurance Trust Fund:			
Cash	B-1	5,214,210.40	4,244,165.57
Due From Current Fund - Health Benefits Account	B-5	-	
		5,214,210.40	4,244,165.57
Council on Affordable Housing Trust:			
Cash	B-1	25,399.23	25,348.49
Free Public Library Trust Fund:			
Cash	B-1	108,948.56	108,885.75
Cafeteria Plan Trust Fund:			
Cash	B-1	13,115.72	10,508.51
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Cash in Plan	B-1	1,064,957.34	982,519.23
Service Award Contribution Receivable	B-18	73,064.88	77,051.70
	B-19	1,138,022.22	1,059,570.93
		$ 7,923,735.64	$ 6,727,650.91

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
DECEMBER 31, 2014 AND 2013

B

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

Liabilities and Reserves	Reference	2014	2013
Animal Control Fund:			
Prepaid Licenses	B-2	$ 3,434.40	$ 3,409.40
Animal Trap Deposits	B-3	7,730.00	7,080.00
Due to State of New Jersey	B-4	1,308.00	531.00
Interfund Accounts Payable	B-5	27.00	100.88
Reserve for Animal Trust Fund Expenditures	B-9	38,496.86	29,579.71
		50,996.26	40,700.99
Other Trust Fund:			
Due to State of New Jersey	B-4	810.00	2,100.00
Interfund Accounts Payable	B-5	736.67	1,522.87
Sundry Reserve for Deposits	B-6	558,872.63	511,678.95
Escrow Reserves and Deposits	B-7	407,284.62	371,944.62
Donation Reserves and Deposits	B-8	185,401.81	166,312.67
Total Other Trust Fund		1,153,105.73	1,053,559.11
Unemployment Compensation Insurance Trust Fund:			
Due to State of New Jersey	B-4	10,108.96	2,937.06
Reserve for Unemployment Compensation Insurance Expenditure	B-10	209,828.56	181,974.50
		219,937.52	184,911.56
Self-Insurance Trust Fund:			
Reserve For:			
Due to Current Fund	B-5	483,629.41	482,501.81
Worker's Compensation Expenditures	B-11	311,298.06	118,875.77
Liability Insurance Expenditures	B-12	1,206,884.93	1,050,121.86
Health Benefits Plan	B-13	3,212,398.00	2,592,666.13
		5,214,210.40	4,244,165.57
Council on Affordable Housing Trust:			
Reserve for Expenditures	B-14	25,399.23	25,348.49
		25,399.23	25,348.49
Free Public Library Trust Fund:			
Reserve for Library Trust Expenditures	B-15	16,477.56	16,414.75
Reserve for Restricted Trust Expenditures	B-16	92,471.00	92,471.00
		108,948.56	108,885.75
Cafeteria Plan Trust Fund:			
Interfund Accounts Payable	B-5	429.51	417.21
Reserve for Cafeteria Plan Expenditures	B-17	12,686.21	10,091.30
		13,115.72	10,508.51
Emergency Services Volunteer Length of Services Award Program (Unaudited):			
Net Assets Available for Benefits	B-19	1,138,022.22	1,059,570.93
		$ 7,923,735.64	$ 6,727,650.91

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

C

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

Assets	Reference	2014	2013
Cash	C-2,3	$ 1,541,361.08	$ 1,893,961.76
Grants Receivable:			
State and County Grants	C-4	460,500.00	295,927.50
Federal Grants	C-5	1,191,497.15	598,194.23
Due From JP Morgan Chase- Parking Lot Paving	C-4a	16,604.11	20,204.11
Due From Board of Education - Roads	C-4a	-	66,475.00
Interfunds Receivable:			
Water Utility Capital Fund	C-17	1,040,000.00	1,100,000.00
Deferred Charges to Future Taxation:			
Funded	C-6	24,010,000.00	26,175,000.00
Unfunded	C-7	12,949,003.24	19,286,661.00
TOTAL ASSETS		$ 41,208,965.58	$ 49,436,423.60

Liabilities, Reserve and Fund Balance			
General Serial Bonds	C-8	$ 13,495,000.00	$ 15,345,000.00
Capital Leases Payable	C-9	10,515,000.00	10,830,000.00
Encumbrances Payable	C-10	1,670,020.10	586,624.76
Bond Anticipation Notes Payable	C-11	8,709,800.00	7,315,000.00
Special Reserves	C-12	48,093.32	48,093.32
Improvement Authorizations:			
Funded	C-13	1,317,606.14	1,294,099.43
Unfunded	C-13	3,828,195.71	13,019,448.78
Schedule of Premium on Bond Anticipation Notes	C-14	86,153.76	
Reserve for Unappropriated State Grant	C-15	15,464.00	15,464.00
Capital Improvement Fund	C-16	145,896.50	141,996.50
Interfunds Payable:			
Current Fund	C-17	352,216.71	355,434.10
Water Utility Operating Fund	C-17	4,689.87	4,689.87
Reserve for Grants Receivable	C-18	18,243.00	18,243.00
Fund Balance	C-1	1,002,586.47	462,329.84
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		$ 41,208,965.58	$ 49,436,423.60

Bonds and notes authorized but not issued on December 31, 2014 amounted to $4,239,203.24 (Exhibit C-19)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE- REGULATORY BASIS

C-1

	Reference		
Balance December 31, 2013	C		$ 462,329.84
Increased by:			
Canceled Due from Bd of Education	C-4a	$ 0.01	
Canceled Improvement Authorizations	C-13	650,360.20	
			650,360.21
			1,112,690.05
Decreased by:			
Canceled Grant Receivable- State & County	C-4	30,427.50	
Canceled Grant Receivable- Federal	C-5	79,676.08	
			110,103.58
Balance December 31, 2014	C		$ 1,002,586.47

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D

Assets	Ref.	2014	2013
Water Utility Operating Fund:			
Cash - Treasurer	D-5	$ 4,393,138.32	$ 3,322,020.40
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-8	491,193.57	467,365.34
Inventory - Materials and Supplies	D-9	103,473.96	71,426.86
		594,667.53	538,792.20
Interfund Accounts Receivable	D-7	432,320.36	416,181.18
Total Water Utility Operating Fund		5,420,126.21	4,276,993.78
Water Utility Capital Fund:			
Cash - Treasurer	D-5, D-6	3,495,161.45	4,388,256.68
Fixed Capital	D-10	17,630,814.78	12,057,499.00
Fixed Capital Authorized and Uncompleted	D-11	2,638,900.00	8,565,725.00
Total Water Utility Capital Fund		23,764,876.23	25,011,480.68
		$ 29,185,002.44	$ 29,288,474.46

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D

Liabilities, Reserves and Fund Balances

		2014	2013
Water Utility Operating Fund:			
Appropriation Reserves	D-4,12	$ 1,024,301.52	$ 230,077.33
Reserve for Encumbrances	D-4,12	243,669.81	532,011.09
Accounts Payable	D-13	3,233.56	23,122.56
Water Rent Overpayments	D-14	8,121.30	9,487.54
Accrued Interest on Bonds	D-15	25,807.29	27,040.80
Reserve for Supervisors Contract	D-16	-	7,200.00
		1,305,133.48	828,939.32
Reserve for Receivables	Contra	594,667.53	538,792.20
Fund Balance	D-1	3,520,325.20	2,909,262.26
Total Water Utility Operating Fund		5,420,126.21	4,276,993.78
Water Utility Capital Fund:			
Encumbrance Payable	D-17	117,192.21	1,347,045.81
Interfunds Payable	D-19	3,697,830.49	3,261,491.31
Serial Bonds Payable	D-23	1,710,000.00	1,970,000.00
Bond Anticipation Notes Payable	D-24	2,479,000.00	2,285,000.00
Improvement Authorization:			
Funded	D-18	-	43,171.61
Unfunded	D-18	744,753.72	1,472,709.75
Capital Improvement Fund	D-20	29,430.00	30,180.00
Reserve for:			
Amortization	D-21	14,680,947.85	13,480,444.24
Deferred Amortization	D-22	170,828.00	1,024,081.61
Fund Balance	D-2	134,893.96	97,356.35
Total Water Utility Capital Fund		23,764,876.23	25,011,480.68
		$ 29,185,002.44	$ 29,288,474.46

Bonds and notes authorized but not issued on December 31, 2014 amounted to $1,269,171.78 (Exhibit D-25)

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - OPERATING FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

D-1

	Reference	2014	2013
Revenue and Other Income Realized			
Revenue and Other Income:			
Fund Balance Utilized	D-3	$ 375,600.00	$ 283,700.00
Water Rents	D-3	6,200,489.27	5,941,687.68
Miscellaneous Revenue	D-3	18,576.95	18,616.48
Canceled Accounts Payable	D-13	17,500.00	
Unexpended Balance of Appropriations	D-4	120,945.39	487,891.37
Unexpended Balance of Appropriation Reserves	D-12	333,151.33	779,951.57
Total Revenue and Other Income Realized		7,066,262.94	7,511,847.10
Expenditures			
Operating	D-4	5,375,150.00	5,346,750.00
Capital Improvements	D-4	26,500.00	33,000.00
Debt Service	D-4	532,950.00	462,950.00
Deferred Charges and Statutory Expenditures	D-4	145,000.00	145,000.00
Total Expenditures		6,079,600.00	5,987,700.00
Excess in Revenues		986,662.94	1,524,147.10
Fund Balance January 1,		2,909,262.26	1,668,815.16
		3,895,925.20	3,192,962.26
Decreased by:			
Utilization by Water Operating Budget		375,600.00	283,700.00
Balance Decemnber 31,	D	$ 3,520,325.20	$ 2,909,262.26

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

COMPARATIVE SCHEDULE OF FUND BALANCE -REGULATORY BASIS

D-2

	Reference	
Balance December 31, 2013	D	$ 97,356.35
Increased by:		
Canceled Improvement Authorizations	D-18	37,537.61
Balance December 31, 2014	D	$ 134,893.96

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated	Realized	Excess (Deficit)
Surplus Anticipated	$ 375,600.00	$ 375,600.00	$ -
Rents	5,700,000.00	6,200,489.27	500,489.27
Miscellaneous	4,000.00	18,576.95	14,576.95
	$ 6,079,600.00	$ 6,594,666.22	$ 515,066.22
Reference	D-4	Below	

Analysis of Realized Revenue

Rent	D-1,8	$ 6,199,753.03
Water Rents Applied	D-14	736.24
Surplus Anticipated	D-1	375,600.00
		6,576,089.27
Interest on Investments	D-5	9,715.50
Due from Water Capital Fund - Interest	D-7	3,678.50
Other Miscellanous	D-5	5,182.95
	D-1	18,576.95
Total Realized	Above	$ 6,594,666.22

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF EXPENDITURES - REGULATORY BASIS

D-4

	Reference	Appropriations: Budget	Appropriations: Budget After Modification	Paid or Charged	Reserved	Lapsed
Operating:						
Salaries and Wages		$ 2,019,000.00	$ 2,019,000.00	$ 1,711,944.67	$ 307,055.33	$ -
Other Expenses		3,356,150.00	3,356,150.00	2,698,742.92	657,407.08	-
Total Operating	D-1	5,375,150.00	5,375,150.00	4,410,687.59	964,462.41	-
Capital Improvements:						
Capital Improvements Fund		26,500.00	26,500.00	26,500.00	-	
Total Capital Improvements	D-1	26,500.00	26,500.00	26,500.00	-	
Debt Services:						
Payment of Bond Principal		370,000.00	370,000.00	260,000.00	-	110,000.00
Payment of Bond Anticipation and Capital Notes		60,000.00	60,000.00	60,000.00		
Interest on Bonds		72,950.00	72,950.00	64,598.15		8,351.85
Interest on Notes		30,000.00	30,000.00	27,406.46	-	2,593.54
Total Debt Service	D-1	532,950.00	532,950.00	412,004.61	-	120,945.39
Deferred Charges and Statutory Expenditures:						
Social Security System (O.A.S.I.)		145,000.00	145,000.00	85,160.89	59,839.11	
Total Deferred Charges and Statutory Expenditures	D-1	145,000.00	145,000.00	85,160.89	59,839.11	-
		$ 6,079,600.00	$ 6,079,600.00	$ 4,934,353.09	$ 1,024,301.52	$ 120,945.39
		D-3	D-3	Below	D	D-1

Cash Disbursed	D-5	$ 4,277,445.16
Reserve for Encumbrances	D	243,669.81
Interest on Bonds and Notes	D-15	413,238.12
	Above	$ 4,934,353.09

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
GENERAL FIXED ASSETS
DECEMBER 31, 2014 AND 2013

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

E

		2014	2013
General Fixed Assets:			
Land	*	$ 87,660,900.00	$ 85,347,800.00
Buildings	*	18,314,600.00	18,034,200.00
Machinery and Equipment		13,876,142.10	14,097,846.78
		$ 119,851,642.10	$ 117,479,846.78
Investment in Fixed Assets		$ 119,851,642.10	$ 117,479,846.78

* Revaluation - Adjusted to Assessed Value

See independent auditor's report and notes to the financial statements.

BOROUGH OF FAIR LAWN
NET PAYROLL AND WITHHOLDING PAYABLE
DECEMBER 31, 2014 AND 2013

COMPARATIVE STATEMENT OF NET PAYROLL AND WITHOLDING PAYABLE

F

	2014	2013
Assets:		
Cash		
Net Payroll	$ 17,512.60	$ 16,003.82
	$ 17,512.60	$ 16,003.82
Liabilities:		
Withholdings	$ 7,399.10	$ 6,281.76
Due to Current Fund	6,562.35	6,170.91
Due to Unemployment Compensation Trust Fund	3,551.15	3,551.15
	$ 17,512.60	$ 16,003.82

See independent auditor's report and the notes to the financial statements.

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 generally accepted accounting principles (GAAP).

The financial statements of the Borough of Fair Lawn, County of Bergen, State of New Jersey ("the Borough") 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"). 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 operates under a Council-Manager form of government 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 member of the Council." The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

However, the municipalities in the State of New Jersey do not issue 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 NJSA 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 component can be obtained by contacting the Treasurer of the respective entity.

1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. 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. The accounts of the Borough are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds and groups of accounts are used by the Borough:

Current Fund - Resources and expenditures for governmental operations of a general nature.

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.

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.

Animal License 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.

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

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

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

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

General Capital Fund - Receipt and disbursement of funds for the acquisition 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.

Grant Fund - Receipt and disbursement of funds from Federal and State Grants.

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or insurable cost if the actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

Net Payroll and Withholding Payable- This fund is used to account for net payroll and payroll withholdings payable to other agencies.

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

A modified accrual basis of accounting is followed by the Borough. Under this method of accounting, revenues, except for 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 generally accepted accounting principles (GAAP) applicable to local government units. The more significant differences are as follows:

Revenues - Revenues are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the municipal budget. Receivables for property taxes are recorded with offsetting reserves on the Financial Position of the municipality's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts, which are susceptible to accrual, that are due to the municipality are recorded as receivables with offsetting reserves and are recorded as revenue when received.

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 Financial Position of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlement 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. 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. Transfers can be made during the last two months and the first three months of the following year. The budget may also be amended by emergency appropriation, which must be raised in the succeeding year's budget. Special items of revenue and corresponding expenditure may be added to the budget with special written consent from the Division of Local Government Services (Chapter 159).

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

Trust Funds
General Capital Fund
Public Assistance Fund
Water Utility Capital Fund

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

Expenditures - Expenditures are recorded in 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. Except for unmatured interest on general long-term debt which should be recognized when due, GAAP requires expenditures, if measurable, to be recognized in the accounting period in which the fund liability is incurred.

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

Appropriation Reserves - 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 - 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.

Self-Insurance Contributions - Payments to self-insurance funds are charged to current budget appropriations. GAAP requires payments to be accounted for as an operating transfer and not as an expenditure.

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 cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are only included on the Water Utility Operating Fund balance sheets.

1. **Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting (Continued)

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 cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

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. Accordingly 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.

Incurred But Not Reported (IBNR) Reserves - The Borough has not created a reserve for any potential unreported losses which have taken place but for which the Borough has not received notice or report of losses. Additionally, the Borough has not recorded a liability for those claims, which have been filed but have not yet been paid. GAAP requires the establishment of reserves for such potential claims if material.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Actual results could differ from these estimates.

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

General Fixed Assets – N.J.A.C. 5:30-5.6 codifies fixed asset accounting, which requires a fixed asset accounting system for their physical assets. The codification updates the definition of a fixed asset to refer to the 1997 edition of the U.S. Office of Management and Budget Circular A-87, Cost Principals for State, Local and Indian Governments. The regulation continues the requirement of the local units to:

i. Place a value of all fixed assets put into service
ii. Have a subsidiary ledger of detailed records of fixed assets
iii. Provide property management standards to control fixed assets
iv. Provide a statement of fixed assets in the annual audit.

Fixed Assets purchased after December 31, 1989 are stated at cost.
Fixed Assets purchased prior to December 31, 1989 are stated as follows:

Land and Buildings	Assessed Valuations
Machinery and Equipment	Estimated Market Value

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. GAAP requires that fixed assets be capitalized at historical cost or at estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded. Schedule E of the Financial Statement will disclose the major classes of Fixed Assets as of December 31, 2014 and December 31, 2013, no depreciation has been provided for in the financial statements.

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund when such property was acquired and is fully reserved.

D. Basic Financial Statements

GASB defines the financial statements of a governmental unit to be presented in the 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, which differs from GAAP.

2. Cash and Cash Equivalents

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, 2014 and 2013, $0 of the Borough's bank balance $40,624,193.01 and $35,821,589.14 respectively were exposed to custodial credit risk.

Investments

Interest 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 allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Deferred Compensation Plan Investments. As more fully described in Note 17, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP deferred compensation program as specified in NJSA 43:15B-1 et. seq. all retains investments are in the name of the Borough. All investments are valued at fair value and are maintained by Variable Annuity Life Insurance Company (VALIC), which is an authorized provider by the State of NJ, DCA, DLGS. The balance in the account on December 31, 2014 and 2013 amounted to $1,064,957.34 and $982,519.23, respectively.

The following investments represent 5% of more of the total invested with VALIC on December 31, 2014 and 2013:

	2014	2013
Fixed Account Plus	$ 94,273.28	$ 84,951.97
Health Science Fund	70,176.67	56,592.33
Mid Cap Value Fund	73,266.36	64,994.09
Money Market I Fund	146,200.58	162,994.63
Vanguard Lifestrategy- Growth	160,071.90	163,610.08
Vanguard Lifestrategy- Modera	41,070.76	37,455.55
All others	479,897.79	411,920.58
	$ 1,064,957.34	$ 982,519.23

3. Leases

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 compromised of principal and variable interest ranging from 1.5% to 5%. The following schedule presents the remaining lease payments at December 31, 2014.

Calendar Year	Principal	Interest	Total
2015	$ 405,000.00	$ 402,175.00	$ 807,175.00
2016	410,000.00	382,550.00	792,550.00
2017	415,000.00	375,985.00	790,985.00
2018	420,000.00	369,340.00	789,340.00
2019	435,000.00	347,875.00	782,875.00
2018-2034	8,430,000.00	3,365,410.00	11,795,410.00
	$ 10,515,000.00	$ 5,243,335.00	$ 15,758,335.00

The full faith and credit of the Borough has been pledged to the punctual payment of the obligations set forth in the Lease Payments. The Lease Payments shall be a direct, unlimited and general obligation of the Municipality, subject to annual appropriation by the Municipality pursuant to the County Improvement Authorities Law, and unless paid from other sources, the Borough should be obligated to levy ad valorem taxes upon all the taxable real property within the Borough for the payment of the Lease Payments thereunder without limitation as to rate or amount.

Operating Leases Payable:

The Borough has commitments to lease a generator, utility trucks, plows, mini bus, tactical raid vests, police cars, light bars and trunk box weapon lockers, a pulverizer and two heavy duty mowers, various departmental vehicles, and other equipment under operating leases that expire in 2015. The total operating lease payments made during the year ended December 31, 2014 were $205,604. Future minimum lease payments are as follows:

Year Ending December 31,	Amount
2015	93,373.00
	93,373.00
Less: Accumulated Interest	2,768.00
Present value of minimum lease payments	$ 90,605.00

4. Long-Term Debt

Long-term debt as of December 31, 2014 consisted of the following:

	December 31, 2013	Additions	Reductions	December 31, 2014	One Year(a)
Bonds Payable- General Obligation Debt	$ 15,345,000.00	$ -	$ (1,850,000.00)	$ 13,495,000.00	$ 1,925,000.00
Water Utility Obligation Debt	1,970,000.00		(260,000.00)	1,710,000.00	260,000.00
Capital Leases Payable	10,830,000.00	-	(315,000.00)	10,515,000.00	405,000.00
Compensated Absences Payable	1,786,264.00	1,498,638.96	(640,621.93)	2,644,281.03	390,740.62
Total	$ 29,931,264.00	$ 1,498,638.96	$ (3,065,621.93)	$ 28,364,281.03	$ 2,980,740.62

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 are general obligation bonds and 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 10 years and five months or retired by the issuance of bonds.

(a) Current portion of Long Term Debt not including Bond Anticipation Notes

Summary of Municipal Debt (Excluding Current Operating Debt)

Issued	2014	2013	2012
Bonds and Notes			
General Capital	$ 22,204,800	$ 22,660,000	$ 23,720,000
General Capital- Capital Lease	10,515,000	10,830,000	10,515,000
Water Utility	4,189,000	4,255,000	3,630,000
Authorized but not Issued			
General:			
Bonds and Notes	4,239,203	11,971,661	11,010,949
Water Utility			
Bonds and Notes	1,269,072	1,903,931	2,478,851
Total	42,417,075	51,620,592	51,354,800
Deductions on Annual Debt Statement:			
Less Deductions	5,484,211	6,185,070	6,134,989
Net Debt	$ 36,932,864	$ 45,435,522	$ 45,219,811

4. Long-Term Debt (Continued)

Summary of Statutory Condition – Annual Debt Statement

Net Debt $ 36,932,864 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended $4,457,650,318=.829 %

	Gross Debt	Deductions	Net Debt
Local School Debt	$ 17,065,000	$ 17,065,000	$ -
Water Utility	5,458,172	5,458,172	-
General Debt	36,959,003	26,139	36,932,864
	$ 59,482,175	$ 22,549,311	$ 36,932,864

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

3 1/2% of Equalized Valuation Basis (Municipal)	$156,017,761
Net Debt	36,932,864
Remaining Borrowing Power	$119,084,897

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

Cash receipts from fees, rents, or other charges for year		$ 6,673,162.94
Deductions:		
Operating and Maintenance Cost	5,546,650.00	
Debt Service per Water Account	532,950.00	
Total Deductions		6,079,600.00
Excess in Revenue- "Self Liquidating"		$ 593,562.94

4. Long-Term Debt (Continued)

The Borough's long-term debt consisted of permanent financing at December 31, 2014:

Paid by Current Fund:	
General Obligation Bonds	
$15,225,000, 2001 Bonds due in annual installments of $675,000 to $1,205,000 through December 2016, interest at 4.00% to 4.625%	$ 2,405,000.00
$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%	11,090,000.00
Total General Serial Bonds	13,495,000.00
Paid by Water Utility Fund:	
Water Utility Serial Bonds	
$715,000, 2001 Bonds due in annual installments of $35,000 to $60,000 through June 2017, interest at 4.25% to 4.7%	110,000.00
$2,245,000, 2010 Bonds due in annual installments of $105,000 to $200,000 through December 2022, interest at 3.0% to 3.5%	1,600,000.00
Total Water Utility Bonds	1,710,000.00
Total Serial Bonds	$ 15,205,000.00

4. Long-Term Debt (Continued)

Bonded Debt Issued and Outstanding

		General Capital		Water Utility Capital	
Year End	Total	Principal	Interest	Principal	Interest
2015	$ 2,730,485	$ 1,925,000	$ 489,875	$ 260,000	$ 55,610
2016	2,699,475	1,990,000	412,625	250,000	46,850
2017	1,451,588	880,000	333,088	200,000	38,500
2018	1,444,188	905,000	306,688	200,000	32,500
2019	1,426,038	920,000	279,538	200,000	26,500
2020-2024	6,400,588	4,825,000	934,088	600,000	41,500
2025-2026	2,171,463	2,050,000	121,463		
	$ 18,323,823	$ 13,495,000	$ 2,877,363	$ 1,710,000	$ 241,460

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, 2014 the Borough had authorized but not issued debt as follows:

General Capital Fund	$ 4,239,203.24
Water Utility Capital Fund	$ 1,269,071.78

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 fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2014, the Borough had $8,709,800 in General Capital and $1,710,000 in Water Capital bond anticipation notes outstanding at an interest rate of 1.25% as detailed on Exhibit C-11 and D-24. These notes will mature on September 18, 2015.

5. Bond Anticipation Notes, (Continued)

	Balance December 31, 2013	Additions	Reductions	Balance December 31, 2014
Notes Payable:				
General Capital Notes Payable				
TD Securities	$ 7,315,000.00	$ 8,709,800.00	$ 7,315,000.00	$ 8,709,800.00
				-
				-
Water and Sewer Utility Capital Notes Payable				
TD Securities	2,285,000.00	$ 1,710,000.00	$ 2,285,000.00	1,710,000.00
	$ 9,600,000.00	$ 10,419,800.00	$ 9,600,000.00	$ 10,419,800.00

6. Interfund Receivables and Payables

Interfund receivables and payables at December 31, 2014 were as follows:

	Receivables	Payables
Current Fund	$ 3,290,976.82	$ 19,800.00
Grant Fund		197,375.17
Capital Fund	1,040,000.00	356,906.58
Unemployment Compensation Trust Fund	3,551.15	
Self-Insurance Trust Fund		483,629.41
Trust Funds - Other		736.67
Animal License Fund		27.00
Cafeteria Plan Trust Fund		429.51
Payroll Fund		10,113.50
Water Utility Fund	432,320.36	
Water Utility Capital Fund		3,697,830.49
Total Interfund Receivables/Payables	$ 4,766,848.33	$ 4,766,848.33

7. Contingencies

Litigation

The Borough is a party from time to time to various legal proceedings. Management expects such amounts to be immaterial and would either be funded by insurance or raised by future taxation.

The Borough is a defendant in various tax appeal proceedings. These appeals, if successful would be funded by either budget appropriation of the authorization of refunding bonds.

Claims and Judgments

The Borough participated in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2014, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

Compensated Absences

The Borough has permitted employees to accrue unused sick pay (with certain restrictions) which is based on the various employee contracts, and can be taken as time off or paid later at an agreed-upon rate. The current cost of such vested unpaid compensation has been estimated at $ 2,644,281.03. This amount which is material to the financial statements is not reported either as an expenditure or liability. The Borough has established a reserve in prior years for the purpose of paying terminal leave benefits and is reflected herein on Exhibit A-20. The reserve balance as of December 31, 2014 was the sum of $1,205,953.40. In addition it is expected that the cost of such unpaid compensation would be included in the Borough's operating budget in the year it is used if there are insufficient funds in the reserve account.

8. 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 maintains self-insurance programs for general liability and workers' compensation with the following provisions 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 Insurance Fund will pay further benefits to the extent of $9,900,000. Processing of workers' compensation claims are administered by Sedgwick of New Jersey, Inc. Claims were tested only to the extent of amounts of payment. Accuracy of the claims is necessarily placed on the reliance of Borough personnel. There have been no provisions included in the financial statements for claims incurred but not reported as of December 31, 2014.

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

	Workers' Compensation Trust Fund	Self-Insurance Trust Fund	Health Benefits Plan Trust Fund
Balance- 12/31/13	$ 118,875.77	$ 1,050,121.86	$ 2,592,666.13
Receipts	994,599.25	907,163.56	7,343,194.68
Disbursements	802,176.96	750,400.49	6,723,462.81
Balance - 12/31/14	$ 311,298.06	$ 1,206,884.93	$ 3,212,398.00

9. Fund Balance Appropriated

Fund Balance for the years ended December 31, 2014 and 2013, which were appropriated and included as anticipated revenue in their own respective funds, were as follows:

	2014	2013
Current Fund	$ 3,000,000.00	3,000,000.00
Water Utility Operating Fund	375,600.00	283,700.00

10. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the balance sheets of the various funds of the Borough.

	Balance Dec. 31, 2014	2015 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorizations - NJSA 40A:4-53	$ 180,000.00	$ 90,000.00	$ 90,000.00
	$ 180,000.00	$ 90,000.00	$ 90,000.00

11. Taxes Collected in Advance

Taxes collected in advance and the amounts set forth as cash liabilities in the financial statements as follows:

	Balance Dec. 31, 2014	Balance Dec. 31, 2013
Prepaid Taxes	$ 553,290.35	$ 546,137.10

12. Retirement Plans

Description of Plans

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). Those systems are sponsored and administered by the State of New Jersey and are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for PERS and PFRS. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625 or the report can be accessed on the internet at – http://www.state.nj.us/treasury/pensions/annrpts archive.htm.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction. Vesting occurs after 8-10 years of service and 25 years for health coverage. Members are eligible for retirement at age 60 with annual benefit generally determined to be $1/55^{th}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to members' accounts.

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

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

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension services credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a

12. Retirement Plans (continued)

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

pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2013.

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

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemen's Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

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

The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to pay off the obligation at any time prior to April 2012. The Borough did not opt for this deferral.

12. Retirement Plans (continued)

Funding Policy

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 employees. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 107, P.L. 2007, the PERS and employees contribution rate increased to 5.5% and the PFRS rate increased to 8.5%, effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except for SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums. Under the provisions of Chapter 78, P.L. 2012, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2011. An additional increased to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2011. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount
2014	$ 1,158,565.59	$ 1,405,830.65
2013	1,208,864.00	1,475,309.00
2012	1,307,239.00	1,467,625.00
2011	1,306,001.00	1,771,159.00
2010	1,035,369.00	1,429,274.00

Defined Contribution Retirement Program

The Defined Contributions Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of $1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than $5,000 annually, the official may choose to waive participation on the DCRP for the office or position. The waiver is irrevocable.

12. Retirement Plans (continued)

Defined Contribution Retirement Program, (continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that dare without a break in service may remain in the PERS. A Governor appointee by an elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to join or remain in PERS.

Deferred Compensation Plan

The Borough maintains a Deferred Compensation Plan (the "Plan") in accordance with Internal Revenues Code Section 457. The Plan was reviewed by an independent auditor.

Any employee of the Borough is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Borough does not and is not required to make contributions to the Plan. AXA Equitable and Valic are the Administrators of the Plan. Fund assets at December 31, 2014 and 2013 totaled $15,714,496.73 and $15,162,055.04, respectively.

13. Other Post Employment Benefits

In addition to the pension benefits described in Note 12, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost. The Borough maintains a self-insurance program for health insurance, which includes retired employees eligible for health insurance. Medical, prescription drugs, and dental benefits are offered to certain pre-65 and post-65 retirees. The Borough does not reimburse retirees for Medicare Part B or Part D premiums. Employees hired after April 26, 1988 (with a few exceptions) are not eligible for post employment benefits.

13. Other Post Employment Benefits (Continued)

Funding Policy

Post-retirement medical benefits under the self-insurance plan have been funded on a pay-as-you-go basis.

Contributions to pay for the health premiums of participating employees in the Borough's self – insurance program are billed to the Borough of Fair Lawn on a monthly basis, through its 2014 plan administrator Insurance Design Administrator.

The first year the Borough disclosed its postemployment healthcare plan benefit costs upon implementation requirements of GASB 45 *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions* as prepared by Aquarius Capital Solutions Group LLC was 2013. Results for this valuation was based on a total of 147 active and retirees, reflecting the sum of 22 active employees and 125 retirees for post employment benefits only. Information for 2014 was not available at the time of audit.

The Borough's annual post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize and unfunded actuarial liabilities over a period not to exceed 30 years. A discount rate of 4% was used, which is consistent with current market rates. The following table shows the components of the Borough's annual OPEB cost for the year 2013, any amounts contributed to the plan, and the Borough's net OPEB obligation. The Borough is currently calculating amounts for 2014. For 2013, the Borough's OPEB cost (expense) (GAAP Basis) was $1,026,960.

		2013 Total
Net OPEB Obligation- beginning of year		
Annual required contribution (ARC)	$	3,029,706.00
Interest on Net OPEB Obligation		52,706.00
Adjustment to the ARC		-
Annual OPEB Cost		3,082,412.00
Less: Contributions (Pay-As-You-Go Costs)		2,055,452.00
Net OPEG obligation- end of year	$	1,026,960.00

Under the regulatory basis of accounting utilized by the Borough, financial statement recognition of the ARC and Net OPEG obligation is not required and these amounts are not reflected in the reported expenditures and liabilities at December 31, 2014.

13. Other Post Employment Benefits (Continued)

The funded status of the plan for the Borough as of December 31, 2013 is as follows:

	Total
Actuarial Liability (AL) as of January 1, 2013	$ 52,389,734.00
Assets	-
Unfunded Accrued Liability @ January 1, 2013	52,389,734.00
Service costs with Interest to Year End	52,706.00
Pay-As-You-Go Benefits - Projected	(2,055,452.00)
Interest on Unfunded Accrued Liability	2,054,480.00
Projected Unfunded Accrued Liability (UAL)as of December 31, 2013	$ 52,441,468.00

14. Fixed Assets

The following is a summary of changes in the general fixed asset group for the year 2014:

	Balance December 31, 2013	Additions/ Adjustments	Deletions/ Adjustments	Balance December 31, 2014	
Land	$ 85,347,800.00	$ 2,313,100.00	$ -	$ 87,660,900.00	*
Buildings	18,034,200.00	$ 280,400.00		18,314,600.00	*
Machinery and Equipment	14,097,846.78	885,464.45	(1,107,169.13)	13,876,142.10	
	$ 117,479,846.78	$ 3,478,964.45	$ (1,107,169.13)	$ 119,851,642.10	

* Land and Buildings was adjusted to agree with assesed value of tax exempt Borough owned property

15. Property Tax Calendar

The Borough's property taxes are due the first of February, May, August, and November. Liens are sold at a tax sale in subsequent year. The tax sale was held on June 10, 2014 for 2013 taxes and April 21, 2015 for 2014 taxes.

16. Municipal Court

Garbarini & Co. CPAs, RMAs issued an independent auditor's report on additional information on the N.J. administrative office of the courts annual regulatory report.

17. 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 the emergency squads.

The Variable Annuity Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of $600 to each eligible volunteer who accumulates a minimum of 100 service points based on criteria established by Borough Ordinance No. 1817-00. In addition, the ordinance provides for service credits of $100 per year for up to five 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 the 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.

The plan has been reviewed by independent auditors for the year ended December 31, 2014 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review services.

18. Comparative Schedule of Fund Balances

	Year	Balance December 31	Utilized in Budget of Succeeding Year
Current Fund	2014	$ 8,535,076	$ 3,500,000
	2013	7,442,935	3,000,000
	2012	6,548,971	3,000,000
	2011	5,874,733	3,000,000
	2010	4,865,499	3,133,525
Water Utility	2014	3,502,825	375,600
	2013	2,909,262	375,600
	2012	1,668,815	283,700
	2011	1,086,654	244,000
	2010	869,963	147,636

19. Comparative Schedule of Tax Rate Information

	2014	2013	*2012	2011	2010
Tax Rate	3.026	2.989	2.942	2.337	2.283
Apportionment of Tax Rate					
Municipal	0.886	0.874	0.865	0.652	0.652
Municipal Open Space	0.005	0.005	0.005	0.005	0.005
County	0.247	0.250	0.235	0.206	0.197
County Open Space	0.003	0.003	0.003	0.003	0.003
Local School	1.885	1.857	1.834	1.471	1.426

Net Valuation Taxable as listed in the Bergen County Board of Taxation Levy Duplicate

2014	$ 4,139,019,341
2013	$ 4,137,598,817
2012	$ 4,133,136,300 *
2011	$ 5,064,642,485

20. Comparison of Tax Levies and Collection

Year	Tax Levy	Cash Collection	Percentage of Collection
2014	$ 126,147,730.25	$ 125,079,265.82	99.15%
2013	124,087,905.25	123,057,246.87	99.17%
2012	122,138,055.00	121,006,620.72	99.07%
2011	118,879,999.00	117,368,343.00	98.73%
2010	116,342,968.00	114,796,203.00	98.67%

21. Delinquent Taxes and Tax Title Liens

December Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total	Percentage of Tax Levy
2014	$ 22,022.48	$ 1,011,910.33	1,033,932.81	0.82%
2013	104,604.78	875,587.28	980,192.06	0.79%
2012	142,795.00	990,411.00	1,133,206.00	0.95%
2011	17,619.00	1,115,979.00	1,133,598.00	1.17%
2010	21,120.00	1,343,909.00	1,365,029.00	0.92%

22. Property Acquired by Tax Title Lien Liquidation

Year	Amount
2014	$ $ 73,260.00
2013	73,260.00
2012	73,260.00
2011	73,260.00
2010	73,260.00

23. Subsequent Events

Subsequent events have been evaluated through June 29, 2015, which is the date the financial statements were available to be issued.

The 2015 Municipal Budget was introduced on February 10, 2015 and adopted on March 10, 2015.

BOROUGH OF FAIR LAWN
CURRENT AND GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF CASH - TREASURER

A-4

	Reference	Current Fund	Federal and State Grant Fund
Balance December 31, 2013	A	$ 19,245,572.41	$ 546,368.65
Increased by:			
Taxes Receivable	A-9	125,077,606.46	
Miscellaneous Revenue Not Anticipated	A-2	958,165.92	
Tax Title Liens	A-10	85,401.64	
Revenue Accounts Receivable	A-13	7,804,392.55	
Petty Cash	A-6	1,650.00	
Due From State-Senior Citizen and Veteran Deductions	A-7	310,696.12	
Construction Code Training Fees	A-22	57,335.00	
Interfunds	A-8,16	10,244,734.23	11,025.17
Tax Overpayments	A-23	66,700.45	
Prepaid Taxes	A-27	553,290.35	
Special Emergency Notes	A-28	180,000.00	
Library	A-21	61,261.85	
Grants Receivable	A-29		17,218.14
Unappropriated Grants	A-30		5,873.56
Municipal Grant Match	A-31		13,052.99
Various Reserves	A-20	1,297,645.14	
		146,698,879.71	47,169.86
		165,944,452.12	593,538.51
Decreased by:			
Current Year Budget Appropriations	A-3	39,160,648.23	
Petty Cash	A-6	1,650.00	
Tax Overpayments	A-23	138,578.01	
Interfunds	A-8,16	10,721,494.82	10,600.00
Construction Code Training Fees	A-22	41,161.00	
Appropriation Reserves	A-17	2,261,185.88	
Local District Taxes	A-24	78,015,909.00	
County Taxes Payable	A-25	10,323,740.53	
Special District Taxes	A-26	268,200.00	
Library	A-21	79,896.08	
Accounts Payable	A-19	13,450.00	
Grants Expended	A-31		198,340.86
Encumbrances Paid	A-32		58,507.76
Bank Service Charges/Other	A-1	471.23	
Emergency Note	A-28	630,000.00	
Various Reserves	A-20	790,590.37	
		142,446,975.15	267,448.62
Balance December 31, 2014	A	$ 23,497,476.97	$ 326,089.89

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

A-5

SCHEDULE OF CASH - CHANGE FUND

		Reference		
Balance December 31, 2013		A	$	3,468.82
Decreased by:				
Adjust Change Funds		A-1		2,838.82
Balance December 31, 2014		A	$	630.00
Analysis of Balance:				
	Tax Collector		$	300.00
	Municipal Court			200.00
	Building Inspector			25.00
	Sanitation			25.00
	Free Public Library			80.00
			$	630.00

A-6

SCHEDULE OF CASH - PETTY CASH

	Reference		
Increased by:			
Disbursed	A-4	$	1,650.00
Decreased by:			
Returned to Treasurer	A-4	$	1,650.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF AMOUNT DUE FROM/ (TO) STATE OF NEW JERSEY FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS - CH73 P.L. 1076

A-7

	Reference		
Balance December 31, 2013	A		$ (186,922.63)
Increased by:			
Senior Citizens' Deductions Per Tax Billing		$ 67,250.00	
Veterans' Deductions Per Tax Billing		268,250.00	
Senior Citizens' and Veterans' Deductions Allowed		4,500.00	
			340,000.00
			153,077.37
Decreased by:			
Senior Citizens' and Veterans' Deductions Disallowed	Below	11,989.34	
PY Senior Citizens' and Veterans' Disallowed	A-1	11,663.01	
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	310,696.12	
			334,348.47
Balance December 31, 2014	A		$ (181,271.10)

Calculation of Amount Realized			
Senior Citizens		67,250.00	
Veterans		268,250.00	
Senior Citizens & Veterans Deductions Allowed		4,500.00	
			340,000.00
			340,000.00
Less: Current Year/Seniors & Veterans Disallowed	Above		11,989.34
Realized as Tax Revenue	A-9		$ 328,010.66

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
FEDERAL & STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF INTERFUNDS- FEDERAL AND STATE GRANT FUND

	Reference	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Current Fund	A	$ (396.12)	$ 51,980.75	$ 248,959.80	$ (197,375.17)
		$ (396.12)	$ 51,980.75	$ 248,959.80	$ (197,375.17)
		A	Below	Below	A

Cash Receipts	A-4	-	11,025.17
Cash Disbursements	A-4	10,600.00	
Cancel Grants Receivable/Reserves to Fund Balance	A-29,31	37,941.34	28,726.93
Due to Current Fund - Recycling Tonnage Unappropriated Reserve	A-30		209,207.70
Unappropriated Reserves Received in Current Fund	A-30	3,439.41	
		$ 51,980.75	$ 248,959.80
		Above	Above

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

	Balance Dec. 31, 2013	2014 Levy	Collections 2013	Collections 2014	Transfer to Lien	Added Canceled/ Judgments	Balance Dec. 31, 2014
2013 Taxes	$ 2,178.34	$ -		$ 2,178.34	$ -	$ -	-
2012 Taxes	873,408.94			870,310.06	-	(3,058.91)	39.97
2014 Taxes		126,147,730.25	546,137.10	124,533,128.72	1,201.33	(55,392.74)	1,011,870.36
	$ 875,587.28	$ 126,147,730.25	$ 546,137.10	$ 125,405,617.12	$ 1,201.33	$ (58,451.65)	$ 1,011,910.33
Reference	A	Below	A-27	Below	A-10		A

Cash Receipts	A-4	125,077,606.46
Senior Citizen & Veteran Deductions	A-7	328,010.66
	Above	$ 125,405,617.12

Analysis of Property Tax Levy		
Tax yield:		
General Property Tax		125,515,269.37
Added Tax (R.S. 54:4-63.1 et seq.)		632,460.88
Additional Added		
		$ 126,147,730.25
		Above
Tax Levy		
Local District School Tax	A-24	78,015,909.00
County Tax	A-25	10,200,975.43
County Open Space Preservation	A-25	110,655.30
Added County Taxes and Omitted Taxes	A-25	52,263.32
		88,379,803.05
Municipal Open Space Tax	A-20	206,880.00
Special District Taxes	A-26	268,545.17
	A-2	$ 88,855,228.22
Local Tax for Municipal Purposes	A-2	36,708,657.12
Additional Taxes		583,844.91
		$ 126,147,730.25

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

A-10

	Reference		
Balance December 31, 2013	A		$ 104,604.78
Increased by:			
Interest and Costs on Tax Sale		1,618.01	
Transfer from Taxes Receivable	A-9	1,201.33	
			2,819.34
			107,424.12
Decreased by:			
Payments	A-4		85,401.64
Balance December 31, 2014	A		$ 22,022.48

SCHEDULE OF OTHER LIENS RECEIVBLE

A-11

	Reference	
Balance December 31, 2013	A	$ 629.26
Balance December 31, 2014	A	$ 629.26

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

A-12

	Reference	
Balance December 31, 2013	A	$ 73,260.00
Balance December 31, 2014	A	$ 73,260.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-13

Revenue Accounts Receivable:	Balance December 31, 2013	Accrued in 2014	Collected in 2014	Balance December 31, 2014
Clerk:				
Licenses:				
Alcoholic Beverages	$ -	$ 43,190.00	$ 43,190.00	$ -
Other	-	21,955.00	21,955.00	-
Fees and Permits	-	390,709.27	390,709.27	-
Municipal Court:				
Fines and Costs	36,466.68	509,073.41	508,639.20	36,900.89
Treasurer:				
Franchise Fees	419,832.30		419,832.30	-
Interest and Costs on Taxes	-	227,045.57	227,045.57	-
Tax and Assesment Searches	-	510.00	510.00	-
Memorial Pool	-	288,582.50	288,582.50	-
Ambulance Revenue		563,431.43	563,431.43	-
Sewer User Charges	-	37,965.79	37,965.79	-
Consolidated Municipal Property Tax Relief Aid	-	26,389.00	26,389.00	-
Energy Receipts Tax	-	3,718,144.00	3,718,144.00	-
Uniform Construction Code Fees	-	1,143,345.00	1,143,345.00	-
Uniform Fire Safety Act - Local	-	215,141.32	215,141.32	-
Hotel Tax	-	152,640.21	152,640.21	-
Interest on Investments and Deposits	-	46,871.96	46,871.96	-
	$ 456,298.98	$ 7,384,994.46	$ 7,804,392.55	$ 36,900.89
Reference	A		A-2	A

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF DEFERRED CHARGES

A-14

	Balance Dec. 31, 2013	Budget Appropriation	Added in 2014	Balance Dec. 31, 2014
Emergency Authorization	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -
	A	A-3	A-3	A

SCHEDULE OF DEFERRED CHARGES
N.J.S.A. 40A:4-55 - SPECIAL EMERGENCY

A-15

Purpose	Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2013	Budget Appropriation	Balance Dec. 31, 2014
Revaluation	$ 450,000.00	$ 90,000.00	$ 270,000.00	$ 90,000.00	$ 180,000.00
	$ 450,000.00	$ 90,000.00	$ 270,000.00	$ 90,000.00	$ 180,000.00
			A	A-3	A

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF INTERFUNDS

	Reference	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Federal and State Grant Fund		$ 396.12	$ 209,632.87	$ 12,653.82	$ 197,375.17
Animal Control Trust Fund		100.88		73.88	27.00
Other Trust Fund		1,522.87		786.20	736.67
Unemployment Trust Fund		-			-
General Capital Fund		355,434.10	7,426,750.00	7,429,967.39	352,216.71
Water Utility Operating Fund		-	8,999.99	28,799.99	(19,800.00)
Health Insurance Trust Fund		-			-
Liability - Self Insurance Fund		2,501.81	1,127.60		3,629.41
Water Utility Capital Fund		1,750,000.00	3,285,000.00	2,785,000.00	2,250,000.00
Workers Compensation Fund		480,000.00			480,000.00
Claims Fund- Intrafund		-			-
Cafeteria Plan Trust Fund		417.21	12.30		429.51
Payroll Fund -		6,170.91	1,136.27	744.83	6,562.35
		2,596,543.90	10,932,659.03	10,258,026.11	3,271,176.82
Due to Current Fund	A	2,596,543.90	10,923,659.04	10,229,226.12	3,290,976.82
Due From Current Fund	A	-	8,999.99	28,799.99	(19,800.00)
		$ 2,596,543.90	$ 10,932,659.03	$ 10,258,026.11	$ 3,271,176.82
			Below	Below	

Cash Receipts	A-4	$ -	$ 10,244,734.23
Cash Disbursements	A-4	10,721,494.82	
Canceled Grant Reserves	A-1		(28,726.93)
Canceled Grant Receivables	A-1		37,941.34
Due From Grant Fund	A-30	209,207.70	
Interest on Investments		1,956.51	4,077.47
		$ 10,932,659.03	$ 10,258,026.11
		Above	Above

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2013	Transfers	Encumbrances	Modified by Transfers	Paid or Charged	Lapsed	Overexpenditures
SALARIES AND WAGES WITHIN "CAPS":							
Administrative and Executive	$ 6,149.20	$ (4,500.00)	$ (500.00)	$ 1,149.20	$ -	$ 1,149.20	$ -
Mayor and Council	192.50		-	192.50		192.50	
Municipal Clerk	4,646.51	(4,500.00)	-	146.51		146.51	
Financial Administration	5,162.91	(5,100.00)	-	62.91		62.91	
Assessment of Taxes	86.34		-	86.34		86.34	
Collection of Taxes	782.02		-	782.02		782.02	
Engineering Services and Costs	3,615.96	(3,000.00)	-	615.96		615.96	
Planning Board	129.43		-	129.43		129.43	
Zoning Board of Adjustment	160.42		-	160.42		160.42	
Police	550.39		-	550.39		550.39	
Police Dispatch	5,467.94	(5,000.00)	-	467.94		467.94	
Emergency Management Services	13.61		-	13.61		13.61	
Municipal Court	1,853.09	(800.00)	-	1,053.09		1,053.09	
Uniform Fire Safety Act	4,768.40	(2,000.00)	(2,000.00)	768.40		768.40	
Fire Protection	197.69		-	197.69		197.69	
Municipal Prosecutor	0.12		-	0.12		0.12	
Road Repairs and Maintenance	7,681.47	(7,500.00)	-	181.47		181.47	
Shade Tree	5,149.90		-	5,149.90		5,149.90	
Electrical Services	2,108.80		-	2,108.80		2,108.80	
Public Buildings and Grounds	2,538.00	(1,500.00)	-	1,038.00		1,038.00	
Maintenance of Garage	561.99		-	561.99		561.99	
Administration of Public Works	211.72		-	211.72		211.72	
Sewer System	2,253.83		-	2,253.83		2,253.83	
Recycling Program	11,061.57	(5,000.00)	-	6,061.57		6,061.57	
Health Department	3,229.65	(3,000.00)	-	229.65		229.65	
Animal Control	10,781.90	(10,500.00)	-	281.90		281.90	
Administration of Social Services	1,293.13	(1,000.00)	-	293.13		293.13	
Recreation	2,315.55	123,000.00	-	125,315.55	125,000.00	315.55	
Parks and Playgrounds	8,342.92	(5,700.00)	-	2,642.92		2,642.92	
Construction Code Official	5,034.36	(5,000.00)	-	34.36		34.36	
Public Defender	2,050.00		-	2,050.00		2,050.00	
Salary and Wage Adjustment	37,100.00	(42,100.00)	5,000.00	-		-	
TOTAL SALARIES AND WAGES WITHIN "CAPS"	135,491.32	16,800.00	2,500.00	154,791.32	125,000.00	29,791.32	-
Other Expenses Within "CAPS"							
Administrative and Executive	11,054.64	(2,500.00)	3,837.00	12,391.64	6,014.00	6,377.64	
Human Services	20,357.15	1,000.00	2,132.75	23,489.90	23,031.75	458.15	
Mayor and Council	61,171.53	(54,000.00)	16,238.23	23,409.76	11,501.27	11,908.49	
Municipal Clerk	8,687.40	(7,500.00)	2,507.76	3,695.16	1,099.27	2,595.89	
Financial Administration	1,823.33		217.88	2,041.21		2,041.21	
Audit Services	48,932.50		-	48,932.50	42,657.05	6,275.45	
Assesment of Taxes	21,729.15		296.71	22,025.86	20,297.64	1,728.22	
Collection of Taxes	7,593.42	(7,000.00)	517.18	1,110.60	116.80	993.80	
Legal Services and Costs	112,535.26		20,592.71	133,127.97	118,393.07	14,734.90	
Engineering Servies and Costs	149.60		6,500.00	6,649.60	6,500.00	149.60	
Planning Board	23,854.03	(23,500.00)	7,164.11	7,518.14	355.00	7,163.14	
Zoning Board of Adjusment	6,066.38	(5,000.00)	2,851.63	3,918.01	2,797.88	1,120.13	
Insurance:							
Liability Insurance	29,574.87	90,000.00	-	119,574.87	118,778.68	796.19	k
Workers Compensation Insurance	142,204.27		22,000.00	164,204.27	163,163.13	1,041.14	k
Group Insurance Plan for Employee's:							
Hospital Service Insurance	538,394.13	531,000.00	1,030.84	1,070,424.97	1,069,678.97	746.00	k
Other Insurance Premiums	105,122.95	(100,000.00)	2,810.16	7,933.11	2,667.00	5,266.11	k
Police	30,237.19	(28,000.00)	44,026.91	46,264.10	34,855.14	11,408.96	k
Emergency Management Services	4,050.80	(4,000.00)	12,949.85	13,000.65	12,424.47	576.18	
Fire Protection	6,045.99	(5,500.00)	6,602.70	7,148.69	4,397.55	2,751.14	
Ambulance	14,735.03	(13,000.00)	5,872.21	7,607.24	3,118.20	4,489.04	
Uniform Fire Safety Act	3,835.57	(1,500.00)	2,588.99	2,924.56	2,515.56	409.00	
Municipal Court	4,375.99	(4,000.00)	1,308.69	1,684.68	61.55	1,623.13	
Road Repairs and Maintenance	6,782.40	20,000.00	11,897.29	38,679.69	35,779.59	2,900.10	
Shade Tree	1,631.61		32,403.97	34,035.58	21,120.00	12,915.58	
Electrical Services	478.78		1,083.02	1,561.80	560.21	1,001.59	
Public Buildings and Grounds	192.14		12,122.44	12,314.58	8,521.07	3,793.51	
Maintenance of Garage	1,605.25		39,891.72	41,496.97	39,778.56	1,718.41	
Community Services Act	15,786.17		-	15,786.17	12,527.36	3,258.81	
Administration of Public Works	374.50		357.09	731.59	318.01	413.58	
Sewer System	192.16	1,500.00	17,040.13	18,732.29	15,384.39	3,347.90	
Recycling Program	1,218.45		2,302.50	3,520.95	785.47	2,735.48	
Health Department	390.26	(5,000.00)	28,868.91	24,259.17	17,559.22	6,699.95	
Administration of Public Assistance	8,521.30	(5,000.00)	1,230.40	4,751.70	2,934.10	1,817.60	
Recreation	4,069.25	5,000.00	7,879.48	16,948.73	14,004.49	2,944.24	
Park and Playgrounds	550.70		8,911.63	9,462.33	4,770.52	4,691.81	
Celebration of Public Events	4,958.38	5,000.00	-	9,958.38	8,056.80	1,901.58	
Postage-Other Expenses	9,088.68	(5,000.00)	568.04	4,656.72	568.04	4,088.68	

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF APPROPRIATION RESERVES

A-17

	Balance Dec. 31, 2013	Transfers	Encumbrances	Modified by Transfers	Paid or Charged	Lapsed	Overexpenditures
Electricity	$ 105,366.01	$ (69,000.00)	$ -	$ 36,366.01	$ 35,844.29	$ 521.72	$ -
Street Lighting	45,048.81	(15,000.00)	-	30,048.81	28,741.56	1,307.25	
Telephone	47,515.06	(43,100.00)	3,041.12	7,456.18	5,512.32	1,943.86	
Natural Gas	35,420.11	(25,000.00)	-	10,420.11	9,680.46	739.65	
Fuel Oil	6,707.58	(7,500.00)	6,394.51	5,602.09	4,509.61	1,092.48	
Gasoline	18,493.67	(15,000.00)	15,083.60	18,577.27	4,571.83	14,005.44	
Cable / TV / Internet	-	1,100.00	61.06	1,161.06		1,161.06	
Garbage and Trash-Contractual	400.00		-	400.00		400.00	
Garbage and Trash-Other Expenses	258,101.35	(264,700.00)	90,353.55	83,754.90	62,438.26	21,316.64	
Construction Code Official	1,911.39		1,731.22	3,642.61	932.96	2,709.65	
Purchases of Vehicles	3,000.00			3,000.00		3,000.00	
Contingent	1,000.00		-	1,000.00	-	1,000.00	
TOTAL OTHER EXPENSES WITHIN "CAPS"	1,779,335.19	(55,200.00)	443,267.99	2,167,403.18	1,979,323.10	188,080.08	-
				-		-	
Deferred Charges and Statutory Expenditures Within "CAPS"							
Public Employees' Retirement System	27.00	-	-	27.00	-	27.00	
Social Security Systems (O.A.S.I.)	45,546.52	(44,000.00)	-	1,546.52	-	1,546.52	
Consolidated Police and Firemen's Pension	17,000.00	(17,000.00)	-	-	-	-	
Police and Firemen's Retirement System of NJ		96,700.00		96,700.00	96,687.76	12.24	
DCRP	2,629.67	(2,000.00)	-	629.67		629.67	
				-	-	-	
Total Deferred Charges and Statutory Expenditure Within "CAPS"	65,203.19	33,700.00	-	98,903.19	96,687.76	2,215.43	
				-		-	
OTHER EXPENSES EXCLUDED FROM "CAPS"							
Adjustment			-	-	-	-	
Passaic Valley Sewer Commission					-	-	
Share of Costs	67,103.13		-	67,103.13	-	67,103.13 k	
Maintenance of Free Public Library	171,813.34		160,582.00	332,395.34	242,838.01	89,557.33 k	
LOSAP	17,286.00		-	17,286.00	-	17,286.00 k	
Recycling Tax Appropriation	4,414.13		3,500.00	7,914.13	2,867.01	5,047.12 k	
TOTAL OTHER EXPENSES EXCLUDED FROM "CAPS"	260,616.60	-	164,082.00	424,698.60	245,705.02	178,993.58	-
				-			
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES							
Matching Funds for Grants	6,050.00		-	6,050.00	-	6,050.00	
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REV	6,050.00	-	-	6,050.00	-	6,050.00	-
MUNICIPAL DEBT SERVICE							
Interest on Notes		4,700.00		4,700.00	4,680.00	20.00	
TOTAL MUNICIPAL DEBT SERVICE	-	4,700.00	-	4,700.00	4,680.00	20.00	-
				-			
Total Reserves	$ 2,246,696.30	$ -	$ 609,849.99	$ 2,856,546.29	$ 2,451,395.88	$ 405,150.41	$ -
	A		A-18	Below	Below	A-1	

Appropriation Reserves	2,246,696.30	
Encumbrances	609,849.99	
	$ 2,856,546.29	
	Above	
Transfer to Special Reserves	A-20	158,500.00
Transfer to Accounts Payable	A-19	31,710.00
Cash Disbursements	A-4	2,261,185.88
		$ 2,451,395.88
		Above

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF ENCUMBRANCES PAYABLE

A-18

	Reference	
Balance December 31, 2013	A	$ 609,849.99
Increased by:		
Transferred from Current Year Budget	A-3	2,204,987.21
		2,814,837.20
Decreased by:		
Transferred to Appropriation Reserves	A-17	609,849.99
Balance December 31, 2014	A	$ 2,204,987.21

SCHEDULE OF ACCOUNTS PAYABLE

A-19

	Reference	
Balance December 31, 2013	A	$ 284,004.96
Increased by:		
Transfer from Appropriation Reserves	A-17	31,710.00
		315,714.96
Decreased by:		
Cash Disbursements	A-4	13,450.00
Balance December 31, 2014	A	$ 302,264.96

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF VARIOUS RESERVES

A-20

Reserve for:	Balance Dec. 31, 2013	Increased by Cash Receipts	Decreased by Cash Disbursements	Levy	Transfer from Appropriations/ Appropriation Reserve	Balance Dec. 31, 2014
Recycling	$ 1,706,949.77	$ 298,279.16	$ 180,244.68	$ -	$ 209,207.70	$ 2,034,191.95
Police - Outside Service	409,112.71	584,553.75	347,941.25			645,725.21
Elevator Surcharge	3,152.00					3,152.00
Terminal Leave	1,205,953.40					1,205,953.40
Police Contract	115,087.72					115,087.72
Retiree's Insurance	241,464.57	33,173.10	3,869.14			270,768.53
Supervisors Contract	919,520.61		209,982.30			709,538.31
Community Center	402,721.40	75,377.36			125,000.00	603,098.76
Open Space	771,501.53		27,684.00	206,880.00		950,697.53
Special Assessments	76,001.39					76,001.39
Hurricane Irene Costs- Insurance	497,500.00		3150			494,350.00
Hurricane Irene - FEMA	15,973.95					15,973.95
October Snow Storm	157,161.56					157,161.56
Hurricane Sandy- FEMA	290,861.11	306,261.77	17,719.00			579,403.88
Snow	70,000.00				33,500.00	103,500.00
	$ 6,882,961.72	$ 1,297,645.14	$ 790,590.37	$ 206,880.00	$ 367,707.70	$ 7,964,604.19
	A	A-4	A-4	A-1,9	Below	A

Transfer from Grant Fund	A-30	$ 209,207.70
Transfer from Appropriation Reserves	A-17	158,500.00
		$ 367,707.70
		Above

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF RESERVE FOR LIBRARY EXPENDITURES

A-21

	Reference		
Balance December 31, 2013	A		$ 66,403.84
Increased by:			
State Library Aid		$ 14,107.00	
Book Fines		47,154.85	
	A-4		61,261.85
			127,665.69
Decreased by:			
State Library Aid		14,107.00	
Expenditures		65,789.08	
	A-4		79,896.08
Balance December 31, 2014	A		$ 47,769.61

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF AMOUNT DUE TO THE STATE OF NEW JERSEY

A-22

	Reference	
Balance December 31, 2013	A	$ 11,538.00
Increased by:		
Collections	A-4	57,335.00
		68,873.00
Decreased by:		
Payments	A-4	41,161.00
Balance December 31, 2014	A	$ 27,712.00

SCHEDULE OF TAX OVERPAYMENTS

A-23

	Reference		
Balance December 31, 2013	A		$ 35,442.24
Increased by:			
Judgements	A-1	$ 139,927.29	
Collections	A-4	66,700.45	
			206,627.74
			242,069.98
Decreased by:			
Taxes Refunded	A-4		138,578.01
Balance December 31, 2014	A		$ 103,491.97

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

A-24

	Reference	
Balance December 31, 2013	A	$ 563,771.00
Increased by:		
2014 Levy	A-1,9	78,015,909.00
		78,579,680.00
Decreased by:		
Payments	A-4	78,015,909.00
Balance December 31, 2014	A	$ 563,771.00

SCHEDULE OF COUNTY TAXES PAYABLE

A-25

	Reference		
Balance December 31, 2013	A		$ 11,966.11
Increased by:			
2014 Levy	A-9	$ 10,200,975.43	
2014 Open Space	A-9	110,655.30	
2014 Added Assessment	A-9	52,263.32	
	A-1		10,363,894.05
			10,375,860.16
Decreased by:			
Prior Year Payable Adjustment	A-1	(143.69)	
Payments	A-4	10,323,740.53	
			10,323,596.84
Balance December 31, 2014	A		$ 52,263.32

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF SPECIAL IMPROVEMENT TAXES PAYABLE

A-26

	Reference	
Balance December 31, 2013	A	$ 411.95
Increased by:		
Tax Levy	A-1,9	268,545.17
		268,957.12
Decreased by:		
Payments	A-4	268,200.00
Balance December 31, 2014	A	$ 757.12

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF PREPAID TAXES

A-27

	Reference	
Balance December 31, 2013	A	$ 546,137.10
Increased by:		
Collections	A-4	553,290.35
		1,099,427.45
Decreased by:		
Applied to 2014 Taxes	A-9	546,137.10
Balance December 31, 2014	A	$ 553,290.35

SCHEDULE OF RESERVE FOR EMERGENCY NOTES

A-28

	Reference	
Balance December 31, 2013	A	$ 630,000.00
Increased by:		
Receipts	A-4	180,000.00
		810,000.00
Decreased by:		
Payments	A-4	630,000.00
Balance December 31, 2014	A	$ 180,000.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF GRANTS RECEIVABLE - FEDERAL AND STATE GRANT FUND

A-29

Grant	Balance Dec. 31, 2013	Budget Revenue	Canceled/ Received	Balance Dec. 31, 2014
Municipal Alliance on Alcoholism and Drug Abuse - 2012	$ 3,339.69	$ -	$ 3,339.69	$ -
Municipal Alliance on Alcoholism and Drug Abuse - 2013	15,759.00		15,759.00	-
Body Armor	20,278.98			20,278.98
Fair Lawn Carbon Grant	157,805.64			157,805.64
Drunk Driving Enforcement Fund-2012	1,708.77		1,708.77	-
Forestry Grant	600.00		600.00	-
Flood Insurance	7,055.00		7,055.00	-
Clean Communities-2014	-	49,394.39		49,394.39
Clean Communities-2013	37,941.34		37,941.34	-
Bergen County Housing Preservation Project		1,800.00	1,800.00	-
Environmental Grant- 2013	2,000.00			2,000.00
Hazard Mitigation Grant- 2013	140,080.00			140,080.00
	$ 386,568.42	$ 51,194.39	$ 68,203.80	$ 369,559.01
	A	A-2	Below	A

Canceled to Appropriated Grants	A-31	$ 13,044.32
Cancel to Current Fund Balance	A-1,8	37,941.34
Cash Receipts	A-4	17,218.14
	Above	$ 68,203.80

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF UNAPPROPRIATED RESERVES FOR GRANTS

A-30

Grant	Balance Dec. 31, 2013	Transfer to 2014 Budget/ Current Fund	Received	Balance Dec. 31, 2014
Recycling Tonnage Grant	$ 277,679.64	$ 277,679.64	$ -	$ -
Alcohol Education Rehabilitation	949.94	949.94	649.88	649.88
Federal OEM Grant	10,000.00	10,000.00		-
Body Armor Grant	-		5,223.68	5,223.68
Enforcing Underage Drinking Law Program			3,439.41	3,439.41
Cops in Shops	6,180.00	6,180.00		-
	$ 294,809.58	$ 294,809.58	$ 9,312.97	$ 9,312.97
	A	Below	Below	A

Transfer to 2014 Budget	A-2	$ 85,601.88
Transfer to Current Reserves	A-8,16,20	209,207.70
	Above	$ 294,809.58

Cash Receipts	A-4	$ 5,873.56
Received in Current Fund	A-8	3,439.41
	Above	$ 9,312.97

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF APPROPRIATED RESERVES FOR GRANTS - FEDERAL AND STATE GRANT FUND

A-31

Grant	Balance Dec. 31, 2013	Budget Revenue	Expended	Canceled	Balance Dec. 31, 2014
Municipal Alliance on Alcohol and Drug Abuse - 2011	$ 4,877.07	$ -	$ -	$ 4,877.07	$ -
Municipal Alliance on Alcohol and Drug Abuse - 2012	3,552.76			3,552.76	-
Municipal Alliance on Alcohol and Drug Abuse - 2013	12,420.99	-	6,595.13	5,825.86	-
Clean Communities Grant - 2009	1,601.59		403.00		1,198.59
Clean Communities Grant - 2012	10,570.00		10,570.00		-
Clean Communities Grant - 2013	32,659.18		29,043.44		3,615.74
Clean Communities Grant - 2014		49,394.39	4,125.81		45,268.58
Body Armor Replacement Program - 2005	926.25			926.25	-
Body Armor Replacement Program - 2007	17,490.61		3,248.00		14,242.61
Body Armor Replacement Program - 2008	6,198.48				6,198.48
Body Armor Replacement Program - 2009	5,196.17				5,196.17
Body Armor Replacement Program - 2012	10,489.71				10,489.71
Emergency Management Assistance Funding - 2011	5,000.00				5,000.00
Emergency Management Programming-1993	181.00			181.00	-
Emergency Management Assistance Funding - 2013	5,000.00				5,000.00
Emergency Management Assistance Funding - 2014		10,000.00	10,000.00		-
Drunk Driving Enforcement Grant - 2011	25,636.39				25,636.39
Drunk Driving Enforcement Grant - 2012	5,790.17			1,708.77	4,081.40
Pandemic Influenza Preparedness Grant 2011	2,241.28			2,241.28	-
Alcohol Education / Rehab Program	969.61				969.61
Alcohol Education / Rehab Program	884.00				884.00
Alcohol Education / Rehab Program 2007	1,692.00				1,692.00
Alcohol Education Rehabilitation-2009	1,253.06				1,253.06
Alcohol Education / Rehab Program 2011	804.37				804.37
Alcohol Education / Rehab Program 2012	161.80				161.80
Alcohol Education / Rehab Program 2014		949.94			949.94
Recycling Tonnage Grant	67,530.44	68,471.94	136,002.38		-
Fair Lawn Granular Activated Carbon Grant	86,627.00		19,000.00		67,627.00
Municipal Recycling Assistance Program 2006	605.41			605.41	-
Smart Growth	7,000.00				7,000.00
Police County- 2012	2,250.00				2,250.00
Over the Limit Under Arrest-2012	4,400.00				4,400.00
Bullet Proof Vest	4,200.00				4,200.00
Bullet Proof Vest-2012	16,704.89				16,704.89
COPS in Shops-2011	3,101.32		1,687.75		1,413.57
COPS in Shops-2012	4,500.00				4,500.00
COPS in Shops-2013	5,061.68				5,061.68
COPS in Shops-2014		6,180.00			6,180.00
Forestry Grant	3,000.00			600.00	2,400.00
Flood Insurance	27,975.00			7,055.00	20,920.00
Recreation ROID Grant for the Handicapped	14,197.85			14,197.85	-
Environmental Grant- 2013	1,675.00		525.00		1,150.00
Hazard Mitigation Grant- 2013	142,080.00				142,080.00
Historic Preservation Special Project		1,800.00	1,800.00		-
Health NJACCHO		1,254.87			1,254.87
Matching Funds for Grants-2014		11,798.12	1,445.01		10,353.11
Matching Funds for Grants-2013	13,000.00				13,000.00
	$ 559,505.08	$ 149,849.26	$ 224,445.52	$ 41,771.25	$ 443,137.37
	A	A-3, Below	A-4, Below	Below	A

Budget	A-3	136,796.27	Cancel to Receivable	A-29	13,044.32
Municipal Match	A-4	13,052.99	Cancel to Current Fund Bal	A-1,8	28,726.93
		$ 149,849.26			$ 41,771.25
		Above			Above

Cash Disbursed	A-4	198,340.86
Canceled Encumbrance	A-32	(19,718.53)
Encumbrances	A-32	45,823.19
		$ 224,445.52
		Above

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF ENCUMBRANCES PAYABLE-FEDERAL AND STATE GRANTS

A-32

	Reference		
Balance December 31, 2013	A		$ 78,226.29
Increased by:			
Encumbrances	A-31		45,823.19
			124,049.48
Decreased by:			
Canceled Encumbrances	A-31	19,718.53	
Cash Disbursements	A-4	58,507.76	
			78,226.29
Balance December 31, 2014	A		$ 45,823.19

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF CASH - COLLECTOR - TREASURER

B-1

	Reference	Animal License Fund	Other Trust Funds	Council on Affordable Housing Trust	Unemployment Comp. Ins. Fund	Self-Insurance Trust Fund	Free Public Library Trust Fund	Cafeteria Plan Trust Fund	Emergency Service LOSAP Fund
Balance December 31, 2013	B	$ 40,700.99	$ 1,053,559.11	$ 25,348.49	$ 181,360.41	$ 4,244,165.57	$ 108,885.75	$ 10,508.51	$ 982,519.23
Increased by:									
Prepaid Dog License Fees Collected	B-2	3,434.40							
Dog License Fees Collected	B-9	16,477.20							
Cat License Fees Collected	B-9	2,613.00							
Other Miscellaneous Fees	B-9	9,942.00							
State Fees	B-4	3,287.40	3,585.00						
Other Trust Receipts- Sundry Reserves and Deposits	B-6		1,321,770.21						
Escrow Deposits	B-7		137,305.90						
Other Trust Receipts- Donations and Deposits	B-8		65,787.24						
Animal Trap Deposits	B-3	650.00							
Due to Current Fund	B-5		52,898.21			47,667.69			
Contributions Deposited	B-18								77,051.70
Interest Income/ Gain on Investments	B-5,10,11,12,13,14,15,19	52.29	1,274.72	50.74	230.60	4,000.43	62.81	12.30	58,374.56
Payroll Deductions	B-10,17				42,466.76			11,109.74	
Insurance Reimbursements	B-11,12					76,011.16			
Worker's Compensation /Liability Budget Approp. -Current	B-11,12					1,683,659.11			
Worker's Compensation /Liability Budget Approp. -Water	B-11,12					140,254.90			
Budget Appropriation	B-10,13				90,000.00	7,339,904.29			
		36,456.29	1,582,621.28	50.74	132,697.36	9,291,497.58	62.81	11,122.04	135,426.26
		77,157.28	2,636,180.39	25,399.23	314,057.77	13,535,663.15	108,948.56	21,630.55	1,117,945.49
Decreased by:									
Animal License Expenditures	B-9	23,524.45							
State Fees	B-4	2,510.40	4,875.00		2,937.06				
Animal Trap Refunds	B-3	-							
Due to Current Fund	B-5	126.17	54,959.13			46,540.09			
Other Trust Disbursements- Sundry Reserves and Deposits	B-6		1,274,576.53						
Escrow Disbursements	B-7		101,965.90						
Other Trust Disbursements- Donations and Deposits	B-8		46,698.10						
Due to State of NJ- Unemployment Fees	B-10				94,734.34				
Insurance Health Benefits	B-13					6,723,462.81			
Insurance- Liability Claims	B-11					802,176.96			
Insurance- Worker's Compensation Claims	B-12					749,272.89			
Disbursements- Council for Affordable Trust	B-14			-					
Cafeteria Plan Disbursements	B-17							8,514.83	
Plan Service Charges	B-19								623.06
Distributions	B-19								52,365.09
		26,161.02	1,483,074.66	-	97,671.40	8,321,452.75	-	8,514.83	52,988.15
Balance December 31, 2014	B	$ 50,996.26	$ 1,153,105.73	$ 25,399.23	$ 216,386.37	$ 5,214,210.40	$ 108,948.56	$ 13,115.72	$ 1,064,957.34

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF PREPAID DOG LICENSES

B-2

	Reference	
Balance December 31, 2013	B	$ 3,409.40
Increased by:		
Collections	B-1	3,434.40
		6,843.80
Decreased by:		
Applied to 2014 Licenses	B-9	3,409.40
Balance, December 31, 2014	B	$ 3,434.40

SCHEDULE OF ANIMAL TRAP DEPOSITS

B-3

	Reference	
Balance December 31, 2013	B	$ 7,080.00
Increased by:		
Collections	B-1	650.00
		7,730.00
Decreased by:		
Refunds	B-1	-
Balance, December 31, 2014	B	$ 7,730.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF DUE TO STATE OF NEW JERSEY

B-4

	Reference	Dog License Fees	Marriage/ Civil Union Fees	Burial Permit Fees	Quarterly Unemployment Taxes Due
Balance December 31, 2013	B	$ 531.00	$ 2,095.00	$ 5.00	$ 2,937.06
Increased by:					
Dog License Fees	B-1	3,287.40			
Marriage License Fees	B-1		3,575.00		
Burial Permit Fees	B-1			10.00	
Withholdings Payable	B-10				10,108.96
		3,818.40	5,670.00	15.00	13,046.02
Decreased by:					
Cash Disbursements	B-1	2,510.40	4,875.00		2,937.06
Balance - December 31, 2014	B	$ 1,308.00	$ 795.00	$ 15.00	$ 10,108.96

SCHEDULE OF INTERFUNDS RECEIVABLES/PAYABLES

B-5

		Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Animal Control Trust:					
Current Fund	B	$ (100.88)	$ 126.17	$ 52.29	$ (27.00)
Other Trust Fund:					
Current Fund	B	(1,522.87)	54,959.13	54,172.93	(736.67)
Unemployment Compensation Insurance Trust Fund:					
Payroll Fund	B	3,551.15	-		3,551.15
		3,551.00			3,551.00
Self-Insurance Trust Fund:					
Current Fund - Due from Worker's Compensation	B	(480,000.00)	-	-	(480,000.00)
Current Fund - Due to Healh Benefits Fund	B	-	46,540.09	46,540.09	-
Current Fund - Due from Self-Insurance Liability	B	(2,501.81)	-	1,127.60	(3,629.41)
		(482,501.81)	46,540.09	47,667.69	(483,629.41)
Cafeteria Plan Trust Fund:					
Current Fund	B	(417.21)	-	12.30	(429.51)
		$ (480,991.77)	$ 101,625.39	$ 101,905.21	$ (481,271.59)
			Below	Below	
Receipts	B-1		$ -	$ 100,565.90	
Disbursements	B-1		101,625.39		
Interest on Investments	B-1			1,339.31	
		Above	$ 101,625.39	$ 101,905.21	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF SUNDRY RESERVE AND DEPOSITS

B-6

	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
Parking Offense Adjucation Act	$ 27,766.04	$ 2,056.00	$ -	$ 29,822.04
Tax Title Lien Redemptions	470,095.82	1,319,714.21	1,274,576.53	515,233.50
Found Money	6,921.40	-	-	6,921.40
Insurance Proceeds- Damage to Borough Cars	2,047.36	-	-	2,047.36
State Nextel Purchase	3.53	-	-	3.53
Miscellaneous Reserves	4,844.80	-	-	4,844.80
	$ 511,678.95	$ 1,321,770.21	$ 1,274,576.53	$ 558,872.63
Reference	B	B-1	B-1	B

SCHEDULE OF ESCROW RESERVE AND DEPOSITS

B-7

	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
Street Opening Deposits	$ 16,400.00	$ 2,500.00	$ 2,500.00	$ 16,400.00
Performance Bond	1,000.00	-	-	1,000.00
Performance Bond Paramus Auto Mall	98,130.00	-	-	98,130.00
Board of Education	1,750.00	100.00	-	1,850.00
Fisher Scientific	6,000.00	-	-	6,000.00
Damage to Borough Property	10,337.17	10,569.19	-	20,906.36
Fair Lawn Commons Restoration Bond	26,922.04	-	-	26,922.04
Eldorado Village - Rent Board Capital Imp	2,665.87	-	-	2,665.87
Maintenance Bond-Hockey Rink	1,213.36	-	-	1,213.36
18-35 River Road LLC Escrow	17,431.60	-	-	17,431.60
CDBG- Senior Kitchen	5,000.00	-	-	5,000.00
Zoning Board Escrow	36,023.32	65,791.75	59,818.15	41,996.92
Planning Board Escrow	134,351.26	58,344.96	39,647.75	153,048.47
Council Escrow	14,720.00	-	-	14,720.00
	$ 371,944.62	$ 137,305.90	$ 101,965.90	$ 407,284.62
Reference	B	B-1	B-1	B

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF DONATION RESERVE AND DEPOSITS

B-8

	Balance December 31, 2013	Increase	Decrease	Balance December 31, 2014
Human Services Donations	$ 38,581.78	$ 22,938.49	$ 9,531.24	$ 51,989.03
Tree Planting Donations	2,213.00	-	-	2,213.00
Economic Development Donations	2,141.72	-	-	2,141.72
Flower Pot Donations	976.00	-	-	976.00
Community Police Donations	20,300.33	17,240.75	18,345.15	19,195.93
Reserve Police Donations	2,093.17	-	-	2,093.17
Concert Donations	22,411.00	2,850.00	-	25,261.00
Fireworks Donations	46,171.52	19,833.00	14,750.79	51,253.73
Fire Victims Donations	984.63	-	160.92	823.71
Camp Donations	343.06	-	-	343.06
Civil War Event Donations	921.71	-	-	921.71
Fire Department Donations	3,083.34	-	-	3,083.34
Hepatitis Shot Donations	2,023.96	-	-	2,023.96
LEPC Account Donations	31.00	-	-	31.00
Senior Center Donations	2,996.51	225.00	-	3,221.51
Adopt a Bench Donations	3,229.00	1,800.00	798.00	4,231.00
Safety Program Donations	252.11	-	-	252.11
Police Explorers Donations	5,028.55	-	3,112.00	1,916.55
Collura Memorial Donations	2,890.00	-	-	2,890.00
Police Vests Donations	5,750.00	-	-	5,750.00
F1 Vol Coalition Donations	383.00	-	-	383.00
Certification Donations	3,507.28	400.00	-	3,907.28
Nauglehouse Donations	-	500.00	-	500.00
	$ 166,312.67	$ 65,787.24	$ 46,698.10	$ 185,401.81
	B	B-1	B-1	B

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF RESERVE FOR ANIMAL TRUST FUND EXPENDITURES

B-9

	Reference			
Balance December 31, 2013	B		$	29,579.71
Increased by:				
Dog License Fees:				
Collections	B-1	$ 16,477.20		
Prepaids Applied	B-2	3,409.40		
				19,886.60
				49,466.31
Cat License Fees	B-1			2,613.00
Miscellaneous Revenue:				
Impound Fees		2,818.00		
Late Fees - Dog		3,270.00		
Donations		660.00		
Other Receipts		3,169.00		
Dog Kennel License		25.00		
	B-1			9,942.00
				62,021.31
Decreased by:				
Cash Disbursements	B-1			23,524.45
Balance December 31, 2014	B		$	38,496.86

Animal License Fees Collected:

Year		
2012	$	25,198.80
2013		24,637.00
Maximum Reserve	$	49,835.80

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT

B-10

	Reference			
Balance December 31, 2013	B		$	181,974.50
Increased by:				
Budget Appropriation	B-1	$ 90,000.00		
Payroll Deductions	B-1	42,466.76		
Interest on Investments	B-1	230.60		
				132,697.36
				314,671.86
Decreased by:				
Accounts Payable- State of NJ	B-4	10,108.96		
Due to State of New Jersey	B-1	94,734.34		
				104,843.30
Balance - December 31, 2014	B		$	209,828.56

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF RESERVE FOR WORKER'S COMPENSATION TRUST

B-11

	Reference		
Balance - December 31, 2013	B		$ 118,875.77
Increased by:			
Budget Appropriations	B-1	$ 877,228.71	
Water Operating Utility - Budget Appropriation	B-1	90,254.90	
Insurance Reimbursements	B-1	26,405.60	
Interest on Investments	B-1	710.04	
			994,599.25
			1,113,475.02
Decreased by:			
Payment of Claims	B-1		802,176.96
Balance - December 31, 2014	B		$ 311,298.06

SCHEDULE OF RESERVE FOR LIABILITY INSURANCE TRUST FUND EXPENDITURES

B-12

	Reference		
Balance - December 31, 2013	B		$ 1,050,121.86
Increased by:			
Budget Appropriations	B-1	$ 806,430.40	
Water Opening Utility Budget Appropriation	B-1	50,000.00	
Insurance Reimbursements	B-1	49,605.56	
			906,035.96
			1,956,157.82
Decreased by:			
Payment of Claims	B-1		749,272.89
Balance - December 31, 2014	B		$ 1,206,884.93

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF RESERVE FOR HEALTH BENEFITS PLAN EXPENDITURE

B-13

	Reference		
Balance - December 31, 2013	B		$ 2,592,666.13
Increased by:			
Cash Receipts	B-1	$ 7,339,904.29	
Interest on Investments	B-1	3,290.39	
			7,343,194.68
			9,935,860.81
Decreased by:			
Payment of Claims	B-1		6,723,462.81
Balance - December 31, 2014	B		$ 3,212,398.00

SCHEDULE OF RESERVE FOR COUNCIL ON AFFORDABLE HOUSING EXPENDITURES

B-14

	Reference		
Balance - December 31, 2013	B		$ 25,348.49
Increased by:			
Interest Income	B-1	$ 50.74	
Receipts	B-1	-	
			50.74
			25,399.23
Decreased by:			
Cash Disbursememts	B-1		-
Balance - December 31, 2014	B		$ 25,399.23

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF RESERVE FOR LIBRARY EXPENDITURES

B-15

	Reference	
Balance December 31, 2013	B	$ 16,414.75
Increased by:		
Interest	B-1	62.81
Balance December 31, 2014	B	$ 16,477.56

SCHEDULE OF RESTRICTED RESERVE FOR LIBRARY EXPENDITURES

B-16

	Reference	
Balance December 31, 2013	B	$ 92,471.00
Balance December 31, 2014	B	$ 92,471.00
		Below

Analysis of Balance	
Eva Kaplan Trust Fund	$ 17,921.00
Shirley T. Rosen Trust Fund	69,050.00
Endowment Program - Pavers	5,500.00
	$ 92,471.00
	Above

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF RESERVE FOR CAFETERIA PLAN EXPENDITURES

B-17

	Reference	
Balance December 31, 2013	B	$ 10,091.30
Increased by:		
Cash Receipts	B-1	11,109.74
		21,201.04
Decreased by:		
Cash Disbursements	B-1	8,514.83
Balance December 31, 2014	B	$ 12,686.21

SCHEDULE OF SERVICE AWARD CONTRIBUTIONS RECEIVABLES

B-18

	Reference	
Balance December 31, 2013	B	$ 77,051.70
Increased by:		
Service Award Contributions Receivable	B-19	73,064.88
		150,116.58
Decreased by:		
Contributions Deposited	B-1	77,051.70
Balance December 31, 2014	B	$ 73,064.88

SCHEDULE OF NET ASSETS AVAILABLE FOR BENEFITS

B-19

	Reference		
Balance December 31, 2013	B		$ 1,059,570.93
Increased by:			
Contributions- Receivable	B-18	$ 73,064.88	
Additional Contributions - Prior Year		-	
Interest/ Gain on Investments	B-1	58,374.56	
			131,439.44
			1,191,010.37
Decreased by:			
Plan Service Charges	B-1	623.06	
Distributions	B-1	52,365.09	
			52,988.15
Balance December 31, 2014	B		$ 1,138,022.22

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CASH

	Reference		
Balance December 31, 2013	C		$ 1,893,961.76
Increased By:			
State Grants and County Grants	C-4	$ 80,000.00	
Federal Grants	C-5	111,871.00	
Open Space Trust Fund	C-7,19	25,064.00	
Other Receivables	C-4a	86,248.66	
Capital Improvement Fund	C-16	130,000.00	
Bond Anticipation Notes	C-11	8,709,800.00	
BAN - Paydown	C-11	150,000.00	
Funded - Current Fund	A-3	182,000.00	
Premium on Bond Ant. Notes	C-14	86,153.76	
Interfunds	C-17	60,000.00	
Interest on Investments	C-17	1,790.76	
			9,622,928.18
			11,516,889.94
Decreased by Disbursements:			
Bond Anticipation Notes Paid	C-11	7,315,000.00	
Improvement Authorizations	C-13	2,052,722.30	
Due From Board of Education	C-4a	16,173.65	
Interfunds	C-17	5,008.15	
Encumbrances Payable	C-10	586,624.76	
			9,975,528.86
Balance December 31, 2014	C, C-3		$ 1,541,361.08

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULE OF ANALYSIS OF CASH

C-3

Fund Balance		$ 1,002,586.47
State and County Grants Receivable		(460,500.00)
Federal Grants Receivable		(1,191,497.15)
Other Receivables		(16,604.11)
Interfund Accounts Receivable		(683,093.42)
Encumbrances Payable		1,670,020.10
Special Reserves		48,093.32
Reserve for Premium on BANS		86,153.76
Reserve for Unappropriated State Grant		15,464.00
Capital Improvement Fund		145,896.50
Reserve for Grants Receivable		18,243.00
Improvement Authorizations:		
Ordinance Number	Improvement Description	
1941	Multiple Purpose	16,808.00
1965	Multiple Purpose	20,231.00
2017	Multiple Purpose	31,364.45
2030	Multiple Purpose	2,078.96
2053	Multiple Purpose	(41,444.24)
2159	Various Public Improvements	560.00
2194	Varios Improvements	244,879.78
2210	Varios Improvements	188,012.45
2214	Acquisition of Real Property, 1206/18	56,024.65
2219	Various Improvements	181,062.47
2220	Improvement of Various Roads	147,944.10
2233	Broadway Corridor	150,000.00
2235	Bergen County Open Space	39,000.00
2244	Road Improvements	28,540.36
2245	Various Improvements	715,619.73
2247	Broadway Corridor Phase 2	146,500.00
2248	Senior Center Improvements	19,500.00
2254	4-50 Second Street	554.11
2259	Improv to Parks - Vogel/George St.	(36,476.66)
2281	Mun Park Improv - BC OS	1,694.97
2284	Various Improvements	(900,321.99)
2285	Improvements to Various Roads	10,000.00
2288	Improv Chandler Dr. CDBG	62,000.00
2294	Berdan Grove ADA Park Improv	(50,000.00)
2293	ADA Ramps, Curbs,and Sidewalks	200,000.00
2302	Senior Grease Trap/ Sewer Line	20,000.00
2309	Various Improvements	(360,260.25)
2310	Various Improvements	(539,123.28)
2320	Fair Lawn Corridor Safety Improvements	511,850.00
2326	Columbia Heights- Passive Park	40,000.00
		$ 1,541,361.08
	Reference	C, C-2

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF STATE & COUNTY GRANTS RECEIVABLE

C-4

Bergen County Open Space:	Grant Amount	Year	Ordinance	Balance Dec. 31, 2013	2014 Grants Authorized	Canceled/ Received	Balance Dec. 31, 2014
Naugle Plan	19,500.00	2012	2235	$ 19,500.00	$ -	$ -	$ 19,500.00
Vogel Park	50,000.00	2013	2259	50,000.00			50,000.00
ADA Berdan Park	50,000.00	2013/2014	2294/2298	50,000.00	30,000.00	80,000.00	-
Naugle -Vanderbeck	25,000.00	2014	2310/2322		25,000.00		25,000.00
Columbia Park	20,000.00	2014	2326		20,000.00		20,000.00
Green Acres:							
2nd Street Property	146,000.00	2012	2254	146,000.00	-		146,000.00
Bergen County Dept. of Public Works:							
County-wide ADA Ramps/Curbs/Sidewalks	88,270.00	2010	2183	7,427.50		7,427.50	-
County-wide ADA Ramps/Curbs/Sidewalks	200,000.00	2014	2293	-	200,000.00		200,000.00
New Jersey Department of Community Affairs							
State-wide Livable Communities Grant:							
Improvements to Library	23,000.00	2005	2021	23,000.00		23,000.00	-
				$ 295,927.50	$ 275,000.00	$ 110,427.50	$ 460,500.00
				C	C-7,19	Below	C

Canceled	C-1	$	30,427.50
Cash Received	C-2		80,000.00
	Above	$	110,427.50

SCHEDULE OF OTHER RECEIVABLES

C-4a

	Balance Dec. 31, 2013	Increased by	Decreased by	Balance Dec. 31, 2014
Due From JP Morgan Chase- Parking Lot Paving	$ 20,204.11	$ -	$ 3,600.00	$ 16,604.11
Due From Board of Education - Roads	66,475.00	16,173.66	82,648.66	-
	$ 86,679.11	$ 16,173.66	$ 86,248.66	$ 16,604.11
	C	Below		C

Cash Disbusements	C-2	$ 16,173.65	0.00
Cash Receipts	C-2		86,248.66
Canceled	C-1	0.01	
	Above	$ 16,173.66	$ 86,248.66

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF FEDERAL GRANTS RECEIVABLE

C-5

Community Development Block Grant:	Grant Amount	Year	Ordinance	Balance Dec. 31, 2013	2014 Grants Authorized	Canceled/ Received	Balance Dec. 31, 2014
Heights Area Roadway Improvement	$ 95,000.00	1989	1440	$ -	$ -	$ -	$ -
Various Road Improvements			1351/1406	0.41		0.41	-
Various Road Improvements	69,100.00	1993	1542	2,468.27		2,468.27	-
Senior Center Building Improvements	40,000.00	2010	2170	6,570.00		6,570.00	-
ADA Barrier Free Curb Cuts	20,000.00	2012	2246	400.00		400.00	-
Senior Center Improvements	30,000.00	2012	2248	30,000.00			30,000.00
Improvement to Chandler Drive	162,000.00	2013	2288	116,897.15		-	116,897.15
2014 Road Re-surfacing	104,000.00	2014	2303		104,000.00		104,000.00
Senior Center Grease Trap	20,000.00	2014	2302		20,000.00		20,000.00
Total Community Development Block Grants				156,335.83	124,000.00	9,438.68	270,897.15
New Jersey Transportation Trust Fund:							
(Pass -through from Federal)							
Pollitt Extensions and McBride Ave.	90,000.00	2002	1917	7.91		7.91	-
20th, Fairclough, Kipp, and Romaine St.	45,000.00	2003	1950	13,979.49		13,979.49	-
Improvements to B'Way- Phase I	150,000.00	2012	2233	150,000.00	-		150,000.00
Improvements to B'Way- Phase II	146,500.00	2012	2247	146,500.00	-		146,500.00
Berdan Ave Paving Phase II	300,000.00	2013	2263	75,000.00	-	-	75,000.00
Radburn Avenue	149,000.00	2014	2318		149,000.00	111,750.00	37,250.00
Fairlawn Avenue Corridor Safety Imp Project	511,850.00	2014	2320		511,850.00		511,850.00
				385,487.40	660,850.00	125,737.40	920,600.00
U.S. Department of Homeland Security:							
Assistance to Firefighters Grant - FEMA	87,638.00	2010	2185	121.00		121.00	-
Assistance to Firefighters Grant - FEMA	56,250.00	2011	2217	56,250.00		56,250.00	-
Total U.S. Department of Homeland Security				56,371.00	-	56,371.00	-
				$ 598,194.23	$ 784,850.00	$ 191,547.08	$ 1,191,497.15
				C	C-19	Below	C

Canceled Grants	C-1	$ 79,676.08
Cash Received	C-2	111,871.00
	Above	$ 191,547.08

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-6

	Reference		
Balance December 31, 2013	C		$ 26,175,000.00
Decreased by:			
Appropriations:			
Capital Lease Principal	C-9	$ 315,000.00	
Serial Bond Principal	C-8	1,850,000.00	
			2,165,000.00
Balance December 31, 2014	C		$ 24,010,000.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance December 31, 2013	2014 Authorizations	Canceled/ Funded	Balance December 31, 2014	Expenditures	Unexpended Improvement Authorization
	General Improvements						
1794/1807	Various Improvements- Pool/Tennins Courts	$ 27,800.00	$ -	$ 27,800.00	$ -	$ -	$ -
1801	Acquisition of Telephone System, ATM and Improvements to Walsh Pool	18,325.00		18,325.00	-	-	-
1884	Multiple Purpose	119,000.00		119,000.00	-	-	-
1922	Multiple Purpose	70,850.00		70,850.00	-	-	-
1929	Multiple Purpose	214,995.00		214,995.00	-	-	-
1941	Multiple Purpose	955,000.00		955,000.00	-	-	-
1953	Multiple Purpose	80,000.00		80,000.00	-	-	-
1965	Multiple Purpose	375,000.00		375,000.00	-	-	-
1992	Multiple Purpose	271,000.00		271,000.00	-	-	-
2017	Multiple Purpose	155,000.00		155,000.00	-	-	-
2030	Multiple Purpose	76,000.00		76,000.00	-	-	-
2053	Multiple Purpose	1,250,000.00		1,083,847.76	166,152.24	141,444.24	24,708.00
2074	Multiple Purpose	1,080,000.00		734,000.00	346,000.00	346,000.00	-
2090	Acquisition of Computers and Network	600.00		600.00	-	-	-
2122	Multiple Purpose	1,096,000.00		677,000.00	419,000.00	419,000.00	-
2155	Acquisition of Lands	2,990,000.00		2,990,000.00	-	-	-
2159	Various Public Improvements	1,619,500.00		751,500.00	868,000.00	867,440.00	560.00
2182	Acquisition of Equipment - Police Department	43,300.00		7,300.00	36,000.00	36,000.00	-
2185	Fire Department Equipment/Equipment and Supplies for Fire Prevention Office	12,218.90		3,118.90	9,100.00	9,100.00	-
2194	Various Improvements	1,218,591.64		33,591.64	1,185,000.00	940,120.22	244,879.78
2210	Reapeal 2204-10: Acquisition of the Naugle House Property	210,665.46		665.46	210,000.00	21,987.55	188,012.45
2219	Various Improvements	1,051,000.00		36,900.00	1,014,100.00	833,037.53	181,062.47
2220	Improvements to Various Roads	580,000.00		27,000.00	553,000.00	405,055.90	147,944.10
2244	Road Improvements	485,000.00	-		485,000.00	456,459.64	28,540.36
2245	Various Improvements	2,523,000.00		-	2,523,000.00	1,784,380.27	738,619.73
2259	Improv to Parks - Vogel/George St.	50,000.00			50,000.00	36,476.66	13,523.34
2281	Mun Park Improv - BC OS	75,000.00			75,000.00	-	75,000.00
2284	Various Improvements	2,104,315.00			2,104,315.00	1,400,421.99	703,893.01
2285	Improvements to Various Roads	484,500.00			484,500.00	474,500.00	10,000.00
2294	Berdan Grove ADA Park Improv	50,000.00			50,000.00	50,000.00	-
2293	ADA Ramps, Curbs,and Sidewalks		200,000.00	200,000.00	-	-	
2302	Senior Grease Trap/ Sewer Line		20,000.00	20,000.00	-	-	
2303	Road Resurfacing		104,000.00	104,000.00	-	-	
2309	Various Improvements		910,000.00	45,500.00	864,500.00	360,260.25	504,239.75
2310	Various Improvements		1,612,000.00	105,664.00	1,506,336.00	539,123.28	967,212.72
2318	Improvements to Radburn Road		149,000.00	149,000.00	-	-	
2320	Fair Lawn Corridor Safety Improvements		511,850.00	511,850.00	-	-	
2322	Naugle-Vanderbeck House		25,000.00	25,000.00	-	-	
2326	Columbia Heights- Passive Park		20,000.00	20,000.00	-	-	
2298	Berdan Grove Playground		30,000.00	30,000.00	-	-	
		$ 19,286,661.00	$ 3,581,850.00	$ 9,919,507.76	$ 12,949,003.24	$ 9,120,807.53	$ 3,828,195.71
	Reference	C	C-19	Below	C		C

Funded by Federal Grants	C-5	$ 784,850.00
Funded by State and County Grants	C-4	275,000.00
Funded by Open Space Trust Fund	C-2	25,064.00
Funded by Budget Appropriation	C-19	182,000.00
Canceled	C-13,19	8,376,493.76
Pay Down on Bond Anticipation Notes	C-11	150,000.00
Capital Imp Fund	C-16	126,100.00
	Above	$ 9,919,507.76

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF GENERAL SERIAL BONDS PAYABLE

C-8

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2014 Date	Amount	Interest Rate	Balance December 31, 2013	Decreased	Balance December 31, 2014
Multiple - Purpose	December 1, 2001	$ 15,255,000.00	12/01/15	1,200,000.00	4.500%	$ 3,605,000.00	$ 1,200,000.00	$ 2,405,000.00
			12/01/16	1,205,000.00	4.625%			
Multiple - Purpose	December 15, 2010	13,415,000.00	12/15/15	725,000.00	3.000%	11,740,000.00	650,000.00	11,090,000.00
			12/15/16	785,000.00	3.000%			
			12/15/17	880,000.00	3.000%			
			12/15/18	905,000.00	3.000%			
			12/15/19	920,000.00	3.000%			
			12/15/20	935,000.00	3.250%			
			12/15/21	950,000.00	3.500%			
			12/15/22	965,000.00	3.500%			
			12/15/23	980,000.00	3.750%			
			12/15/24	995,000.00	3.750%			
			12/15/25	1,025,000.00	3.875%			
			12/15/26	1,025,000.00	4.000%			
						$ 15,345,000.00	$ 1,850,000.00	$ 13,495,000.00
					Reference:	C	C-6	C

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CAPITAL LEASES PAYABLE

Purpose	Date of Issue	Original Issue	Lease Principal Payments December 31, 2013 Date	Amount	Interest Rate	Balance Dec. 31, 2013	Refinance Adjustment	Decreased	Balance Dec. 31, 2014
Recreation Center	11/15/2004	$ 12,860,000.00	9/15/2015	405,000.00	2.000%	$ 10,830,000.00	$ -	$ 315,000.00	10,515,000.00
			9/15/2016	410,000.00	1.500%				
			9/15/2017	415,000.00	1.500%				
			9/15/2018	420,000.00	3.000%				
			9/15/2019	435,000.00	4.000%				
			9/15/2020	450,000.00	2.000%				
			9/15/2021	460,000.00	2.000%				
			9/15/2022	470,000.00	2.000%				
			9/15/2023	480,000.00	2.125%				
			9/15/2024	490,000.00	2.250%				
			9/15/2025	500,000.00	4.000%				
			9/15/2026	520,000.00	4.000%				
			9/15/2027	540,000.00	2.750%				
			9/15/2028	555,000.00	5.000%				
			9/15/2029	585,000.00	5.000%				
			9/15/2030	610,000.00	5.000%				
			9/15/2031	640,000.00	5.000%				
			9/15/2032	675,000.00	5.000%				
			9/15/2033	710,000.00	5.000%				
			9/15/2034	745,000.00	5.000%				
						$ 10,830,000.00	$ -	$ 315,000.00	$ 10,515,000.00
					Reference	C	C-6	C-6	C

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

C-10

	Reference		
Balance December 31, 2013	C	$	586,624.76
Increased by:			
Charged to Improvement Authorizations	C-13		1,670,020.10
			2,256,644.86
Decreased by:			
Payments/ Net Canceled	C-2		586,624.76
Balance December 31, 2014	C	$	1,670,020.10

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

C-11

Ord. No.	Improvement Description	Date of Issue Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
2053	Multiple Purpose	9/18/2014	9/18/2014	9/18/2015	1.00%	$ -	$ 100,000.00	$ -	$ 100,000.00
2074	Multiple Purpose	9/22/2011	9/18/2014	9/18/2015	1.00%	400,000.00	346,000.00	400,000.00	346,000.00
2122	Multiple Purpose	9/22/2011	9/18/2014	9/18/2015	1.00%	500,000.00	419,000.00	500,000.00	419,000.00
2159	Various Public Improvements	9/22/2011	9/18/2014	9/18/2015	1.00%	870,000.00	868,000.00	870,000.00	868,000.00
2182	Acquisition of Equipment - Police Department	9/22/2011	9/18/2014	9/18/2015	1.00%	35,000.00	36,000.00	35,000.00	36,000.00
2185	Fire Department Equipment/ Equipment and		9/18/2014	9/18/2015	1.00%	-			-
	Supplies for Fire Prevention Office	9/22/2011	9/18/2014	9/18/2015	1.00%	10,000.00	9,100.00	10,000.00	9,100.00
2194	Various Improvements	9/22/2011	9/18/2014	9/18/2015	1.00%	1,000,000.00	1,185,000.00	1,000,000.00	1,185,000.00
2210	Various Improvements	9/22/2011	9/18/2014	9/18/2015	1.00%	50,000.00	210,000.00	50,000.00	210,000.00
2214	Acquisition of Real Property, 1206/18	9/22/2011	9/18/2014	9/18/2015	1.00%	-	-		-
2219	Various Improvements	9/22/2011	9/18/2014	9/18/2015	1.00%	1,050,000.00	1,014,100.00	1,050,000.00	1,014,100.00
2220	Improvement of Various Roads	9/22/2011	9/18/2014	9/18/2015	1.00%	500,000.00	553,000.00	500,000.00	553,000.00
2244	Road Improvements	9/19/2013	9/18/2014	9/18/2015	1.00%	400,000.00	485,000.00	400,000.00	485,000.00
2245	Various Improvements	9/19/2013	9/18/2014	9/18/2015	1.00%	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00
2284	Various Improvements	9/18/2014	9/18/2014	9/18/2015	1.00%		500,100.00		500,100.00
2285	Improvement of Various Roads	9/18/2014	9/18/2014	9/18/2015	1.00%		484,500.00		484,500.00
						$ 7,315,000.00	$ 8,709,800.00	$ 7,315,000.00	$ 8,709,800.00
						C	C-2, Below	C-2, Below	C

New Issues	C-19	$ 1,647,712.00	$ -
Bond Anticipation Note Paydowns	C-2,7		150,000.00
Non Renewed BANS	C-19		102,912.00
Renewals		7,062,088.00	7,062,088.00
	Above	$ 8,709,800.00	$ 7,315,000.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF SPECIAL RESERVES

	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
Ordinance 1737	$ 1,127.00	$ -	$ -	$ 1,127.00
Community Development Block Grants	25,012.00	-		25,012.00
Public Works Act of 1976	1,750.21	-	-	1,750.21
Reserve for JP Morgan Receivable	20,204.11	-		20,204.11
	$ 48,093.32	$ -	$ -	$ 48,093.32
	C			C, Below

Analysis of Balance

Reserve for Public Works Act of 1976		$ 1,750.21
Reserve for Payment of Debt- Barrier Free Curb Cuts		26,139.00
Reserve for JP Morgan Co-operative Parking Lot Receivable		20,204.11
	Above	$ 48,093.32

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Amount	Balance December 31, 2013 Funded	Balance December 31, 2013 Unfunded	2014 Authorizations	Paid or Charged	Canceled	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded
	General Improvements:								
1809	Multiple Purpose	$ 1,866,900.00	$ 127,697.22	$ -	$ -	$ -	$ 127,697.22	$ -	$ -
1840/1917	Multiple Purpose (CDBG)	125,000.00	851.54				851.54	-	
1845	Multiple Purpose (CDBG)	1,666,350.00	119,109.31			(0.30)	119,109.61	-	
1884	Multiple Purpose	1,595,000.00	64,147.36	119,000.00			183,147.36	-	
1922	Multiple Purpose	494,400.00	31,920.40	70,850.00			102,770.40	-	
1929	Multiple Purpose	1,800,750.00	25,460.51	214,995.00			240,455.51	-	
1941	Multiple Purpose (CDBG)	3,207,750.00	34,721.70	955,000.00		(8,404.00)	981,317.70	16,808.00	
1953	Multiple Purpose	399,000.00	17,066.78	80,000.00			97,066.78	-	
1965	Multiple Purpose	1,620,000.00		344,373.25		(20,231.00)	344,373.25	20,231.00	
1992	Multiple Purpose	1,459,500.00	-	257,242.35			257,242.35	-	
2017	Multiple Purpose	940,800.00	22,812.45	155,000.00		(8,552.00)	155,000.00	31,364.45	
2021	Improvements to Library	23,000.00	40.58				40.58	-	
2030	Multiple Purpose	804,300.00	22,309.96	76,000.00		20,231.00	76,000.00	2,078.96	
2053	Multiple Purpose	3,087,000.00	-	995,040.96		(24,708.00)	995,040.96	-	24,708.00
2074	Multiple Purpose	2,730,000.00	-	713,168.77		291.10	712,877.67	-	-
2090	Acquisition of Computers and Network	84,630.00	-	162.01			162.01	-	
2122	Multiple Purpose	2,642,000.00	-	664,227.75			664,227.75	-	
2155	Acquisition of Lands	3,139,500.00	149,500.00	2,990,000.00			3,139,500.00	-	
2156	Installation of Athletic Field and Pool Fencing		-					-	
	Fencing (Open Space)	56,500.00	1.00				1.00	-	
2159	Various Public Improvements	1,701,000.00	-	733,504.04			732,944.04	-	560.00
2170	Senior Center Building Renovations (CDBG)	40,000.00	5,820.00				5,820.00	-	
2182	Acquisition of Equipment - Police Department	80,000.00	-	9,322.77		3,248.00	6,074.77	-	-
2183	ADA Ramps/Curbs/Sidewalks	88,270.00	7,427.50				7,427.50	-	
2185	Fire Department Equipment/Equipment and		-					-	
	Supplies for Fire Prevention Office	100,500.00	-	2,705.96			2,705.96	-	
2188	Construction of Warren Point Skate Park (Open Space)	30,000.00	-					-	
2194	Various Improvements	1,297,050.00	-	256,411.80		11,532.02	-	-	244,879.78
2210	Various Improvements	1,850,000.00	-	189,812.45		1,800.00		-	188,012.45
2214	Acquisition of Real Property, 1206/18	435,000.00	54,214.65			(1,810.00)		56,024.65	
2217	Emergency Services Equipment	75,000.00	75,000.00				75,000.00	-	
2219	Various Improvements	1,103,800.00	-	199,286.99		18,224.52		-	181,062.47
2220	Improvement of Various Roads	610,000.00		235,355.32		87,411.22			147,944.10
2233	Broadway Corridor	150,000.00	150,000.00					150,000.00	
2235	Bergen County Open Space	39,000.00	39,000.00					39,000.00	
2244	Road Improvements	510,000.00	13,540.36	485,000.00		470,000.00			28,540.36
2245	Various Improvements	2,656,000.00	-	1,009,817.03	(75,000.00)	196,197.30		-	738,619.73
2248	Senior Center Improvements		-			(19,500.00)		19,500.00	
2247	Broadway Corridor Phase 2	146,500.00	146,500.00					146,500.00	
2254	4-50 Second Street	312,000.00	30,029.11			29,475.00		554.11	
2259	Improv to Parks - Vogel/George St.	100,000.00	19,429.00	50,000.00		55,905.66			13,523.34
2281	Mun Park Improv - BC OS	150,000.00		1,694.97	75,000.00			1,694.97	75,000.00
2284	Various Improvements	2,217,700.00		1,676,977.36	(50,000.00)	923,084.35			703,893.01
2285	Improvements to Various Roads	510,000.00	25,500.00	484,500.00		500,000.00			10,000.00
2288	Improv Chandler Dr. CDBG	162,000.00	62,000.00					62,000.00	
2294	Berdan Grove ADA Park Improv	100,000.00	50,000.00	50,000.00		100,000.00			-
2293	ADA Ramps, Curbs,and Sidewalks	200,000.00			200,000.00			200,000.00	-
2298	Berdan Grove Playground	30,000.00			60,000.00	60,000.00			-
2302	Senior Grease Trap/ Sewer Line	20,000.00			20,000.00			20,000.00	-
2303	Road Resurfacing	104,000.00			104,000.00	104,000.00			-
2309	Various Improvements	910,000.00			910,000.00	405,760.25			504,239.75
2310	Various Improvements	1,612,000.00			1,587,000.00	619,787.28			967,212.72
2318	Improvements to Radburn Road	149,000.00			149,000.00	149,000.00			-
2320	Fair Lawn Corridor Safety Improvements	511,850.00			511,850.00			511,850.00	-
2322	Naugle-Vanderbeck House	25,000.00			50,000.00	50,000.00			-
2326	Columbia Heights- Passive Park	20,000.00			40,000.00			40,000.00	-
			$ 3,294,099.43	$ 13,019,448.78	$ 3,581,850.00	$ 3,722,742.40	$ 9,026,853.96	$ 1,317,606.14	$ 3,828,195.71
		Reference	C	C	C-19	Below	Below	C	C, C-7

Canceled to Fund Balance	C-1	$ -	$ 650,360.20	
Canceled to Deferred Charges-Unfunded	C-7		8,376,493.76	
Cash Disbursements	C-2	2,052,722.30		
Encumbrances Payable	C-10	1,670,020.10		
	Above	$ 3,722,742.40	$ 9,026,853.96	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF PREMIUM ON BOND ANTICIPATION NOTES

C-14

	Reference	
Balance December 31, 2013	C	$ -
Increased by:		
Cash Receipts- Premium on BAN	C-2	86,153.76
Balance December 31, 2014	C	$ 86,153.76

SCHEDULE OF RESERVE FOR UNAPPROPRIATED STATE GRANT FOR NEW JERSEY STORMWATER MANAGEMENT GRANT

C-15

	Reference	
Balance December 31, 2013	C	$ 15,464.00
Balance December 31, 2014	C	$ 15,464.00

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-16

	Reference	
Balance December 31, 2013	C	$ 141,996.50
Increased by:		
Budget Appropriation	C-2	130,000.00
		271,996.50
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7, 19	126,100.00
Balance December 31, 2014	C	$ 145,896.50

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF INTERFUNDS

	Due From/(to) Balance December 31, 2013	Increased	Decreased	Due From/(to) Balance December 31, 2014
Current Fund	$ (355,434.10)	$ 5,008.15	$ 1,790.76	$ (352,216.71)
Federal and State Grant Fund	-	-	-	-
Water Utility Capital Fund	1,100,000.00	-	60,000.00	1,040,000.00
Water Utility Operating Fund	(4,689.87)		-	(4,689.87)
	$ 739,876.03	$ 5,008.15	$ 61,790.76	$ 683,093.42

Analysis of Balance				
Due to General Capital Fund	$ 1,100,000.00	$ -	$ 60,000.00	$ 1,040,000.00
Due from General Capital Fund	(360,123.97)	5,008.15	1,790.76	(356,906.58)
	$ 739,876.03	$ 5,008.15	$ 61,790.76	$ 683,093.42
	C	Below	Below	C
Cash Receipts	C-2	$ -	$ 60,000.00	
Interest on Investments	C-2	-	1,790.76	
Cash Disbursements	C-2	5,008.15	-	
	Above	$ 5,008.15	$ 61,790.76	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

C-18

	Reference	
Balance December 31, 2013	C	$ 18,243.00
Balance December 31, 2014	C	$ 18,243.00
Analysis of Balance		
Salt Shed/Glen Road		$ 3,255.00
Various Other Grants		14,988.00
	C	$ 18,243.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF BONDS AND NOTES AUTHORIZED NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	New BAN Issue/Adjustments	(Increased)/ Decreased	Balance Dec. 31, 2014
1794	Multiple Purpose	$ 27,800.00	$ -	$ -	$ 27,800.00	$ -
1801	Multiple Purpose	18,325.00			18,325.00	-
1884	Multiple Purpose	119,000.00			119,000.00	-
1922	Multiple Purpose	70,850.00			70,850.00	-
1929	Multiple Purpose	214,995.00			214,995.00	-
1941	Multiple Purpose	955,000.00			955,000.00	-
1953	Multiple Purpose	80,000.00			80,000.00	-
1965	Multiple Purpose	375,000.00			375,000.00	-
1992	Multiple Purpose	271,000.00			271,000.00	-
2017	Multiple Purpose	155,000.00			155,000.00	-
2030	Multiple Purpose	76,000.00			76,000.00	-
2053	Multiple Purpose	1,250,000.00		100,000.00	1,083,847.76	66,152.24
2074	Multiple Purpose	680,000.00		(33,522.00)	713,522.00	-
2090	Acquisition of Computers and Network	600.00			600.00	-
2122	Multiple Purpose	596,000.00		(68,835.00)	664,835.00	-
2155	Acquisition of Lands	2,990,000.00			2,990,000.00	-
2159	Multiple Purpose	749,500.00		16,511.00	732,989.00	-
2182	Acquisition of Equipment- Police Department	8,300.00		2,207.00	6,093.00	-
2185	Supplies for Fire Prevention Department	2,218.90		(555.00)	2,773.90	-
2194	Various Improvements	218,591.64		218,445.00	146.64	-
2210	House Property	160,665.46		160,633.00	32.46	-
2214	Acquisition of Real Property, 1206/18	-				-
2219	Various Improvements	1,000.00		1,000.00		-
2220	Improvements to Various Roads	80,000.00		79,316.00	684.00	-
2244	Road Improvements	85,000.00		85,000.00		-
2245	Various Improvements	23,000.00				23,000.00
2259	Improv to Parks - Vogel/George St.	50,000.00				50,000.00
2263	Berdan Avenue Paving Phase 2	-				-
2281	Mun Park Improv - BC OS	75,000.00				75,000.00
2284	Various Improvements	2,104,315.00		500,100.00		1,604,215.00
2285	Improvements to Various Roads	484,500.00		484,500.00		-
2288	Improv Chandler Dr. CDBG	-				-
2294	Berdan Grove ADA Park Improv	50,000.00				50,000.00
2293	ADA Ramps, Curbs,and Sidewalks		200,000.00		200,000.00	-
2302	Senior Grease Trap/ Sewer Line		20,000.00		20,000.00	-
2303	Road Resurfacing		104,000.00		104,000.00	-
2309	Various Improvements		910,000.00		45,500.00	864,500.00
2310	Various Improvements		1,612,000.00		105,664.00	1,506,336.00
2318	Improvements to Radburn Road		149,000.00		149,000.00	-
2320	Fair Lawn Corridor Safety Improvements		511,850.00		511,850.00	-
2322	Naugle-Vanderbeck House		25,000.00		25,000.00	-
2326	Columbia Heights- Passive Park		20,000.00		20,000.00	-
2298	Berdan Grove Playground		30,000.00		30,000.00	-
		$ 11,971,661.00	$ 3,581,850.00	$ 1,544,800.00	$ 9,769,507.76	$ 4,239,203.24
	Reference		C-7,13	Below	Below	C
	Bond Anticipation Notes		C-11	$ 1,647,712.00	$ -	
	BANS not Renewed- Due to Cancelations		C-11	(102,912.00)		
	Canceled		C-7		8,376,493.76	
	Funded by Budget Appropriation		C-7		182,000.00	
	Funded by Federal Grants		C-5	-	784,850.00	
	Funded by State and County Grants		C-4	-	275,000.00	
	Funded by Open Space Trust Fund		C-2	-	25,064.00	
	Capital Imp Fund		C-16	-	126,100.00	
				$ 1,544,800.00	$ 9,769,507.76	
				Above	Above	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER

D-5

	Reference	Operating	Capital
Balance December 31, 2013	D	$ 3,322,020.40	$ 4,388,256.68
Increased by Cash Receipts:			
Water Collector	D-8	6,199,753.03	
Interest on Investments- Water Capital	D-7,19		3,678.50
Interest on Investments- Water Operating	D-3	9,715.50	
Miscellaneous Income	D-3	5,182.95	
Water Rent Overpayment	D-14		
Capital Improvement Fund	D-20		26,500.00
Bond Anticipation Notes	D-24		2,479,000.00
Interfunds	D-7,19	7,339.32	1,000,000.00
		6,221,990.80	3,509,178.50
Decreased by Cash Disbursements:			
2014 Appropriations	D-4	4,277,445.16	
2013 Appropriation Reserves	D-12	428,937.09	
Accounts Payable	D-13	2,389.00	
Water Rent Overpayments	D-14	630.00	
Accrued Interest Payment	D-15	414,471.63	
Reserve for Supervisors Contracts	D-16	7,200.00	
Encumbrance Payable	D-17		1,347,045.81
Bond Anticipation Notes Paid	D-24		2,285,000.00
Improvement Authorizations	D-18		262,888.60
Interfunds	D-7,19	19,800.00	507,339.32
		5,150,872.88	4,402,273.73
Balance December 31, 2014	D	$ 4,393,138.32	$ 3,495,161.45

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF ANALYSIS OF CASH

		Ref.	Balance December 31, 2014
Fund Balance			$ 134,893.96
Capital Improvement Fund			29,430.00
Encumbrance Payable			117,192.21
Interfunds Accounts Payable			3,757,830.49
Improvement Authorizations			
Ordinance			
Number	General Improvements		
1371	Multiple Purpose		(8,614.00)
1456	Multiple Purpose		(1,318.00)
1729	Multiple Purpose		(33,724.95)
1846	Improvements to the Water System		(7,424.09)
2031	Multiple Purpose		(267,393.48)
2054	Improvements to the Water System		(45,165.05)
2123	Improvements to the Water System		13,422.17
2160	Improvements to the Water System		(81,411.13)
2218	Various Improvements to Water System		(58.23)
2243	Improvements to the Water System		57,275.87
2286	Impr. To Water Supply & Distr. System		(80,227.32)
2311	Impr. To Water Supply & Distr. System		(89,547.00)
	Water Capital Cash	D	$ 3,495,161.45

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF INTERFUNDS

D-7

		Due from/(To) Balance December 31, 2013	Increased	Decreased	Due from/(To) Balance December 31, 2014
Current Fund		$ -	$ 19,800.00	$ -	$ 19,800.00
General Capital Fund		4,689.87	-		4,689.87
Water Utility Capital Fund		411,491.31	3,678.50	7,339.32	407,830.49
		$ 416,181.18	$ 23,478.50	$ 7,339.32	$ 432,320.36
	Ref.	D	Below	Below	D
Cash Receipts		D-5	$ -	$ 7,339.32	
Cash Disbursements		D-5	19,800.00	-	
Interest Income		D-3,5	3,678.50		
		Above	$ 23,478.50	$ 7,339.32	

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY - OPERATING FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CONSUMERS' ACCOUNTS RECEIVABLE - OPERATING FUND

D-8

	Reference			
Balance December 31, 2013	D		$	467,365.34
Increased by:				
2014 Levy				6,224,317.50
				6,691,682.84
Decreased by:				
Cash Receipts	D-3,5	$ 6,199,753.03		
Applied from Overpmts	D-14	736.24		
				6,200,489.27
Balance December 31, 2014	D		$	491,193.57

SCHEDULE OF INVENTORY - MATERIAL AND SUPPLIES

D-9

Balance December 31, 2013	D	$	71,426.86
Increased by:			
Inventory Adjustment			32,047.10
Balance December 31, 2014	D	$	103,473.96

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF FIXED CAPITAL

Account	Balance December 31, 2013	Increased By Completed Projects	Balance December 31, 2014
Springs and Wells	$ 1,790,487.86	$ 510,234.01	$ 2,300,721.87
Land and Pumping Stations	255,096.00	123,671.31	378,767.31
Structure and Pumping Stations	149,876.00	192,004.97	341,880.97
Elecrtical Pumping Equipment	161,456.00	197,618.98	359,074.98
Miscellaneous Pumping Equipment	68,622.00	152,612.78	221,234.78
Storage Reservoirs and Tanks	567,062.00	1,287,376.01	1,854,438.01
Distribution Mains and Accessories	7,537,556.00	1,882,712.92	9,420,268.92
Meters	677,399.21	328,405.17	1,005,804.38
Fire Hydrants	74,201.00	714,027.13	788,228.13
Garage	39,068.00	18,940.29	58,008.29
Other Tangible Water Capital	455,587.00	-	455,587.00
Distribution Equipment	19,142.00	9,514.10	28,656.10
Engineering During Construction	156,076.00	156,198.11	312,274.11
Legal Expenses During Construction	21,067.67	-	21,067.67
Interest During Construction	35,641.00		35,641.00
Miscellaneous Charges During Construction	49,161.26		49,161.26
	$ 12,057,499.00	$ 5,573,315.78	$ 17,630,814.78
	D	D-11	D

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. Number	Improvement Description	Original Issue Date	Original Issue Amount	Balance December 31, 2013	2014 Authorizations	Decreased by Cancelations/ Completed Projects	Balance December 31, 2014
1572	Improvement of Water Supply and Distribution System	9/13/1994	$ 232,400	$ 232,400.00	$ -	$ 232,400.00	$ -
1597	Improvement of Water Supply and Distribution System	5/20/1995	671,000	671,000.00	-	671,000.00	-
1639	Improvement of Water Supply and Distribution System	5/24/1996	488,600	458,600.00	-	458,600.00	-
							-
1678	Multiple Purpose	3/25/1997	205,200	205,200.00	-	205,200.00	-
1729	Multiple Purpose	6/9/1998	434,600	434,600.00	-	434,600.00	-
1756	Multiple Purpose	5/4/1999	84,000	84,000.00	-	84,000.00	-
1771	Multiple Purpose	10/12/1999	55,900	55,900.00	-	55,900.00	-
1810	Multiple Purpose	9/5/2000	302,400	302,400.00	-	302,400.00	-
1846	Improvements to Water System	3/27/2001	265,965	265,965.00	-	265,965.00	-
1863	Multiple Purpose	7/25/2001	133,665	133,665.00	-	133,665.00	-
1930	Improvements to Water System	11/11/2002	257,145	257,145.00	-	257,145.00	-
1942	Multiple Purpose	3/25/2003	904,050	904,050.00	-	904,050.00	-
1993	Multiple Purpose	10/12/2004	690,900	690,900.00	-	690,900.00	-
2031	Multiple Purpose	10/11/2005	814,800	814,800.00	-	814,800.00	-
2054	Improvements to Water System	5/23/2006	373,800	373,800.00	-	373,800.00	-
2123	Improvements to Water System	8/19/2008	94,200	92,400.00	-	12,900.00	79,500.00
2160	Improvements to Water System	7/21/2009	294,000	294,000.00	-	294,000.00	-
2195	Improvements to Water System	9/21/2010	158,500	-	-	-	-
2218	Various Improvements to Water System	7/19/2011	280,500	280,500.00		280,500.00	-
2243	Various Improvements to Water System	9/11/2012	1,688,000	1,688,000.00			1,688,000.00
2286	Impr of Water Supply and Distr. System	07/16/2013	326,400	326,400.00	-		326,400.00
2311	Impr of Water Supply and Distr. System	04/08/14	545,000.00		545,000.00		545,000.00
				$ 8,565,725.00	$ 545,000.00	$ 6,471,825.00	$ 2,638,900.00
			Reference	D	D-25	Below	D

Projects Completed	D-10	$ 5,573,315.78
Canceled Unfunded	D-18	898,509.22
	Above	$ 6,471,825.00

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND -CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF 2013 APPROPRIATION RESERVES

D-12

	Balance December 31, 2013	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 12,821.29	$ 12,821.29	$ 12,821.29	$ -
Other Expenses	213,522.04	745,533.13	416,115.80	329,417.33
Purchase of Vehicle	3,734.00	3,734.00	-	3,734.00
	$ 230,077.33	$ 762,088.42	$ 428,937.09	$ 333,151.33
Reference	D	Below	D-5	D-1

Appropriation Reserves	D	$ 230,077.33
Encumbrances	D	532,011.09
	Above	$ 762,088.42

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF ACCOUNTS PAYABLE

D-13

	Reference				
Balance December 31, 2013	D			$	23,122.56
Decreased by:					
Cash Disbursements	D-5	$	2,389.00		
Canceled	D-1		17,500.00		
					19,889.00
Balance December 31, 2014	D			$	3,233.56

Analysis of Balance

Purchase Order Number	Vendor		
66679	Tilcon N.J. Inc.	$	399.00
36118	Pagenet Inc.		51.00
	Pagenet Inc.		525.00
57217	American Nursery		35.00
58027	Ridgewood Water Department		2,223.56
		$	3,233.56

SCHEDULE OF WATER RENT OVERPAYMENTS

D-14

	Reference				
Balance December 31, 2013	D			$	9,487.54
Decreased by:					
Applied to Water Rents	D-3,8	$	736.24		
Refunded	D-5		630.00		
					1,366.24
Balance December 31, 2014	D			$	8,121.30

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

D-15

	Reference	
Balance December 31, 2013	D	$ 27,040.80
Increased by:		
Accrued Interest on Bonds -Budget	D-4	413,238.12
		440,278.92
Decreased by:		
Payments	D-5	414,471.63
Balance December 31, 2014	D	$ 25,807.29

Analysis of Accrued Interest

Principal Outstanding December 31, 2014	Period	Interest Rate	Amount
Serial Bonds			
$ 110,000.00	12/01/14-12/31/14	4.60%	$ 434.00
1,600,000.00	12/15/14-12/31/14	3.00%	2,620.60
Bond Anticipation Notes			
2,479,000.00	09/18/14-12/31/14	1.00%	7,063.45
Unallocated Accruals			15,689.24
			$ 25,807.29

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVE FOR SUPERVISOR CONTRACT - WATER UTILITY FUND

D-16

	Reference	
Balance December 31, 2013	D	$ 7,200.00
Decreased by:		
Cash Disbursements	D-5	7,200.00
Balance December 31, 2014	D	$ -

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE - WATER UTILITY CAPITAL FUND

D-17

	Reference	
Balance December 31, 2013	D	$ 1,347,045.81
Increased by:		
Charged to Improvement Authorizations	D-18	117,192.21
		1,464,238.02
Decreased by:		
Cash Disbursements	D-5	1,347,045.81
Balance December 31, 2014	D	$ 117,192.21

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2013 Funded	Balance December 31, 2013 Unfunded	2014 Authorizations	Canceled/ Expended	Balance December 31, 2014 Funded	Balance December 31, 2014 Unfunded
1572	Improvement of Water Supply and Distribution System	9/13/1994	$ 232,400.00	$ -	$ 21,300.00	$ -	$ 21,300.00	$ -	$ -
1597	Improvement of Water Supply and Distribution System	5/20/1995	671,000		150.00		150.00		-
1729	Multiple Purpose	6/9/1998	434,600		56,608.05		56,608.05		-
1756	Multiple Purpose	5/4/1999	84,000	7,339.13	10,000.00		17,339.13	-	
1771	Multiple Purpose	10/12/1999	55,900	2,469.47	1,238.00		3,707.47	-	
1810	Multiple Purpose	9/5/2000	302,400	7,577.23	28,000.00		35,577.23	-	
1846	Improvements to Water System	3/27/2001	265,965		15,875.91		15,875.91		-
1863	Multiple Purpose	6/25/2001	133,665	4,267.79	27,300.00		31,567.79	-	
1930	Improvements to Water System	11/11/2002	257,145	783.00	39,898.00		40,681.00	-	
1942	Multiple Purpose	3/25/2003	904,050	4,242.00	136,000.00		140,242.00	-	
1993	Multiple Purpose	10/12/2004	690,900	172.99	129,000.00		129,172.99	-	
2031	Multiple Purpose	10/11/2005	814,800		295,424.98		295,424.98		-
2054	Improvements to Water System	5/23/2006	373,800		64,141.95		64,141.95		-
2123	Improvements to Water System	9/19/2008	92,400		26,322.17		12,900.00		13,422.17
2160	Improvements to Water System	7/21/2009	92,400		10,023.87		10,023.87		-
2218	Various Improvements to Water System	7/19/2011	280,500		841.11		841.11		(0.00)
2243	Various Improvements to Water System	9/11/2012	1,688,000		300,505.71	-	176,229.84		124,275.87
2286	Impr. To Water Supply & Distr. System	07/16/2013	326,400	16,320.00	310,080.00		147,547.32		178,852.68
2311	Impr. To Water Supply & Distr. System	4/8/2014				545,000.00	116,797.00		428,203.00
				$ 43,171.61	$1,472,709.75	$ 545,000.00	$ 1,316,127.64	$ -	$ 744,753.72
				D	D	D-25	Below	D	D

Encumbrances	D-17	$ 117,192.21
Canceled- Funded	D-2	37,537.61
Canceled - Unfunded	D-11	898,509.22
Cash Disbursements	D-5	262,888.60
	Above	$ 1,316,127.64

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF INTERFUNDS

	Due from/(To) Balance December 31, 2013	Increased	Decreased	Due from/(To) Balance December 31, 2014
Current Fund	$ (1,750,000.00)	$ 500,000.00	$1,000,000.00	$ (2,250,000.00)
Capital Fund	(1,100,000.00)	60,000.00		(1,040,000.00)
Water Utility Operating Fund	(411,491.31)	7,339.32	3,678.50	(407,830.49)
	$ (3,261,491.31)	$ 567,339.32	$1,003,678.50	$ (3,697,830.49)
Analysis				
Due From Water Utility Capital Fund	$ (3,261,491.31)	$ 567,339.32	$1,003,678.50	$ (3,697,830.49)
	$ (3,261,491.31)	$ 567,339.32	$1,003,678.50	$ (3,697,830.49)
	D	Below	Below	D

Cash Receipts	D-5	$ -	$1,000,000.00
Cash Disbursements	D-5	507,339.32	
Ban Paydowns	D-22	60,000.00	
Interest on Investmen	D-5		3,678.50
Above		$ 567,339.32	$1,003,678.50

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF CAPITAL IMPROVEMENT FUND

D-20

	Reference			
Balance December 31, 2013	D		$	30,180.00
Increased by:				
2014 Budget Appropriation	D-5	$ 26,500.00		
				26,500.00
				56,680.00
Decreased by:				
Appropriation to Finance Authorizations	D-25			27,250.00
Balance December 31, 2014	D		$	29,430.00

SCHEDULE OF RESERVE FOR AMORTIZATION

D-21

	Reference			
Balance December 31, 2013	D		$	13,480,444.24
Increased by:				
Completed Projects	D-22	$ 940,503.61		
Budget Appropriation - Serial Bond Principal	D-23	260,000.00		
				1,200,503.61
Balance December 31, 2014	D		$	14,680,947.85

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF RESERVES FOR DEFERRED AMORTIZATION

D-22

Ord. Number	Improvement Description	Date	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
1371	Multiple Purpose	6/23/1987	$ 86,349.00	$ -	$ 86,349.00	$ -
1398	Multiple Purpose	6/28/1988	220,995.00		220,995.00	-
1456	Multiple Purpose	9/11/1990	138,361.00		138,361.00	-
1486	Multiple Purpose	6/20/1991	4,200.00		4,200.00	-
1506	Improvement of Water Supply and Distribution System	7/28/1992	5,300.00 -		5,300.00	-
1531	Multiple Purpose	6/22/1993	11,200.00		11,200.00	-
1534	Improvement of Water Supply and Distribution System	10/12/1993	59,750.00 -		59,750.00	-
1572	Improvement of Water Supply and Distribution System	9/13/1994	11,100.00 -		11,100.00	-
1597	Improvement of Water Supply and Distribution System	5/9/1995	32,000.00 -		32,000.00	-
1639	Improvement of Water Supply and Distribution System	5/24/1996	21,850.00 -		21,850.00	-
1678	Multiple Purpose	3/25/1997	12,717.00		12,717.00	-
1729	Multiple Purpose	6/9/1998	21,750.00		21,750.00	-
1756	Multiple Purpose	5/4/1999	(225.39)		(225.39)	-
1771	Multiple Purpose	10/12/1999	15,559.00		15,559.00	-
1810	Multiple Purpose	9/5/2000	31,056.00		31,056.00	-
1846	Improvements to Water System	3/27/2001	18,488.00		18,488.00	-
1863	Multiple Purpose	6/25/2001	24,547.00		24,547.00	-
1930	Improvements to Water System	11/11/2002	18,299.00		18,299.00	-
1942	Multiple Purpose	3/25/2003	61,370.00		61,370.00	-
1993	Multiple Purpose	10/12/2004	42,137.00		42,137.00	-
2031	Multiple Purpose	10/11/2005	40,159.00	9,834.00	49,993.00	-
2054	Improvements to Water System	5/23/2006	17,800.00	2,968.00	20,768.00	-
2123	Improvements to Water System	8/19/2008	4,500.00	2,271.00		6,771.00
2160	Improvements to Water System	7/21/2009	14,000.00	2,787.00	16,787.00	-
2195	Improvements to Water System	7/19/2011		1,310.00	1,310.00	-
2218	Various Improvements to Water System	7/19/2011	13,500.00	1,343.00	14,843.00	-
2243	Various Improvements to Water System	9/11/2012	81,000.00	39,487.00		120,487.00
2286	Impr. of Water Supply and Distribution Syst	07/16/2013	16,320.00			16,320.00
2311	Impr. of Water Supply and Distribution Syst	4/8/2014		27,250.00		27,250.00
			$ 1,024,081.61	$ 87,250.00	$ 940,503.61	$ 170,828.00
			D	Below	D-21	D

Capital Improvement Fund	D-25	$ 27,250.00
Bond Anticipation Note Paydowns Received in Capital	D-24	60,000.00
	Above	$ 87,250.00

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF WATER UTILITY SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2013 Date	Amount	Interest Rate	Balance December 31, 2013	Decreased	Balance December 31, 2014
Water Improvements	12/1/2001	715,000	12/1/2015	60,000	4.60%	$ 170,000.00	$ 60,000.00	$ 110,000.00
			12/1/2016	50,000	4.70%			
Water Improvements	12/15/2010	2,245,000	12/15/2015-19	200,000	3.00%	1,800,000.00	200,000.00	1,600,000.00
			12/15/2020	200,000	3.00%			
			12/15/2021	200,000	3.25%			
			12/15/2022	200,000	3.50%			
						$ 1,970,000.00	$ 260,000.00	$ 1,710,000.00
						D	D-21	D

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. Number	Improvement Description	Date of Issue Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
2031	Multiple Purpose	9/22/2011	9/18/2014	09/18/2015	1.00%	$ 100,000.00	$ 90,166.00	$ 100,000.00	$ 90,166.00
2054	Improvement to Water System	9/22/2011	9/18/2014	09/18/2015	1.00%	200,000.00	197,032.00	200,000.00	197,032.00
2123	Various Improvements to Water System	9/19/2013	9/18/2014	09/18/2015	1.00%	75,000.00	72,729.00	75,000.00	72,729.00
2160	Improvement to Water System	9/22/2011	9/18/2014	09/18/2015	1.00%	170,000.00	167,213.00	170,000.00	167,213.00
2195	Improvement to Water System	9/22/2011	9/18/2014	09/18/2015	1.00%	100,000.00	149,190.00	100,000.00	149,190.00
2218	Various Improvements to Water System	9/22/2011	9/18/2014	09/18/2015	1.00%	100,000.00	251,157.00	100,000.00	251,157.00
2243	Improvement to Water Supply	9/19/2013	9/18/2014	09/18/2015	1.00%	1,540,000.00	1,500,513.00	1,540,000.00	1,500,513.00
2286	Improvement to Water Supply	9/18/2014	9/18/2014	09/18/2015	1.00%		51,000.00		51,000.00
						$ 2,285,000.00	$ 2,479,000.00	$ 2,285,000.00	$ 2,479,000.00
						D	D-5, Below	D-5, Below	D
					Renewals	Contra	$ 2,225,000.00	$ 2,225,000.00	
					New Issues	D-25	254,000.00		
					Paydowns	D-22		60,000.00	
						Above	$ 2,479,000.00	$ 2,285,000.00	

See independent auditor's report and the notes to financial statements.

BOROUGH OF FAIR LAWN
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2014 AND 2013

SCHEDULE OF BONDS AND NOTES AUTHORIZED NOT ISSUED

Ord. Number	Improvement Description	Balance December 31, 2013	2014 Authorizations	Increased	Decreased	Balance December 31, 2014
1371	Multiple Purpose	$ 8,614.00	$ -	$ -	$ -	$ 8,614.00
1456	Multiple Purpose	1,318.00				1,318.00
1572	Improvement of Water Supply and Distribution System	21,300.00			21,300.00	-
1597	Improvement of Water Supply and Distribution System	150.00			150.00	-
1729	Multiple Purpose	90,333.00			56,608.05	33,724.95
1756	Multiple Purpose	10,000.00			10,000.00	-
1771	Multiple Purpose	1,238.00			1,238.00	-
1810	Multiple Purpose	28,000.00			28,000.00	-
1846	Improvements to Water System	23,300.00			15,875.91	7,424.09
1863	Multiple Purpose	27,300.00			27,300.00	-
1930	Improvements to Water System	39,898.00			39,898.00	-
1942	Multiple Purpose	136,000.00			136,000.00	-
1993	Multiple Purpose	129,000.00			129,000.00	-
2031	Multiple Purpose	560,000.00			312,473.67	247,526.33
2054	Improvements to Water System	110,000.00			64,734.95	45,265.05
2123	Improvements to Water System	12,900.00			12,900.00	-
2160	Improvements to Water System	110,000.00			28,588.87	81,411.13
2195	Improvements to Water System	50,500.00			50,500.00	-
2218	Various Improvements to Water System	167,000.00			166,941.77	58.23
2243	Various Improvements to Water System	67,000.00				67,000.00
2286	Improvement of Water Supply and Distribution System	310,080.00			51,000.00	259,080.00
2311	Improvement of Water Supply and Distribution System		545,000.00		27,250.00	517,750.00
		$ 1,903,931.00	$ 545,000.00	$ -	$ 1,179,759.22	$ 1,269,171.78
			D-11,18	Below	Below	D
	Capital Improvement Fund		D-20,22	$ -	$ 27,250.00	
	Canceled		D-18		898,509.22	
	Bond Anticipation Notes		D-24		254,000.00	
	Non Renewed BANS		D-24	-	-	
			Above	$ -	$ 1,179,759.22	

See independent auditor's report and the notes to financial statements.

GARBARINI & CO. P.C.
Certified Public Accountants

REGISTERED MUNICIPAL ACCOUNTANTS
LICENSED PUBLIC SCOOL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Fair Lawn, State of New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements – regulatory basis (the "financial statements") of the Borough of Fair Lawn, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated June 29, 2015. As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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 Borough'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 to 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and requirements prescribed by the Division, which are described in the accompanying schedule of audit comments and recommendations as items #14-01 through 14-03.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534

Garbarini & Co. P.C.
Certified Public Accountants

June 29, 2015
Carlstadt, New Jersey

BOROUGH OF FAIR LAWN

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
DECEMBER 31, 2014 AND 2013

Schedule I-1

Name of Federal Agency or Department	Federal Program	Federal CFDA#	Total Grant Award Amount	Grant Year	Balance Dec. 31, 2013	Reclassify from State	Cash Received	Program Expenditures	Adjusted/ Canceled	Balance Dec. 31, 2014	Memo Cumulative Total Expenditures
Department of Environmental Protection	Municipal Stormwater Regulation Program	66.605	$ 15,464.00	2005	$ 15,464.00	$ -	$ -	$ -	$ -	$ 15,464.00	$ -
	State Forestry Grant	10.664	3,000.00	2010	2,400.00					2,400.00	-
Department of Housing and Urban Development Pass through County of Bergen	Community Development Block Grant:	14.218									
	Various Road Improvements, Ord. 1542		69,100.00	1993	(2,468.27)				2,468.27	-	69,100.00
	Senior Center Building Improvements, Ord # 2170		40,000.00	2010	(750.00)				750.00	-	34,153.00
	ADA Barrier Free Curbs Ord # 2246		20,000.00	2012	(400.00)				400.00	-	20,000.00
	Senior Center Impr Ord # 2248		30,000.00	2012	(30,000.00)					(30,000.00)	30,000.00
	Improv Chandler Dr, Ord # 2288		162,000.00	2013	(54,897.15)					(54,897.15)	100,000.00
	2014 Road Resurfacing Ord #2303		104,000.00	2014	-		-	104,000.00		(104,000.00)	104,000.00
	Senior Center Grease Trap #2302		20,000.00	2014				-		-	-
										-	
U.S. Department of Homeland Security					-						
	Assistance to Firefighters Grant - FEMA -Ord. 2185	97.044	87,638.00	2010	(121.00)		121.00			-	87,638.00
U.S. Department of Transportation National Highway Safety Pass thru State of NJ		20.205									
	Pollitt Drive Extension & McBride Ave. Ord # 1917		90,000.00	2002	(7.91)				7.91	-	90,000.00
	Improvements to Streets-20th, Fairclough, Kipp, and Romaine St. Ord. # 1950		45,000.00	2003	(13,979.49)				13,979.49	-	45,000.00
	Improvements to B-Way- Phase I - Ord #2233		150,000.00	2012	-					-	
	Improvements to B-Way- Phase I - Ord #2247		146,500.00	2012	-					-	
	Berdan Avenue Phase 2 Ord#2263		300,000.00	2013	(75,000.00)					(75,000.00)	
	Improvements to Radburn Ave - Ord #2318		149,000.00	2014			111,750.00	149,000.00		(37,250.00)	149,000.00
	Fair Lawn Ave Safety Corridor - Ord 2320		511,850.00	2014	-		-	-		-	
U.S. Department of Justice	Cops in Shops	16.727	9,500.00	2010	-					-	4,500.00
			4,500.00	2011	3,101.32			1,687.75		1,413.57	4,500.00
			6,172.80	2012	4,500.00					4,500.00	1,672.80
			5,061.68	2013	5,061.68					5,061.68	
			6,180.00	2013	6,180.00					6,180.00	
			6,180.00	2014						-	
	Bullet Proof Vest Grant	16.727	4,200.00	2010	4,200.00					4,200.00	
	Bullet Proof Vest Grant		16,704.89	2010	16,704.89					16,704.89	-
	Enforcing Underage Drinking Law Program	16.727	3,439.41	2014			3,439.41			3,439.41	
US Department of Law & Public Safety	Public Assistance Grants	97.036			-						
	Hurricane Sandy		580,383.91	2012	(284,998.74)		306,261.77			21,263.03	580,383.91
	Hazard Mitigation Grant Program		142,080.00	2013	2,000.00					2,000.00	
	Emergency Management Program	97.042	5,000.00	2012	5,000.00					5,000.00	-
			10,000.00	2013	10,000.00			10,000.00		-	10,000.00
Total Federal Financial Assistance					$ (388,010.67)	$ -	$ 421,572.18	$ 264,687.75	$ 17,605.67	$ (213,520.57)	$ 1,329,947.71

* Expended prior year

BOROUGH OF FAIR LAWN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2014 AND 2013

Schedule I-2

State Grantor Department	Program Title	State Program/ Account Number	Program Amount	Grant Year	Balance Dec. 31, 2013	Reclassify to Federal Grant	Cash Received	Program Expenditures	Adjusted/ Canceled	Balance Dec. 31, 2014	Memo Cumulative Total Expenditures
Department of Health and Senior Services	Pandemic Influenza Preparedness		$ 10,000.00	2011	$ 2,241.28	$ -	$ -	$ -	$ (2,241.28)	$ -	$ 10,000.00
	Recreation for the Handicapped		14,197.85	2011	14,197.85				(14,197.85)	-	-
Department of Environmental	Clean Communities Program	4900-765-178910-60	35,867.00	2008	1,601.59			403.00		1,198.59	34,265.41
			45,751.52	2012	10,570.00			10,570.00		(0.00)	35,181.52
			44,865.27	2013	(5,282.16)			29,043.44	37,941.34	3,615.74	41,249.53
			49,394.39	2014				4,125.81		(4,125.81)	4,125.81
	Recycling Tonnage	4900-752-178810-60	91,496.00	2009	91,496.00					91,496.00	
			77,558.00	2010	67,530.44					67,530.44	10,028.00
			74,595.00	2011	74,595.12					74,595.12	
			44,865.27	2012	44,865.27					44,865.27	
			66,723.25	2013	66,723.25					66,723.25	
			59,351.49	2014	-		59,351.49			59,351.49	
	Environmental Grant		1,675.00	2013	-			525.00		(525.00)	525.00
	Granualar Activated Carbon Demo Project	527-042-4840-030-3620	1,200,000.00	2007	(71,178.64)			19,000.00		(90,178.64)	1,132,373.00
	Alcohol Education and Rehabilitation		969.61	PY	969.61					969.61	
			2,576.00	2006	2,576.00					2,576.00	
			1,253.06	2009	1,253.06					1,253.06	
			804.37	2010	804.37					804.37	
			161.80	2011	161.80					161.80	
			949.94	2013	949.94					949.94	
			649.88	2014	649.88					649.88	
	Green Acres- Open Space- Ord # 2254		146,000.00	2012	(146,000.00)					(146,000.00)	146,000.00
Department of Law & Public Safety	New Jersey Highway Safety Project Grant Over the Limit Under Arrest	1160-100-066-1160-111-YHTS-6010	4,400.00	2011	4,400.00					4,400.00	
					-					-	
	Body Armor Grant	1020-718-066-1020-001	73,930.00	2005	(19,352.74)				(926.24)	(20,278.98)	73,003.75
			22,809.00	2006	17,490.61			3,248.00		14,242.61	8,566.39
			6,198.48	2007	6,198.48					6,198.48	
			5,196.17	2009	5,196.17					5,196.17	-
			5,388.71	2011	5,388.71					5,388.71	-
			5,101.00	2012	5,101.00					5,101.00	-
			5,223.68	2014			5,223.68			5,223.68	

BOROUGH OF FAIR LAWN

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2014 AND 2013

Schedule I-2

State Grantor Department	Program Title	State Program/ Account Number	Program Amount	Grant Year	Balance Dec. 31, 2013	Reclassify to Federal Grant	Cash Received	Program Expenditures	Adjusted/ Canceled	Balance Dec. 31, 2014	Memo Cumulative Total Expenditures
Department of Law & Public Safety (Continued)	Click-it or Ticket		$ 4,000.00	2010	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,389.00
	Drunk Driving Enforcement Fund	4230-100-046-4750-241	21,156.00	2010	19,003.39					19,003.39	443.84
			4,924.37	2011	4,924.37					4,924.37	
			6,633.14	2012	5,790.17				(1,708.77)	4,081.40	842.97
	Emergency Management Assistance Fund			PY	181.00				(181.00)	-	
			5,000.00	2011	5,000.00					5,000.00	
					-					-	
					-					-	
Department of Community Affairs	Statewide Livable Communites Grant- Library Ord # 2021		23,000.00	2005	(22,959.42)				22,959.42	-	22,959.42
	Smart Future Growth Grant		7,000.00	2009	7,000.00					7,000.00	
Total State Financial Assistance:					$ 202,086.40	$ -	$ 64,575.17	$ 66,915.25	$ 41,645.62	$ 241,391.94	$ 1,522,953.64
County of Bergen	Municipal Alliance on Alcoholism and Drug Abuse		$ 15,759.00	2011	$ 4,877.07	$ -	$ -	$ -	$ (4,877.07)	$ -	$ 8,561.32
			15,759.00	2012	213.07				(213.07)	(0.00)	9,662.85
			15,759.00	2013	(3,338.01)		15,418.14	6,595.13	(5,485.00)	(0.00)	3,338.01
Bergen County Open Space	Vogel Park Ord # 2259		50,000.00	2013	(30,571.00)			19,429.00		(50,000.00)	50,000.00
	ADA Berdan Park Ord # 2294/2298		80,000.00	2013	-		80,000.00	80,000.00		-	80,000.00
	Naugle Park Ord # 2235		19,500.00	2012	-					-	-
	Naugle/Vanderbeck (2322)		25,000.00	2014	-			25,000.00		(25,000.00)	25,000.00
	Columbia Park (2326)		20,000.00	2014	20,000.00					20,000.00	-
	Municipal Recycling Assistance Program		21,859.00	2007	605.41				(605.41)	-	21,254.00
					-					-	
					$ -					-	
	Police Grant		2,250.00	2010	2,250.00					2,250.00	
	Historic Preservation		1,800.00	2014			1,800.00	1,800.00			1,800.00
Bergen County Department of Public Works	County Wide ADA Ramps/Curbs/Sidewalks Ord # 2293		200,000.00	2014	-					(200,000.00)	
Total County Financial Assistance					$ (5,963.46)	$ -	$ 97,218.14	$ 132,824.13	$ (11,180.55)	$ (252,750.00)	$ 199,616.18
Total Federal, State, and County Financial Assistance					$ (191,887.73)	$ -	$ 583,365.49	$ 464,427.13	$ 48,070.74	$ (224,878.63)	$ 3,052,517.53

BOROUGH OF FAIR LAWN
BERGEN COUNTY, NEW JERSEY
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

1. General

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

2. Basis of Accounting

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

3. Relationship of Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements, exclusive of the unappropriated reserves. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:

	Federal	State/Other	Total
Current /Grant Fund	$ 11,687.75	$ 75,310.38	$ 86,998.13
Capital	253,000.00	124,429.00	377,429.00
	$ 264,687.75	$ 199,739.38	$ 464,427.13

4. Relationship to Federal and State Financial Reports

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

BOROUGH OF FAIR LAWN
BERGEN COUNTY, NEW JERSEY
ROSTER OF OFFICIALS AND SURETY BONDS
DECEMBER 31, 2014

Name	Title	
John Cosgrove	Mayor	
Amy Lefkowitz	Deputy – Mayor	
Daniel Dunay	Deputy – Mayor	
Kurt Peluso	Council Member	
Lisa Swain	Council Member	
James Van Kruiningen	Borough Manager	(A)
Joanne M. Kwasniewski	Borough Clerk	(A)
Karen Palermo	Chief Financial Officer	(A)
Alice Lee	Tax Collector	(A)
Steven Schechter	Judge	(A)
Clare Cabibbo	Municipal Court Administrator	(A)
Kenneth R. Garrison	Engineer	
Richard Bolan	Construction Code Official	
Glen Cauwels	Police Chief	
Carol Wagner	Health Officer and Registrar of Vital Statistics	
Timothy H. Murphy	Library Director	
Ronald Mondello	Borough Attorney	
James Graff	Superintendent of Recreation	

(A) -Public Official Bonds provided by the Municipal Excess Joint Insurance Fund in the amount of $1,000,000.

All Other Employees are covered by a Faithful Performance and Employee Dishonesty Bond Coverage under the terms of an agreement with the Municipal Excess Joint Insurance Fund in the amount of $1,000,000 with a $500 deductible. Coverage also includes $50,000 for theft, disappearance, etc. of money with a $500 deductible.

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

NJS40A:11-4 states "Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 "a contract year the total sum of $17,500. 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 $36,000.00"], 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 therefore, except as is provided otherwise in this act or specifically by any other law."

NJS40A:11-9 states "The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, establish the office of purchasing agent, or a purchasing department or a purchasing board, with the authority, responsibility, and accountability as its contracting agent, for the purchasing activity for the contract in unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c. 198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit."

Management of the Borough has the responsibility of determining whether the expenditures in any category will exceed the above limits within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures did not reveal individual payments, contracts or agreements in excess of $17,500.00 "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 NJS 40A:11-6.

Expenditure of $2,625 or more and less than $17,500 Per N.J.S.A. 40A:11-6.1

N.J.S.A 40A:11-6.1 states, "a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection professional services and paragraph (b) of the subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous."

Collection of Interest of Delinquent Taxes and Assessments

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

The Governing Body on January 7, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-66 provides that taxes and Special Improvement District assessments are payable in quarterly installments on February 1st, May 1st, August 1st, and November 1st, of each year;

WHEREAS, N.J.S.A. 40:56-32 provides that installments on Assessments are due on the anniversary of the second month following their confirmation; and

WHEREAS, installments become delinquent if not paid on or before those dates; and

WHEREAS, Sewer User Charges are payable March 1st, June 1st, September 1st, and December 1st of each year; and

WHEREAS, N.J.S.A. 54:4-67 permits municipalities to provide a grace period not exceeding ten (10) calendar days without additional charge for interest and to fix the rate of interest, not to exceed 8% per annum on the first $1,500 of the delinquency, and 18% per annum on any amount in excess of $1,500 to be calculated from the date the tax was payable until the date of actual payment.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Fair Lawn that no interest shall be charged if any installment of taxes is made within (10) calendar days after the date upon which the same becomes payable, but when an installment is received after the expiration of the grace period on delinquent balance, shall bear interest from the due date at the rate of 8% per annum on the first $1,500 and 18% per annum on any amount in excess of $1,500 to be calculated from the date the tax was payable until the date of actual payment; and

BE IT FURTHER RESOLVED that when assessment installment is received after the expiration of the grace period, the total assessment shall bear interest at the rate of 8% per annum on the first $1,500 of the delinquency, and 18% per annum on any amount in excess of $1,500 to be calculated from the date the installment was payable until the date of actual payment.

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

RECOMMENDATIONS

Recommendation: 13-01:

Municipal Court:

1. That all funds collected are to be deposited within 48 hours of receipt at all times as per N.J.S.A. 40A:5-15.

*2. That all monies collected by the court should be disbursed to the appropriate agencies on or before the 15th day of the following month, as per Rule 7:14-4 (a).

*3. That all out-of-town traffic/criminal bail monies posted for outside agencies should be receipted and disbursed through the ATS/ACS automated system. When accepting bail in the form of a check for an out-of-town summons/warrant, the check should be payable to Fair Lawn Municipal Court and processed through the system.

*4. That all pre-numbered receipt books used by the Police Department should be complete and all pink receipt duplicates should remain in the book and be available for audit.

Status:

Corrective action was not taken.

***Comment # 14-01**
Municipal Court

*1. Deposits were not always being made within the 48 hours in the General Account and the Bail Account as required by N.J.S.A. 40A:5-15. We noted few instances in both accounts where deposits were made 1-3 days over 48 hours.

*2. In the General Account, monies collected were not always being disbursed to the agencies on or before the 15th of the following month, as per Rule 7:14-4(a). We noted many instances where the checks were written before the 15th but where held and released after that date.

*3. When bail monies are collected for an out-of-town municipal court and the payment is in the form of a check, the check is made payable to another municipality and mailed directly there. These payments are not processed through the Fair Lawn Municipal Court ATS/ACS system as "out of town bail" as they should be.

4. Police Department pre-numbered bail receipt books were missing two (2) receipts, B005071 and B05251. All three parts of the receipts were missing from book and were not available for audit.

Recommendation:

*1. That all funds collected are to be deposited within 48 hours of receipt at all times as per N.J.S.A. 40A:5-15.

*2. That all monies collected by the court should be disbursed to the appropriate agencies on or before the 15th day of the following month, as per Rule 7:14-4 (a).

*3. That all out-of-town traffic/criminal bail monies posted for outside agencies should be receipted and disbursed through the ATS/ACS automated system. When accepting bail in the form of a check for an out-of-town summons/warrant, the check should be payable to Fair Lawn Municipal Court and processed through the system.

4. That all pre-numbered receipt books used by the Police Department for collection of bail should be complete and all pink receipt duplicates should remain in the book and be available for audit.

* Repeated from prior year.

Comment # 14-02

The Borough did not comply with its 2014 requirements on Other Post Employment Benefits *("OPEB")* in a timely matter.

Recommendation:

That the Borough's OPEB actuarial study requirement be completed in a timely manner allowing for disclosure in the financial statements.

Management's Response:

The Borough is currently under contract with Insurance Design Administrators to calculate the liability for Other Post Employment Benefits through an actuarial study be completed prior to audit fieldwork.

Comment # 14-03

There exists General Capital and Water Capital ordinances with cash deficits, that are more than 5 years old.

Recommendation:

That capital ordinances greater than 5 years old with cash deficits should be funded.

Management's Response:

The Borough will fund these ordinances through budget appropriation in future years.

Appreciation

We desire to express our appreciation of the assistance and courtesies rendered by the Borough Officials and employees during the year.

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June 29, 2015