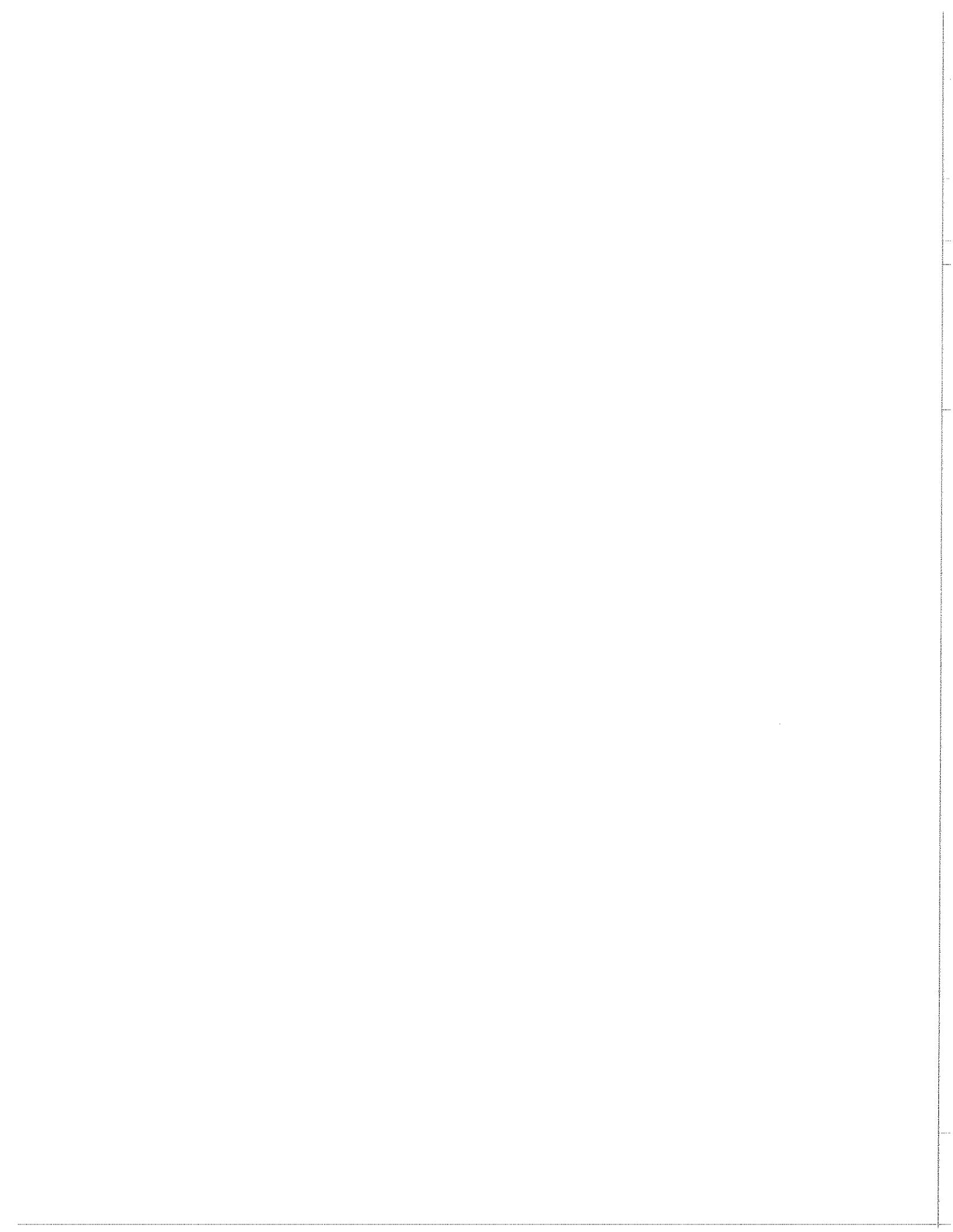


*Report of Audit*  
*on the*  
*Financial Statements*  
*of the*  
*Borough of Fanwood*  
*in the*  
*County of Union*  
*New Jersey*  
*for the*  
*Year Ended*  
*December 31, 2013*



BOROUGH OF FANWOOD

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BOROUGH OF FANWOOD

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BOROUGH OF FANWOOD

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BOROUGH OF FANWOOD

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2013



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Fanwood  
County of Union  
Fanwood, New Jersey 07023

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Fanwood, as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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 regulatory financial statements.

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Fanwood as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2013.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2013 and 2012, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

# SUPLEE, CLOONEY & COMPANY

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fanwood's regulatory financial statements. The supplementary information and data and schedules of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2014 on our consideration of the Borough of Fanwood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Fanwood's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July 16, 2014

CURRENT FUND

BOROUGH OF FANWOOD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2013	BALANCE DECEMBER 31, 2012
Cash	A-4	\$ 2,391,218.16	\$ 2,059,627.76
Cash - Change Funds	A-6	350.00	350.00
Due from State of New Jersey-Senior Citizens Deductions	A-8	5,579.00	4,079.00
State Aid Receivable	A-5	<u>243,794.49</u>	<u>314,584.52</u>
		\$ <u>2,640,941.65</u>	\$ <u>2,378,641.28</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 289,788.76	\$ 291,223.47
Tax Title Liens Receivable	A-10	19,081.34	22,761.35
Property Acquired for Taxes-Assessed Valuation	A-11	12,279.00	12,279.00
Revenue Accounts Receivable	A-12	10,229.81	15,192.76
Sewer Charges Receivable	A-29	4,980.00	4,397.52
Interfunds Receivable	A-23	16,393.55	35,607.70
Prepaid Regional School Tax	A-21	87,058.77	
Maintenance Lien Receivable	A-35	<u>766.38</u>	
	A	\$ <u>440,577.61</u>	\$ <u>381,461.80</u>
Deferred Charges:			
Emergency Appropriation 40A:4-53	A-19	\$ 44,000.00	\$ 55,000.00
Emergency Appropriation 40A:4-55	A-19	<u>156,942.82</u>	<u>500,000.00</u>
		\$ <u>200,942.82</u>	\$ <u>555,000.00</u>
		\$ <u>3,282,462.08</u>	\$ <u>3,315,103.08</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 146,565.32	\$ 313,718.97
Encumbrances Payable	A-24	406,993.05	647,222.80
Prepaid Taxes	A-17	413,464.85	89,227.01
Tax Overpayments	A-18	38,258.05	14,719.17
Interfunds Payable	A-23	9,334.76	
County Taxes Payable	A-20	9,985.11	10,773.21
School Taxes Payable	A-21		104,981.81
Reserve for:			
Due State of New Jersey:			
State Training Fees	A-25	788.54	1,076.54
Burial Permits	A-27	35.00	35.00
Reserve to Pay Emergency Note	A-34	42,282.69	
Tax Appeals	A-28	20,600.32	39,624.80
Library	A-30	4,905.76	4,905.76
Sale of Municipal Assets	A-14	125.00	125.00
Grants - Appropriated	A-22	346,919.58	366,852.33
Grants - Unappropriated	A-15	1.00	1,226.00
Fire Fines and Penalties	A-26	25.00	25.00
Snow Removal	A-31	25,000.00	25,000.00
Salary Increases	A-32	5,000.00	122,336.55
Emergency Note Payable	A-33	400,000.00	500,000.00
		<u>\$ 1,870,284.03</u>	<u>\$ 2,241,849.95</u>
Reserve for Receivables and Other Assets	A	440,577.61	381,461.80
Fund Balance	A-1	<u>971,600.44</u>	<u>691,791.33</u>
		<u>\$ 3,282,462.08</u>	<u>\$ 3,315,103.08</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

## BOROUGH OF FANWOOD

## CURRENT FUND

STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2013	YEAR ENDED DECEMBER 31, 2012
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 232,000.00	\$ 215,000.00
Miscellaneous Revenue Anticipated	A-2	2,625,924.35	2,310,523.89
Receipts From Delinquent Taxes	A-2	295,917.24	328,673.70
Receipts From Current Taxes	A-2	28,626,120.30	27,867,332.85
Non-Budget Revenue	A-2	101,282.95	231,394.93
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	118,424.48	181,651.22
Interfunds Returned		19,214.15	
Tax Overpayments Canceled	A-18	100.92	
<u>TOTAL INCOME</u>		<u>\$ 32,018,984.39</u>	<u>\$ 31,134,576.59</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	\$ 5,899,287.00	\$ 6,276,414.66
Deferred Charges and Statutory Expenditures	A-3	764,366.00	769,312.12
Operations Excluded From "CAPS":			
Other Operations	A-3	1,016,881.17	945,912.68
Capital Improvement Fund	A-3	100,000.00	125,000.00
Deferred Charges	A-3	111,000.00	49,353.00
Municipal Debt Service	A-3	832,360.00	862,761.95
Regional School Tax	A-21	17,134,362.91	16,944,403.70
County Taxes	A-20	5,492,892.41	5,232,055.35
County Share of Added Taxes	A-20	8,370.09	9,158.19
Interfunds Advanced			31,549.27
Reserve for Tax Appeals	A-2	25,000.00	
Grants Receivable Canceled		35,596.93	
Prepaid School Tax	A-21	87,058.77	
<u>TOTAL EXPENDITURES</u>		<u>\$ 31,507,175.28</u>	<u>\$ 31,245,920.92</u>
Excess (Deficit) in Revenue		\$ 511,809.11	\$ (111,344.33)
Adjustment to Income Before Fund Balance:			
Expenditures Included above which are by Statute			
Deferred Charges to Budgets of Succeeding Years			555,000.00
Statutory Excess to Fund Balance		\$ 511,809.11	\$ 443,655.67
Fund Balance			
Balance, January 1	A	691,791.33	463,135.66
		<u>\$ 1,203,600.44</u>	<u>\$ 906,791.33</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	232,000.00	215,000.00
Balance, December 31	A	<u>\$ 971,600.44</u>	<u>\$ 691,791.33</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

	<u>REF.</u>	<u>BUDGET</u>	<u>SPECIAL N.J.S. 40A: 4-87</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Appropriated	A-1	\$ <u>232,000.00</u>		\$ <u>232,000.00</u>	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	\$ 7,600.00		\$ 7,875.00	275.00
Other	A-2	4,300.00		4,296.00	(4.00)
Fees and Permits:					
Construction Code Official	A-12	152,000.00		210,766.00	58,766.00
Other	A-2	54,700.00		76,500.85	21,800.85
Municipal Court Fines	A-12	216,000.00		177,499.56	(38,500.44)
Interest and Costs on Taxes	A-12	75,000.00		58,763.07	(16,236.93)
Parking Meters & Permits	A-2	277,000.00		285,175.63	8,175.63
Interest on Investments	A-12	27,400.00		31,017.30	3,617.30
Energy Receipts Tax	A-12	755,288.00		755,288.00	
Township of Scotch Plains - Interlocal Agreement :					
Street Lighting	A-12	2,000.00		2,000.00	
Recycling Tonnage Grant	A-5		9,743.76	9,743.76	
Drunk Driving Enforcement Fund	A-5	4,341.48		4,341.48	
Union County Kids Recreation	A-5	62,000.00		62,000.00	
Clean Communities Program	A-5	12,007.69		12,007.69	
Historic Preservation Commission Grant	A-5	1,500.00		1,500.00	
Municipal Alliance	A-5	2,088.56		2,088.56	
Greening Union County	A-5	725.00	1,356.50	2,081.50	
Click It or Ticket	A-5	4,000.00		4,000.00	
Housing Rehabilitation	A-5	54,500.00		54,500.00	
Union County Heart Grant	A-5	500.00	2,875.00	3,375.00	
PSEG Grant	A-5	28,846.00		28,846.00	
Sustainable NJ	A-5		7,521.00	7,521.00	
Sewer Fees	A-29	26,000.00		56,717.52	30,717.52
FEMA Reimbursement	A-12	100,000.00		100,000.00	
Uniform Fire Safety Act	A-12	4,700.00		6,554.93	1,854.93
Verizon TV	A-12	61,782.59		61,782.59	
Bulk Waste Pick Up	A-12	15,000.00		18,330.00	3,330.00
Cable T.V. Franchise Fee	A-12	34,877.86		34,877.86	
Communications Tower Rental	A-12	106,996.00		112,004.41	5,008.41
Reserve for Debt Service	A-12	237.50		237.50	
Sale of Municipal Assets	A-12	300,000.00		300,000.00	
P.I.L.O.T. Elite Phase I	A-12	86,149.00		82,233.14	(3,915.86)
Capital Surplus	A-12	52,000.00		52,000.00	
	A-1	\$ <u>2,529,539.68</u>	\$ <u>21,496.26</u>	\$ <u>2,625,924.35</u>	\$ <u>74,888.41</u>
Receipts From Delinquent Taxes	A-1	\$ <u>280,000.00</u>		\$ <u>295,917.24</u>	\$ <u>15,917.24</u>
Property Tax for Support of Municipal Budget Appropriation:					
Local Tax for Municipal Purposes	A-2:A-9	\$ 5,760,234.05		\$ 5,830,756.43	70,522.38
Minimum Library Tax	A-2:A-9	<u>366,538.37</u>		<u>366,538.37</u>	
		\$ <u>6,126,772.42</u>		\$ <u>6,197,294.80</u>	\$ <u>70,522.38</u>
<u>Budget Totals</u>		\$ <u>9,168,312.10</u>	\$ <u>21,496.26</u>	\$ <u>9,351,136.39</u>	\$ <u>161,328.03</u>
Non-Budget Revenue	A-1 ;A-2	\$ _____		\$ <u>101,282.95</u>	\$ <u>101,282.95</u>
		\$ <u>9,168,312.10</u>	\$ <u>21,496.26</u>	\$ <u>9,452,419.34</u>	\$ <u>262,610.98</u>

REF. A-3 A-3

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

	<u>REF.</u>		
Allocation of Current Tax Collections: Collected	A-1:A-9	\$	28,626,120.30
Allocated to:			
Schools and County Taxes		\$	22,813,825.50
Reserve for Tax Appeals	A-1:A-28		<u>25,000.00</u>
			<u>22,838,825.50</u>
Support of Municipal Budget Appropriations		\$	5,787,294.80
Add: Appropriation Reserve for Uncollected Taxes	A-3		<u>410,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u>6,197,294.80</u>
Other Licenses:			
Health Officer	A-12	\$	<u>4,296.00</u>
	A-2	\$	<u>4,296.00</u>
Other Fees and Permits:			
Health Officer	A-12	\$	8,070.00
Police Department	A-12		47,439.85
Zoning	A-12		7,655.00
Fire Inspection	A-12		12,471.00
Clerk	A-12		<u>915.00</u>
			76,550.85
Less: Refunds	A-4		<u>50.00</u>
	A-2	\$	<u>76,500.85</u>
Parking Meters	A-12	\$	289,513.63
Less: Refunds	A-4		<u>4,338.00</u>
	A-2	\$	<u>285,175.63</u>
Bulk Waste Pick-Up	A-12	\$	18,395.00
Less: Refunds	A-4		<u>65.00</u>
	A-2	\$	<u>18,330.00</u>
Miscellaneous Revenue Not Anticipated:			
Senior Citizens - Administrative Fee		\$	1,405.00
Auction			12,503.00
Reimbursements			23,105.60
Motor Vehicle Fine Reimbursements			5,306.00
Premium Foreclosed Lien			28,100.00
Tax Collector			5,563.86
Miscellaneous			<u>25,299.49</u>
	A-4	\$	<u>101,282.95</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>OPERATIONS WITHIN "CAPS"</b>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 163,179.00	\$ 163,829.00	\$ 163,367.21	\$ 461.79	
Other Expenses	57,870.00	59,370.00	57,458.35	1,911.65	
Office of the Mayor:					
Salaries and Wages	500.00	500.00	405.00	95.00	
Other Expenses	1,900.00	1,900.00	1,900.00		
Financial Administration:					
Salaries and Wages	93,696.00	94,451.00	94,166.31	284.69	
Other Expenses	49,075.00	36,075.00	29,305.02	6,769.98	
Audit	26,675.00	26,025.00	26,025.00		
Assessment of Taxes:					
Salaries and Wages	18,265.00	18,628.00	18,308.67	319.33	
Other Expenses	7,900.00	7,900.00	7,235.51	664.49	
Collection of Taxes:					
Salaries and Wages	61,825.00	63,400.00	63,385.68	14.32	
Other Expenses	5,280.00	5,280.00	4,900.24	379.76	
Legal Services and Costs:					
Other Expenses	158,440.00	148,440.00	143,859.36	4,580.64	
Municipal Prosecutor:					
Salaries and Wages	22,575.00	23,225.00	22,826.03	398.97	
Engineering Services and Costs:					
Other Expenses	12,000.00	12,000.00	12,000.00		
Planning Board:					
Other Expenses	25,451.00	22,451.00	21,935.36	515.64	
Credit Card Fees:					
Other Expenses	2,500.00	1,000.00	704.85	295.15	
Environmental Commission:					
Salaries and Wages	3,720.00	3,795.00	3,729.24	65.76	
Other Expenses	2,185.00	1,185.00	240.00	945.00	
Shade Tree Commission:					
Other Expenses	48,600.00	48,500.00	45,029.50	3,470.50	
Insurance:					
State Unemployment Compensation	24,000.00	9,000.00	4,543.32	4,456.68	
Group Insurance for Employees	1,097,361.00	1,096,901.00	1,094,664.26	2,236.74	
Other Insurance Premiums	119,944.00	119,944.00	119,839.58	104.42	
Workmen's Compensation	163,203.00	153,803.00	153,764.69	38.31	

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<b>OPERATIONS WITHIN "CAPS":</b>					
<b>PUBLIC SAFETY</b>					
Fire:					
Other Expenses:					
Fire Hydrants	\$ 115,000.00	\$ 112,500.00	\$ 103,125.00	\$ 9,375.00	
Miscellaneous	46,300.00	46,300.00	46,273.85	26.15	
Fire Prevention Bureau:					
Salaries and Wages	18,320.00	19,220.00	18,278.37	941.63	
Other Expenses	4,475.00	4,475.00	2,553.85	1,921.15	
Police:					
Salaries and Wages	1,770,000.00	1,782,000.00	1,779,888.68	2,111.32	
Other Expenses	58,536.00	58,536.00	55,764.25	2,771.75	
School Crossing Guards:					
Salaries and Wages	63,000.00	71,000.00	68,406.64	2,593.36	
Dispatchers:					
Other Expenses	80,000.00	80,000.00	80,000.00		
Traffic Signal Maintenance:					
Other Expenses	5,000.00	5,000.00	3,219.00	1,781.00	
Emergency Management Services:					
Other Expenses	1,670.00	1,670.00		1,670.00	
Sanitation:					
Solid Waste Management Act:					
Salaries and Wages	6,000.00	6,250.00	6,120.48	129.52	
Other Expenses	66,830.00	66,830.00	49,876.31	16,953.69	
Road Repair and Maintenance:					
Salaries and Wages	586,000.00	594,000.00	593,492.73	507.27	
Other Expenses	84,700.00	90,940.00	90,940.00		
Street Lighting	108,000.00	111,000.00	97,448.83	13,551.17	
<b>HEALTH AND WELFARE</b>					
Board of Health:					
Salaries and Wages	11,625.00	11,625.00	11,038.92	586.08	
Other Expenses	2,205.00	1,205.00	1,037.03	167.97	
Contractual - Town of Westfield	40,655.00	40,655.00	40,655.00		
Animal Control Regulation:					
Other Expenses	11,250.00	6,650.00	6,650.00		
Shared Services:					
Other Expenses	2,200.00	2,200.00	2,200.00		
Snow Removal:					
Other Expenses	10,000.00	28,000.00	25,839.63	2,160.37	
New Jersey Public Employees Occupational and Safety Health Act:					
Other Expenses	1,000.00	1,000.00	839.00	161.00	
Right to Know Act:					
Salaries and Wages	1,000.00				
Other Expenses	1,000.00				
Historic Preservation Commission:					
Other Expenses	1,450.00	1,450.00	309.07	1,140.93	

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
<u>RECREATION AND COMMUNITY SERVICES</u>					
Parks and Playgrounds:					
Salaries and Wages	\$ 20,500.00	\$ 19,500.00	\$ 18,933.45	\$ 566.55	\$
Other Expenses	14,456.00	16,456.00	14,453.00	2,003.00	
Celebration of Public Events:					
Other Expenses	8,800.00	8,800.00	8,375.99	424.01	
Senior Citizen:					
Salaries and Wages	5,556.00	5,556.00	5,556.00		
Other Expenses	4,650.00	4,650.00	1,839.05	2,810.95	
Rescue Squad:					
Other Expenses	3,000.00	3,000.00		3,000.00	
<u>MUNICIPAL COURI</u>					
Salaries and Wages	105,700.00	108,700.00	108,139.20	560.80	
Other Expenses	9,550.00	9,550.00	6,443.47	3,106.53	
<u>Slate Uniform Construction Code:</u>					
Construction Official:					
Salaries and Wages	19,600.00	19,300.00	19,036.56	263.44	
Other Expenses	6,930.00	5,662.00	4,086.79	1,575.21	
<u>Sub Code Officials:</u>					
Plumbing Inspector:					
Salaries and Wages	8,870.00	9,050.00	8,892.06	157.94	
<u>Building Inspector:</u>					
Salaries and Wages	70,450.00	71,915.00	71,337.38	577.62	
<u>Electrical Inspector:</u>					
Salaries and Wages	9,415.00	9,650.00	9,480.06	169.94	
<u>Zoning Officer:</u>					
Salaries and Wages	17,700.00	18,045.00	17,731.08	313.92	
Other Expenses	870.00	870.00	219.41	650.59	
<u>Fire Sub Code Official:</u>					
Salaries and Wages	5,780.00	5,900.00	5,792.70	107.30	
Utilities-Other	134,500.00	127,500.00	122,685.24	4,814.76	
Gasoline and Diesel Fuel	62,000.00	61,871.71	61,871.71	128.29	
Downtown Revitalization	20,000.00	13,200.00	11,961.94	1,238.06	
Communications - Community Assessment	25,200.00	13,200.00	11,815.96	1,384.04	
<u>Cable T.V. Community Access:</u>					
Salaries and Wages	8,500.00	8,675.00	8,521.32	153.68	
Other Expenses	31,000.00	31,000.00	8,326.00	22,674.00	
Postage	12,000.00	12,000.00	11,803.75	196.25	
New Jersey Transit - Contractual	53,000.00	53,000.00	45,092.08	7,907.92	
	<u>5,920,387.00</u>	<u>5,897,287.00</u>	<u>5,755,944.02</u>	<u>141,342.98</u>	
	<u>2,000.00</u>	<u>2,000.00</u>	<u>234.16</u>	<u>1,765.84</u>	
<u>CONTINGENT</u>					
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	\$ <u>5,922,387.00</u>	\$ <u>5,899,287.00</u>	\$ <u>5,756,178.18</u>	\$ <u>143,108.82</u>	\$

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS WITHIN "CAPS" (CONTINUED)</u>					
Statutory Expenditures					
Contribution to:					
Public Employees Retirement System	\$ 174,442.00	\$ 174,442.00	\$ 174,442.00	\$	
Social Security System	168,000.00	166,100.00	165,987.21	112.79	
Defined Contribution Retirement Program	2,250.00	2,250.00	1,378.04	871.96	
Police and Firemen's Retirement System of NJ	421,574.00	421,574.00	421,574.00		
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL-WITHIN "CAPS"</u>	<u>766,266.00</u>	<u>764,366.00</u>	<u>763,381.25</u>	<u>984.75</u>	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>6,688,653.00</u>	<u>6,663,653.00</u>	<u>6,519,559.43</u>	<u>144,093.57</u>	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Plainfield Area Regional Sewerage Authority	441,100.00	441,100.00	428,233.22	366.78	12,500.00
Maintenance of Free Public Library (N.J.S.A. 40:54)	366,538.37	366,538.37	364,433.40	2,104.97	
Length of Service Award Program (L.O.S.A.P.)	19,200.00	19,200.00	19,200.00		
Insurance:					
Group Insurance for Employees	51,952.00	51,952.00	8,537.81		43,414.19
Statutory Expenditures:					
Interlocal Agreements:					
Township of Scotch Plains:					
Street Lighting-Other Expenses	2,000.00	2,000.00	2,000.00		
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>					
Clean Communities Program	12,007.69	12,007.69	12,007.69		
Municipal Alliance on Alcoholism and Drug Abuse	2,088.56	2,088.56	2,088.56		
PSEG Tree Planting	8,846.00	8,846.00	8,846.00		
PSEG North Central Rehabilitation Equipment Radio	20,000.00	20,000.00	20,000.00		
Historic Preservation Commission Grant	1,500.00	1,500.00	1,500.00		
Drunk Driving Enforcement Fund	4,341.48	4,341.48	4,341.48		
Sustainable Community Education and Outreach (40A:4-87 + \$5,521.00)	5,521.00	5,521.00	5,521.00		
Sustainable Jersey Capacity Building Grant (40A:4-87 + \$2,000.00)	2,000.00	2,000.00	2,000.00		
UC Kids Recreation Trust	62,000.00	62,000.00	62,000.00		
Click It or Ticket	4,000.00	4,000.00	4,000.00		
Heart Grant Music Series	500.00	3,375.00	3,375.00		
Greening Union County	725.00	2,081.50	2,081.50		
Housing Rehabilitation	54,500.00	54,500.00	54,500.00		
Recycling Tonnage Grant (40A: 4-87 \$9,743.76)		9,743.76	9,743.76		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 1,051,299.10</u>	<u>\$ 1,072,795.36</u>	<u>\$ 1,014,409.42</u>	<u>\$ 2,471.75</u>	<u>\$ 55,914.19</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2012

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 75,000.00	100,000.00	100,000.00	\$	
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	485,000.00	485,000.00	485,000.00		
Payment of Bond Anticipation and Capital Notes	79,660.00	79,660.00	79,660.00		
Interest on Bonds	169,600.00	169,600.00	169,600.00		
Interest on Notes	98,100.00	98,100.00	98,100.00		
<u>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>	<u>832,360.00</u>	<u>832,360.00</u>	<u>832,360.00</u>		
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL</u>					
Deferred Charges:					
Special Emergency Authorizations - 5 years (40A:4-55)	111,000.00	111,000.00	111,000.00		
	111,000.00	111,000.00	111,000.00		
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>2,069,659.10</u>	<u>2,116,155.36</u>	<u>2,057,769.42</u>	<u>2,471.75</u>	<u>55,914.19</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>	<u>\$ 8,758,312.10</u>	<u>\$ 8,779,808.36</u>	<u>\$ 8,577,328.85</u>	<u>\$ 146,565.32</u>	<u>\$ 55,914.19</u>
	410,000.00	410,000.00	410,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 9,168,312.10</u>	<u>\$ 9,189,808.36</u>	<u>\$ 8,987,328.85</u>	<u>\$ 146,565.32</u>	<u>\$ 55,914.19</u>
<u>REF.</u>					
A-2	\$	9,168,312.10	A-1	A:A-1	
A-2		21,496.26			
	\$	<u>9,189,808.36</u>			
Budget					
Appropriation by 40A:4-87					
State and Federal Programs		\$	192,004.99		
Reserve for Uncollected Taxes			410,000.00		
Accounts Payable			239,560.26		
Deferred Charge: Emergency Appropriation 40A:4-47			111,000.00		
Disbursed			8,437,109.25		
			<u>9,389,674.50</u>		
Less: Refunds			<u>402,345.65</u>		
			<u>\$ 8,987,328.85</u>		

The accompanying Notes to the Financial Statements are an integral part of this statement.

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TRUST FUND

"B"

BOROUGH OF FANWOOD

TRUST FUND

BALANCE SHEETS-REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
Assessment Trust Fund:			
Assessment Liens	B-4	\$ 318.56	\$ 318.56
		<u>\$ 318.56</u>	<u>\$ 318.56</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 6,849.43	\$ 6,332.35
		<u>\$ 6,849.43</u>	<u>\$ 6,332.35</u>
Other Trust Funds:			
Cash	B-1	\$ 578,785.94	\$ 627,871.65
Due County of Union - Community Development Block Grant	B-3	12,577.00	13,161.54
		<u>\$ 591,362.94</u>	<u>\$ 641,033.19</u>
		<u>\$ 598,530.93</u>	<u>\$ 647,684.10</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Trust Fund:			
Due Current Fund	B-5	\$ 318.56	\$ 318.56
		<u>\$ 318.56</u>	<u>\$ 318.56</u>
Animal Control Trust Fund:			
Due Current Fund	B-5	\$ 2.68	\$ 0.67
Reserve for Animal Control Fund Expenditures	B-9	6,846.75	6,331.68
		<u>\$ 6,849.43</u>	<u>\$ 6,332.35</u>
Other Trust Funds:			
Due Current Fund	B-5	\$ 16,072.31	\$ 16,353.36
Reserve For:			
Unemployment Compensation Insurance	B-7	1,743.39	2,253.71
Community Development Block Grant	B-8	4,813.93	7,072.46
Builders Escrow	B-10	109,043.87	19,320.73
Zoning Escrow Trust	B-11	24,226.77	28,368.50
Redevelopers Escrow	B-12	4,526.60	4,426.60
Recreation Trust	B-13	43,174.67	82,301.71
Law Enforcement Trust	B-14	12,846.50	12,750.53
Developers Housing Escrow	B-15	6,062.50	16,471.14
Library Fund	B-16	65,934.27	60,185.28
In Lieu of Construction	B-17	15,192.73	94,209.98
Fanny Wood Trust	B-2	26,697.08	20,620.14
Tax Sale Premiums and Redemptions	B-18	32,086.31	116,649.74
Cell Tower Deposits	B-19	18,498.16	7,875.00
Payroll Deductions	B-20	25,681.59	30,658.99
Police Off-Duty Pay	B-21	35,900.86	33,410.49
Rent Deposits	B-22	65,184.00	
Miscellaneous Trust Deposits	B-6	83,677.40	88,104.83
		<u>\$ 591,362.94</u>	<u>\$ 641,033.19</u>
		<u>\$ 598,530.93</u>	<u>\$ 647,684.10</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENERAL CAPITAL FUND

"C"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

BALANCE SHEETS-REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>ASSETS</u>			
Cash	C-2	\$ 73,695.72	\$ 1,737,443.65
State Aid Receivable	C-13	475,307.58	329,236.11
Due Scotch Plains-Fanwood Board of Education	C-5	6,000.00	6,000.00
Due Current Fund	C-4	860.10	
Deferred Charges to Future Taxation:			
Funded	C-6	8,275,000.00	4,160,000.00
Unfunded	C-7	<u>7,865,069.20</u>	<u>10,674,729.20</u>
		\$ <u>16,695,932.60</u>	\$ <u>16,907,408.96</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-11	\$ 8,275,000.00	\$ 4,160,000.00
Bond Anticipation Note	C-12	1,890,146.00	6,156,629.00
Due Current Fund	C-4		18,935.11
Improvement Authorizations-Funded	C-9	391,645.75	26,323.90
Improvement Authorizations-Unfunded	C-9	4,005,809.36	5,426,900.72
Contracts Payable	C-10	1,998,541.94	986,581.07
Capital Improvement Fund	C-8	43,380.14	55,046.80
Reserve for Debt Service	C-14	62,164.12	237.25
Fund Balance	C-1	<u>29,245.29</u>	<u>76,755.11</u>
		\$ <u>16,695,932.60</u>	\$ <u>16,907,408.96</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

	<u>REF.</u>			
Balance, December 31, 2012	C		\$	76,755.11
Increased by:				
Premium on Sale of Notes	C-2	\$	15,437.31	
Improvement Authorizations Canceled	C-9		<u>11,207.87</u>	
			\$	<u>103,400.29</u>
Decreased by:				
Anticipated as Revenue in 2013 Budget	C-2			<u>74,155.00</u>
Balance, December 31, 2013	C		\$	<u><u>29,245.29</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF FANWOOD

GENERAL FIXED ASSET ACCOUNT GROUP

BALANCE SHEETS-REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2013</u>	BALANCE DECEMBER <u>31, 2012</u>
Fixed Assets:		
Buildings	\$ 1,124,600.00	\$ 1,124,600.00
Land	3,614,773.00	3,614,773.00
Machinery and Equipment	<u>4,694,835.06</u>	<u>4,450,696.32</u>
	\$ <u>9,434,208.06</u>	\$ <u>9,190,069.32</u>
Reserve:		
Investments in General Fixed Assets	\$ <u>9,434,208.06</u>	\$ <u>9,190,069.32</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF FANWOOD

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Fanwood is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Fanwood include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Fanwood, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Fanwood do not include the operations of the regional school district, inasmuch as its activities are administered by a separate board.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Fanwood conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 financial transactions and accounts of the Borough of Fanwood are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose for which each reserve was created

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting polices and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Operating grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under, GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - Interfunds 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$1,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Property and equipment acquired by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized in their own respective funds.

The General Fixed Assets that have been acquired and that are utilized in the Current and General Capital Funds are instead accounted for in the General Fixed Asset Account Group. No depreciation has been provided on general fixed assets or reported in the financial statements.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements for the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Fanwood had the following cash and cash equivalents at December 31, 2013:

<u>Fund Type</u>	Bank		<u>Reconciling Items</u>		Reconciled
	<u>Balance</u>		<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Current Fund	\$ 2,503,549.17	\$	5,378.62	\$ 117,709.63	\$ 2,391,218.16
Animal Control Trust Fund	6,849.43				6,849.43
Trust Other Fund	582,935.61		53.10	4,202.77	578,785.94
General Capital Fund	99,425.26		106,531.81	132,261.35	73,695.72
<u>Total December 31, 2013</u>	<u>\$ 3,192,759.47</u>	<u>\$</u>	<u>111,963.53</u>	<u>\$ 254,173.75</u>	<u>\$ 3,050,549.25</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2013, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$390,621.95 was covered by Federal Depository Insurance and \$2,802,137.52 was covered under the provisions of NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following types of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Fanwood had no investments outstanding as of December 31, 2013.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds. A summary of bond and note transactions for the year ended December 31, 2013 are detailed on Exhibits "C-11" and "C-12".

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>YEAR 2013</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 10,165,146.00	\$ 10,316,629.00	\$ 9,420,000.00
Less: Cash on Hand to Pay Debt		33,217.80	24,640.80
Less: Reserve to Pay Bonds	<u>62,164.12</u>	<u>237.25</u>	<u>237.25</u>
Net Debt Issued	<u>\$ 10,102,981.88</u>	<u>\$ 10,283,173.95</u>	<u>\$ 9,395,121.95</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	\$ 5,974,923.20	\$ 4,551,318.00	\$ 2,075,441.00
Assessment Trust:			
Bonds and Notes	<u>318.56</u>	<u>318.56</u>	<u>318.56</u>
Total Authorized But Not Issued	<u>5,975,241.76</u>	<u>4,551,636.56</u>	<u>2,075,759.56</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$ 16,078,223.64</u>	<u>\$ 14,834,810.51</u>	<u>\$ 11,470,881.51</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement as amended and indicates a statutory net debt of 1.44%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 2,281,822.67	\$ 2,281,822.67	\$ -0-
General Debt	<u>16,140,387.76</u>	<u>62,164.12</u>	<u>16,078,223.64</u>
	<u>\$ 18,422,210.43</u>	<u>\$ 2,343,986.79</u>	<u>\$ 16,078,223.64</u>

NET DEBT \$16,078,223.64 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$1,109,398,749.67 EQUALS 1.44%.

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2013	\$1,109,398,749.67
3-1/2 of Equalized Valuation Basis	38,828,956.24
Net Debt	<u>16,078,223.64</u>
Remaining Borrowing Power	<u>\$22,750,732.60</u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough for the last three (3) preceding years.

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT – ISSUED

General Serial Bonds:

	OUTSTANDING BALANCE DECEMBER <u>31, 2013</u>
\$2,690,000.00 2003 Bonds due in annual remaining installments of \$250,000.00 through December 2016 at an interest rate of 3.500%.	\$ 750,000.00
\$3,200,000.00 2008 Bonds due in annual remaining installments of \$50,000.00 to \$350,000.00 through July 2023 at interest rates between 4.125% and 4.400%.	2,925,000.00
\$4,600,000.00 2013 Bonds due in annual remaining installments of \$120,000.00 to \$240,000.00 through August 2036 at interest rates between 3.750% and 4.500%.	<u>4,600,000.00</u>
	<u>\$8,275,000.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2013, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$5,974,923.20</u>
Assessment Trust Fund	<u>\$ 318.56</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

BOND ANTICIPATION NOTE

	<u>Interest Rate</u>	<u>Issue and Maturity Dates</u>	<u>Amount</u>
General Capital Fund	1.25%	9/18/13 to 9/17/14	\$1,890,146.00

SPECIAL EMERGENCY NOTE

Current Fund	1.20%	12/11/13 to 12/10/14	\$400,000.00
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2013

<u>YEAR</u>	<u>GENERAL CAPITAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2014	\$595,000.00	\$312,078.28	\$907,078.28
2015	595,000.00	303,325.00	898,325.00
2016	605,000.00	281,543.75	886,543.75
2017	465,000.00	259,168.75	724,168.75
2018	470,000.00	241,262.50	711,262.50
2019-2023	2,555,000.00	922,500.00	3,477,500.00
2024-2028	1,070,000.00	532,950.00	1,602,950.00
2029-2033	1,200,000.00	315,300.00	1,515,300.00
2034-2036	720,000.00	64,800.00	784,800.00
	<u>\$8,275,000.00</u>	<u>\$3,232,928.28</u>	<u>\$11,507,928.28</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund Balance at December 31, 2013, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2014, was as follows:

Current Fund	<u>\$515,433.00*</u>
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\* As Introduced

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2013</u>	BALANCE DECEMBER 31, <u>2012</u>
Prepaid Taxes	<u>\$413,464.85</u>	<u>\$89,227.01</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods.

NOTE 6: PENSION PLANS (CONTINUED)

Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$596,016.00 for 2013, \$605,333.22 for 2012 and \$719,595.00 for 2011.

Certain Borough employees are also covered by Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 8: SCHOOL TAXES

Regional School Taxes have been raised and liabilities deferred by statute, resulting in the school taxes prepaid set forth in the Current Fund as follows:

	<u>REGIONAL SCHOOL TAX</u>	
	<u>BALANCE</u>	<u>BALANCE</u>
	<u>DECEMBER</u>	<u>DECEMBER</u>
	<u>31, 2013</u>	<u>31, 2012</u>
Balance of Tax	\$8,569,222.73	\$8,583,061.68
Deferred	<u>8,656,281.50</u>	<u>8,478,081.41</u>
Tax Payable (Prepaid)	<u><u>(\$87,058.77)</u></u>	<u><u>\$104,980.27</u></u>

NOTE 9: TERMINATION BENEFITS

Under existing contracts and policies of the Borough, employees, upon attaining retirement, accumulate benefits which may be taken as time off or paid in a lump sum. The accumulated cost of such unpaid termination compensation is not required to be reported in the financial statements as presented. The Borough has estimated its liability to be \$154,421.00. The Borough annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2013.

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, the Borough does not believe that any material liabilities will result from such audits. The Borough has been notified that property purchased by the Borough in 2013 may have environmental contamination issues that require clean-up. The costs for clean-up are unknown but may be material to the financial statements. No liability for these costs has been accrued as of December 31, 2013.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough participates in a self insurance program through the Garden State Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Borough's contribution to the Fund for claim payments are based on actuarial assumption determined by the Fund's actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough.

NOTE 11: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>		<u>Borough Contributions and Interest</u>		<u>Employee Contributions</u>		<u>Amount Reimbursed</u>		<u>Ending Balance</u>
2013	\$	31.21	\$	5,002.67	\$	5,544.20	\$	1,743.39
2012		24.04		5,028.52		4,776.43		2,253.71
2011		18.23		4,726.79		5,368.60		1,977.58

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$16,393.55	\$9,334.76
Assessment Trust Fund		318.56
Animal Control Fund		2.68
Trust Other Fund		16,072.31
General Capital Fund	860.10	
Net Payroll Account	8,474.66	
	<u>\$25,728.31</u>	<u>\$25,728.31</u>

All balances resulted from the time lag between the dates that payments between the funds are made.

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by an independent administrator, the Lincoln National Life Insurance Company.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

During 2002, the Borough of Fanwood adopted an ordinance establishing a Length of Service Awards Program for the members of the Fanwood Volunteer Fire Department and the Fanwood Volunteer First Aid Squad pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$600.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be budgeted annually in the budget of the Borough and is anticipated to be \$19,200.00 per year. The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by State regulations.

NOTE 15: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The Borough contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Borough's contributions to SHBP for the years ended December 31, 2013, 2012 and 2011 were \$436,067.04, \$390,218.19 and \$347,626.46 respectively, which equaled the required contributions for each year.

NOTE 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown:

	BALANCE DECEMBER 31, <u>2013</u>	2014 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund:			
Emergency Appropriations-40A:4-53	\$44,000.00	\$11,000.00	\$33,000.00
Emergency Appropriations-40A:4-55	<u>156,942.82</u>	<u>73,671.00</u>	<u>83,271.82</u>
	<u>\$200,942.82</u>	<u>\$84,671.00</u>	<u>\$116,271.82</u>

NOTE 17: TAX APPEALS

There are several tax appeals filed requesting a reduction of assessments for the year 2013. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has made provision, from tax revenues, in the amount of \$20,600.32 for these appeals in the event that the tax reductions are granted.

NOTE 18: SUBSEQUENT EVENT

On May 20, 2014, the Borough Council entered into an agreement with New Jersey Environmental Infrastructure Trust pursuant to the New Jersey Environmental Infrastructure Trust Financing SFY 2014 Program for the Sale of General Obligations Bonds in the aggregate principal amount of \$1,362,256.00. The bonds will enable the Borough to permanently finance the acquisition, construction or installation of the Glenwood Avenue Drainage project.

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BOROUGH OF FANWOOD

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF FANWOODCURRENT FUNDSCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>
Balance, December 31, 2012	A	\$ 2,059,627.76
Increased by Receipts:		
Taxes Receivable	A-9	\$ 28,754,299.86
Prepaid Taxes	A-17	413,464.85
Tax Overpayments	A-18	37,846.41
Revenue Accounts Receivable	A-12	2,381,654.84
Miscellaneous Revenue Not Anticipated	A-2	101,282.95
Interfunds Receivable	A-23	183,211.56
Appropriation Reserve Refunds	A-13	267.45
Appropriations Refunds	A-3	402,345.65
Grants Appropriated Refunds	A-22	2,877.00
Grants Receivable	A-5	197,059.64
State of New Jersey-Senior Citizens and Veterans Deductions-Chapter 20, P.L.1971	A-8	70,250.00
Petty Cash	A-7	400.00
Tax Title Liens	A-10	4,693.77
Sewer Charges	A-29	56,717.52
County Portion of P.I.L.O.T.	A-20	6,027.73
Reserve to Pay Emergency Note	A-34	42,282.69
Salary Increases	A-32	20,000.00
Due to State of New Jersey:		
State Training Fees	A-25	9,329.00
Marriage License Fees	A-16	450.00
		<u>32,684,460.92</u>
		\$ 34,744,088.68
Decreased by Disbursements:		
2013 Appropriations	A-3	\$ 8,437,109.25
Appropriation Reserves	A-13	420,498.84
County Taxes	A-20	5,508,078.33
Regional School Taxes	A-21	17,326,403.49
Interfunds Payable	A-23	154,662.65
Note Payable	A-33	100,000.00
Petty Cash	A-7	400.00
Reserve for Tax Appeals	A-28	44,024.48
Reserve for Salary Increases	A-32	137,336.55
Refund of Fees and Permits	A-2	50.00
Refund of Bulk Waste Pick-Up Fees	A-2	65.00
Refund of Parking Meter Revenue	A-2	4,338.00
Accounts Payable	A-24	12,119.33
Tax Overpayments	A-18	12,139.71
Reserve for Grants Appropriated	A-22	185,577.89
Due to State of New Jersey:		
State Training Fees	A-25	9,617.00
Marriage License Fees	A-16	450.00
		<u>32,352,870.52</u>
Balance, December 31, 2013	A	\$ <u>2,391,218.16</u>

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>2013 ANTICIPATED REVENUE</u>	<u>RECEIVED</u>	<u>UNAPPROPRIATED RESERVE APPLIED</u>	<u>CANCELLED</u>	<u>BALANCE DECEMBER 31, 2013</u>
SHARE Program	\$ 2,371.54	\$	\$	\$	2,371.54	\$
SHARE Program-Library Study	899.84				899.84	
SHARE Program-Storage Facility	26,730.00				26,730.00	
Union County Arts Grant	2,150.00				2,150.00	
Smart Future Historic Preservation Grant	44,016.39	1,500.00	28,843.71			16,672.68
FEMA Firefighters Grant	5,667.00				5,667.00	
FEMA Firefighters Grant (Vehicle)	13,262.00				13,262.00	
Smart Future Planning Grant	26,000.00		26,000.00			
Recycling Tonnage Grant		9,743.76	9,743.76			
Union County Kids Recreation Grant	14,139.89					14,139.89
Union County Kids Recreation Grant-09	1,806.61					1,806.61
Union County Kids Recreation Grant-11	50,000.00					50,000.00
Municipal Alliance-10	4,247.50					4,247.50
Municipal Alliance-11	2,313.75					2,313.75
Municipal Alliance-12		2,088.56			995.00	2,088.56
R.O.I.D. Grant 06	995.00					
County of Union KIDS Recreation TDR Grant 06	1,000.00	62,000.00				63,000.00
Clean Communities Grant	20,000.00					20,000.00
Drunk Driving Enforcement Fund						
Firefighters Grant	11,745.00	12,007.69	12,007.69			21,500.00
Local Domestic Preparedness Equip Grant	21,500.00	4,341.48	4,341.48		11,745.00	
Business Stimulus Fund	690.00				690.00	
Click It or Ticket	50.00					50.00
Union County Heart Grant-13		4,000.00	4,000.00			937.50
Preserve Union County-Carriage House		3,375.00	1,937.50	500.00		15,000.00
Preserve Union County	15,000.00					2,760.50
Sustainable NJ	50,000.00	7,521.00	4,760.50			431.50
Greening Union County		2,081.50	925.00	725.00		
PSEG Grant		28,846.00				28,846.00
Housing Rehabilitation		54,500.00	54,500.00			
	\$ 314,584.52	\$ 192,004.99	\$ 197,059.64	\$ 1,225.00	\$ 64,510.38	\$ 243,794.49

REF.

A

A-2

A-4

A-15

A

"A-6"

BOROUGH OF FANWOOD  
CURRENT FUND  
SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>	
Balance, December 31, 2012 and December 31, 2013	A	\$ <u>350.00</u>
<u>OFFICE</u>		
Municipal Court		\$ 100.00
Board of Health		50.00
Collector		<u>200.00</u>
		\$ <u>350.00</u>

"A-7"

SCHEDULE OF PETTY CASH

<u>OFFICE</u>		<u>RECEIVED FROM TREASURER</u>	<u>RETURNED TO TREASURER</u>
Treasurer		\$ <u>400.00</u>	\$ <u>400.00</u>
	<u>REF.</u>	A-4	A-4

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY -  
SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2012 (Due From)	A	\$	4,079.00
Increased by:			
Senior Citizens and Veterans Deductions:			
Allowed by Collector			500.00
Per Tax Billings			<u>71,250.00</u>
		\$	<u>75,829.00</u>
Decreased by:			
Senior Citizens and Veterans Deductions:			
Received in Cash From State	A-4		<u>70,250.00</u>
Balance, December 31, 2013 (Due From)	A	\$	<u><u>5,579.00</u></u>

CALCULATION OF "STATE'S SHARE" - SENIOR  
CITIZENS DEDUCTIONS ALLOWED (CHAPTER 20, P.L. 1971)

Senior Citizens and Veterans Deductions:			
Per Tax Billings		\$	71,250.00
Allowed by Collector			<u>500.00</u>
		\$	<u>71,750.00</u>
Per Tax Billings	A-9	\$	<u><u>71,750.00</u></u>

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>2013 LEVY</u>	<u>COLLECTIONS BY CASH</u>	<u>2012</u>	<u>2013</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2013</u>
2012 and Prior	\$ 291,223.47	\$	\$		291,223.47	\$		\$
2013		28,985,680.05	89,227.01		28,536,893.29	1,013.76	68,757.23	289,788.76
	\$ 291,223.47	\$ 28,985,680.05	\$ 89,227.01	\$ 89,227.01	\$ 28,828,116.76	\$ 1,013.76	\$ 68,757.23	\$ 289,788.76
<u>REF.</u>	A		A-2:A-17		A-10			A

REF.

Collector A-4  
Overpayments Applied A-18  
State of New Jersey A-8

\$ 28,754,299.86  
2,066.90  
71,750.00  
\$ 28,828,116.76

ANALYSIS OF 2013 PROPERTY TAX LEVY

<u>TAX YIELD</u>	
General Purpose Tax	\$ 28,933,291.79
Added and Omitted Tax (54:4-63.1 et seq.)	52,388.26
	<u>\$ 28,985,680.05</u>
<u>TAX LEVY</u>	
Regional District School Tax:	
Levy (Abstract)	\$ 17,312,563.00
County Tax (Abstract)	
Due County for Added Taxes - (54:4-63.1 et seq.)	5,501,262.50
Total County Tax	
Local Tax for Municipal Purposes (Abstract)	6,171,854.55
Minimum Library Tax	
Add: Additional Taxes Levied	
<u>TOTAL</u>	<u>\$ 28,985,680.05</u>

"A-10"

BOROUGH OF FANWOOD  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>	
Balance, December 31, 2012	A	\$ 22,761.35
Increased by:		
Transfers From Taxes Receivable	A-9	\$ <u>1,013.76</u> 23,775.11
Decreased by:		
Receipts	A-4	<u>4,693.77</u>
Balance, December 31, 2013	A	\$ <u><u>19,081.34</u></u>

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
AT ASSESSED VALUATION

Balance, December 31, 2013 and December 31, 2012	A	\$ <u><u>12,279.00</u></u>
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BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31., 2012	ACCRUED IN 2013	COLLECTED	BALANCE DECEMBER 31., 2013
A-2	\$	7,875.00 \$	7,875.00 \$	
A-2		915.00	915.00	
A-2		4,296.00	4,296.00	
A-2		8,070.00	8,070.00	
A-2		210,766.00	210,766.00	
A-2	15,192.76	172,536.61	177,499.56	10,229.81
A-2		47,439.85	47,439.85	
A-2		7,655.00	7,655.00	
A-2		12,471.00	12,471.00	
A-2		58,763.07	58,763.07	
A-2		289,513.63	289,513.63	
A-2		31,017.30	31,017.30	
A-2		755,288.00	755,288.00	
A-2		2,000.00	2,000.00	
A-2		52,000.00	52,000.00	
A-2		6,554.93	6,554.93	
A-2		100,000.00	100,000.00	
A-2		112,004.41	112,004.41	
A-2		18,395.00	18,395.00	
A-2		61,782.59	61,782.59	
A-2		237.50	237.50	
A-2		34,877.86	34,877.86	
A-2		300,000.00	300,000.00	
A-2		82,233.14	82,233.14	
REF.	\$ 15,192.76 \$	2,376,691.89 \$	2,381,654.84 \$	10,229.81
	A	A	A-4	A

Clerk:  
 Licenses:  
 Alcoholic Beverage  
 Fees and Permits  
 Health Officer:  
 License  
 Fees and Permits  
 Construction Code Official:  
 Fees and Permits  
 Municipal Court:  
 Fines and Costs  
 Police Department:  
 Fees and Permits  
 Zoning Fees and Permits  
 Fire Inspection Fees  
 Interest and Cost on Taxes  
 Parking Meters  
 Interest on Investments  
 Energy Receipts Tax  
 Township of Scotch Plains - Interlocal Agreement:  
 Street Lighting  
 Capital Fund Balance  
 Uniform Fire Safety Act  
 FEMA Reimbursement  
 T Mobile Rental Fee  
 Bulk Waste Pick Up  
 Verizon TV  
 Reserve for Debt Service  
 Cable T.V.-Gross Revenue Franchise Fee  
 Sale of Municipal Assets  
 P.I.L.O.T. Elite Phase I

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
Office of the Mayor	\$ 365.00	\$ 365.00		\$ 365.00
Financial Administration	68.27	68.27		68.27
Assessment of Taxes	10.54	10.54		10.54
Collection of Taxes	1,069.34	1,069.34		1,069.34
Legal Services and Costs				
Municipal Prosecutors	10.85	10.85		10.85
Environmental Commission	1.76	1.76		1.76
Police	26,457.80	20,457.80	20,000.00	457.80
School Crossing Guards	5,433.54	2,433.54		2,433.54
Fire Prevention Bureau	705.57	705.57	525.00	180.57
Road Repair and Maintenance	30,921.93	14,921.93	13,758.69	1,163.24
Board of Health	7.86	7.86		7.86
Sanitation:				
Solid Waste Management Act	2.75	2.75		2.75
Right to Know Act	1,000.00	1,000.00		1,000.00
Parks and Playgrounds	793.46	793.46		793.46
Senior Citizen				
Construction Official	948.21	948.21		948.21
Plumbing Inspector	6.56	6.56		6.56
Zoning Officer	1.60	1.60		1.60
Fire Sub Code Official	1.72	1.72		1.72
Municipal Court				
Building Inspector	1.39	1.39		1.39
Cable TV Community Access	9.92	9.92		9.92
<u>OTHER EXPENSES:</u>				
Administrative and Executive	1,697.45	13,625.86	12,373.55	1,252.31
Office of The Mayor	23.63	620.15	620.15	
Collection of Taxes	419.18	491.18	81.00	410.18
Financial Administration	4,128.50	5,960.48	1,831.98	4,128.50
Audit	325.00	4,325.00	3,720.00	605.00
Assessment of Taxes	1,797.71	1,797.71	170.10	1,627.61
Legal Services and Costs	5,118.41	25,435.13	15,512.88	9,922.25
Engineering Services and Costs				
Planning Board	5,464.12	5,477.54	1,833.34	3,644.20
Credit Card Fees	1,238.39	1,238.39	189.16	1,049.23
Environmental Commission	1,865.00	1,865.00		1,865.00
Shade Tree Commission	410.00	7,320.00	6,295.00	1,025.00
Insurance:				
Group Insurance	1,187.82	12,384.31	1,340.43	11,043.88
State Unemployment Compensation	5,539.03	539.03		539.03
Other Insurance Premiums	0.48	5,000.48		5,000.48
Workmen's Compensation	9,126.31	3,126.31		3,126.31
Fire:				
Fire Hydrants	3,250.00			
Miscellaneous	748.75	20,008.29	19,357.73	650.56
Fire Prevention Bureau	1,113.06	2,064.87	951.81	1,113.06
Police	1.83	12,664.00	11,254.42	1,409.58
Fanwood Rescue Squad Contract				
Dispatchers		20,000.00	20,000.00	
Traffic Signal Maintenance	1,754.00	1,754.00		1,754.00
Sanitation:				
Solid Waste Management Act	15,460.82	40,872.82	27,867.00	13,005.82
Emergency Management Services	739.08	1,563.09	953.47	609.62
Road Repair and Maintenance	16,646.77	11,121.33	5,415.08	5,706.25
Street Lighting	11,048.85	20,287.12	18,755.76	1,531.36
Board of Health	1,268.03	1,456.03	202.00	1,254.03
Contractual - Town of Westfield		10,004.50	10,004.50	
Animal Control Regulation	1,876.16	1,876.16	1,876.16	
Shared Services				
New Jersey Public Employees Occupational and Safety Health Act	640.00	730.00	135.00	595.00
Right to Know Act	1,500.00	1,500.00		1,500.00



"A-14"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF  
MUNICIPAL ASSETS

REF.

Balance, December 31, 2013 and December 31, 2012	A	\$ <u>125.00</u>
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"A-15"

SCHEDULE OF RESERVE GRANTS - UNAPPROPRIATED

Balance, December 31, 2012	A	\$ 1,226.00
Decreased by: Applied to Receivables	A-5	<u>1,225.00</u>
Balance, December 31, 2013	A	\$ <u>1.00</u>

ANALYSIS OF BALANCE

Greening Union County		\$ <u>1.00</u>
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"A-16"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY -  
MARRIAGE LICENSE FEES

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ <u>450.00</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>450.00</u></u>

"A-17"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2012	A	\$ 89,227.01
Increased by:		
Collection of 2014 Taxes	A-4	\$ <u>413,464.85</u>
		\$ <u>502,691.86</u>
Decreased by:		
Applied to Taxes Receivable	A-9	<u>89,227.01</u>
Balance, December 31, 2013	A	\$ <u><u>413,464.85</u></u>

"A-18"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	14,719.17
Increased by:			
Overpayments in 2013	A-4	\$	<u>37,846.41</u>
			52,565.58
Decreased by:			
Applied to Taxes Receivable	A-9	\$	2,066.90
Refunded	A-4		12,139.71
Cancelled	A-1		<u>100.92</u>
			<u>14,307.53</u>
Balance, December 31, 2013	A	\$	<u><u>38,258.05</u></u>

"A-19"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2012	A	\$	555,000.00
Decreased by:			
Raised in Budget	A-3	\$	111,000.00
Canceled-Appropriation Reserve	A-13		<u>243,057.18</u>
			<u>354,057.18</u>
Balance, December 31, 2013	A	\$	<u><u>200,942.82</u></u>

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 10,773.21
Increased by:			
2013 Levy	A-1:A-9	\$ 5,492,892.41	
County Portion of P.I.L.O.T.	A-4	6,027.73	
Added Taxes - 54:63.1 et.seq.	A-1:A-9	<u>8,370.09</u>	
			\$ <u>5,507,290.23</u>
			\$ 5,518,063.44
Decreased by:			
Payments	A-4		<u>5,508,078.33</u>
Balance, December 31, 2013	A		\$ <u><u>9,985.11</u></u>

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX

Balance, December 31, 2012			
School Tax Deferred		\$ 8,478,081.41	
School Tax Payable	A	<u>104,981.81</u>	
			\$ 8,583,063.22
Increased by:			
Levy-School Year-July 1, 2013 to June 30, 2014	A-9		<u>17,312,563.00</u>
			\$ 25,895,626.22
Decreased by:			
Payments in 2013	A-4		<u>17,326,403.49</u>
Balance, December 31, 2013			
School Tax Deferred		\$ 8,656,281.50	
School Tax Prepaid	A	<u>(87,058.77)</u>	
			\$ <u><u>8,569,222.73</u></u>
2013 Liability for Regional School District Tax:			
School Tax Paid 2013			\$ 17,326,403.49
Add: School Tax (Payable) December 31, 2012			<u>(104,981.81)</u>
			\$ 17,221,421.68
Add: School Tax (Prepaid) December 31, 2013	A-1		<u>(87,058.77)</u>
	A-1		\$ <u><u>17,134,362.91</u></u>

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

PROGRAM	BALANCE DECEMBER 31, 2012	ACCOUNTS PAYABLE TRANSFERRED	2013 APPROPRIATIONS	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2013
Alcohol Education, Rehabilitation Fund	\$ 186.70	\$	\$	\$ 2,324.38	188.70	4,560.44
Drunk Driving Enforcement Fund	2,563.34		4,341.48	15,020.11		12,009.51
Clean Communities Program	15,021.93		12,007.69		205.96	
SHARE Program-Library Phase I	205.96				1.00	
SHARE Program-Library Phase II-Match	1.00				3,334.20	968.25
SHARE Program-Library Study	3,334.20		38.64			
Recycling Enhancement Grant	1,006.89				13,262.00	844.05
FEIMA Firefighters Grant	13,262.00				1,465.04	
Improvements to Carriage House	844.05				289.80	
Sharing Available Resources	1,465.04				2,150.00	
Sharing Available Resources-Match	269.80					
Union County Arts Grant	2,150.00					22.00
Smart Future Planning Grant	22.00		7,521.00			7,521.00
Sustainable NJ						
R.O.I.D. Grant-06	1,109.49				1,109.49	
FEIMA Firefighters Grant	4,382.89				4,382.89	
FEIMA Firefighters Grant-Match	1,297.00				1,297.00	
Union County Kids Recreation	85,701.43	4,356.04	62,000.00	59,459.04		92,598.43
Pocket Parks Grant 04	5,404.26					5,404.26
Union County - Senior Initiatives	556.57				556.57	
Municipal Alliance - Local Match	6,246.50		2,088.56			6,246.50
Municipal Alliance-11	2,313.75					2,313.75
Body Armor Replacement Fund	16,581.28		9,743.76			16,581.28
Recycling Tonnage Grant	44,880.56					36,426.20
County of Union - Project Downtown		303.75				
Preserve Union County-Carriage House	12,800.00	2,200.00	1,500.00			860.00
Historic Preservation Grant	13,403.52	2,866.00				7,662.04
Stormwater Infrastructure Grant	6,351.00					6,351.00
Click It or Ticket	4,000.00		4,000.00			4,000.00
Stormwater Infrastructure Grant-08	2,117.00					2,117.00
Local Domestic Preparedness Equip Grant	0.80				0.80	
Business Stimulus Grant	690.00				690.00	
Over the Limit Under Arrest	4,400.00					4,400.00
Preserve Union County	48,553.17	342.00		4,007.00		44,888.17
Union County Heart Grant	500.00					500.00
Union County Heart Grant-10	1,000.00					1,000.00
Union County Heart Grant-11	11.20					11.20
Union County Heart Grant-12	1,000.00					1,000.00
Union County Heart Grant-13			3,375.00			3,375.00
PSEG Grant	717.00		28,846.00	20,000.00		8,846.00
Greening Union County	62,500.00		2,081.50			2,796.50
Housing Rehabilitation			54,500.00	43,405.00		73,595.00
	\$ 366,852.33	\$ 10,067.79	\$ 192,004.89	\$ 193,092.08	\$ 28,913.45	\$ 346,919.58

A

A-3

A-24

A

REE

Cash Disbursements	\$ 185,577.89
Accounts Payable	10,391.19
	<u>195,969.08</u>
Less: Refunds	2,877.00
	<u>193,092.08</u>

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF INTERFUNDS

<u>REF.</u>	<u>TOTAL</u>	<u>ASSESSMENT TRUST FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>NET PAYROLL ACCOUNT</u>
Balance, December 31, 2012:						
Due From	\$ 35,607.70 \$	318.56 \$	0.67 \$	16,353.36 \$	18,935.11 \$	
Cash Receipts	183,211.56			92,583.88	82,153.02	8,474.66
Cash Disbursements	<u>154,662.65</u>		<u>2.01</u>	<u>92,302.83</u>	<u>62,357.81</u>	
Balance, December 31, 2013:						
Due From	\$ 16,393.55 \$	318.56 \$	2.68 \$	16,072.31		
Due To	<u>\$ 9,334.76</u>				<u>860.10 \$</u>	<u>8,474.66</u>

"A-24"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	647,222.80
Increased by:			
Federal and State Grants Appropriated	A-22	\$	10,391.19
2013 Appropriations	A-3		239,560.26
2012 Appropriation Reserves	A-13		<u>6,541.60</u>
			256,493.05
		\$	<u>903,715.85</u>
Decreased by:			
Transferred to Appropriation Reserves	A-13	\$	474,535.68
Transferred to Federal and State Grants Appropriated	A-22		10,067.79
Disbursements	A-4		<u>12,119.33</u>
			496,722.80
Balance, December 31, 2013	A	\$	<u><u>406,993.05</u></u>

"A-25"

SCHEDULE OF STATE TRAINING FEES -  
DUE STATE OF NEW JERSEY

Balance, December 31, 2012	A	\$	1,076.54
Increased by:			
Receipts	A-4		<u>9,329.00</u>
		\$	<u>10,405.54</u>
Decreased by:			
Disbursements	A-4		<u>9,617.00</u>
Balance, December 31, 2013	A	\$	<u><u>788.54</u></u>

"A-26"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR FIRE FINES AND PENALTIES

	<u>REF.</u>	
Balance, December 31, 2013 and December 31, 2012	A	\$ <u>25.00</u>

"A-27"

SCHEDULE OF BURIAL PERMITS  
DUE STATE OF NEW JERSEY

Balance, December 31, 2013 and December 31, 2012	A	\$ <u>35.00</u>
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"A-28"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	39,624.80
Increased by:			
Transfers from Current Taxes Receivable	A-2		25,000.00
Decreased by:			
Cash Disbursements	A-4		<u>44,024.48</u>
Balance, December 31, 2013	A	\$	<u><u>20,600.32</u></u>

"A-29"

SCHEDULE OF SEWER CHARGES RECEIVABLE

Balance, December 31, 2012	A	\$	4,397.52
Increased by:			
Sewer Charges			<u>57,300.00</u>
		\$	<u>61,697.52</u>
Decreased by:			
Cash Receipts	A-2:A-4		<u>56,717.52</u>
Balance, December 31, 2013	A	\$	<u><u>4,980.00</u></u>

"A-30"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY

REF.

Balance, December 31, 2013 and  
December 31, 2012

A

\$ 4,905.76

"A-31"

SCHEDULE OF RESERVE FOR SNOW REMOVAL

Balance, December 31, 2013 and  
December 31, 2012

A

\$ 25,000.00

"A-32"

SCHEDULE OF RESERVE FOR SALARY INCREASES

Balance, December 31, 2012

A

\$ 122,336.55

Increased by:

Receipts

A-4

20,000.00

Decreased by:

Disbursements

A-4

137,336.55

Balance, December 31, 2013

A

\$ 5,000.00

"A-33"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF EMERGENCY NOTE PAYABLE

	<u>REF.</u>	
Balance, December 31, 2012	A	\$ 500,000.00
Decreased by: Note Payable	A-4	<u>100,000.00</u>
Balance, December 31, 2013	A	\$ <u><u>400,000.00</u></u>

"A-34"

SCHEDULE OF RESERVE TO PAY EMERGENCY NOTE

Increased by: Cash Receipts	A-4	\$ <u>42,282.69</u>
Balance, December 31, 2013	A	\$ <u><u>42,282.69</u></u>

"A-35"

SCHEDULE OF MAINTENANCE LIENS

Increased by: Billings		\$ <u>766.38</u>
Balance, December 31, 2013	A	\$ <u><u>766.38</u></u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2012	B	\$ <u>6,332.35</u>	\$ <u>627,871.65</u>
Increased by:			
Animal Control Fees	B-9	\$ 5,862.80	
Community Development Block Grant	B-3		11,861.00
Due Current Fund	B-5	68.56	7,654.49
Cell Tower Deposits	B-19		10,623.16
Miscellaneous Trust Deposits	B-6		34,629.60
Unemployment Compensation Insurance	B-7		5,033.88
Builders Escrow	B-10		118,157.54
Redevelopment Escrow	B-12		68,604.86
Tax Sale Premiums	B-18		336,441.36
Zoning Escrow	B-11		60,725.67
Recreation Commission	B-13		135,089.36
Law Enforcement Trust Fund	B-14		95.97
Developers Housing Escrow	B-15		12,321.36
Police Off-Duty Pay	B-21		263,827.69
PSEG Deposits	B-22		69,684.00
Payroll Deductions	B-20		1,895,102.26
Library	B-16		23,734.50
In Lieu of Construction	B-17		2,453.00
Fanny Wood Trust	B-2		16,441.37
		\$ <u>5,931.36</u>	\$ <u>3,072,481.07</u>
		\$ <u>12,263.71</u>	\$ <u>3,700,352.72</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-9	\$ 5,347.73	
Due Current Fund	B-5	66.55	7,935.54
Miscellaneous Trust Deposits	B-6		39,057.03
Unemployment Compensation Insurance	B-7		5,544.20
Community Development Block Grant Fund	B-8		13,534.99
Builders Escrow	B-10		28,434.40
Tax Sale Premiums	B-18		421,004.79
Zoning Escrow	B-11		64,867.40
Redevelopment Escrow	B-12		68,504.86
Recreation Commission	B-13		174,216.40
Developers Housing Escrow	B-15		22,730.00
Police Off-Duty Pay	B-21		261,337.32
Payroll Deductions	B-20		1,900,079.66
PSEG Deposits	B-22		4,500.00
Library Fund	B-16		17,985.51
Fanny Wood Trust	B-2		10,364.43
In Lieu of Construction	B-17		81,470.25
		\$ <u>5,414.28</u>	\$ <u>3,121,566.78</u>
Balance, December 31, 2013	B	\$ <u>6,849.43</u>	\$ <u>578,785.94</u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR FANNYWOOD TRUST

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 20,620.14
Increased by:		
Cash Receipts	B-1	\$ <u>16,441.37</u>
		\$ 37,061.51
Decreased by:		
Cash Disbursement	B-1	<u>10,364.43</u>
Balance, December 31, 2013	B	\$ <u><u>26,697.08</u></u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>DUE FROM</u> <u>COUNTY OF UNION</u> <u>COMMUNITY</u> <u>DEVELOPMENT</u> <u>BLOCK GRANTS</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
Handyman	\$ 1,023.50 \$		1,023.50 \$	
Enhanced Senior Bus Service	0.04		0.04	
Handyman	838.00		561.00	277.00
Enhanced Senior Bus Service	7,700.00		7,700.00	
Senior Citizen Program	3,600.00		3,600.00	
Enhanced Senior Bus Service		7,700.00		7,700.00
Senior Citizen Program		3,600.00		3,600.00
Handyman		1,000.00		1,000.00
	<u>\$ 13,161.54 \$</u>	<u>12,300.00 \$</u>	<u>12,884.54 \$</u>	<u>12,577.00</u>

<u>REF.</u>	<u>B</u>	<u>B-8</u>	<u>B</u>
Cash Receipts		\$	11,861.00
Cancelled			1,023.54
		\$	<u>12,884.54</u>

BOROUGH OF FANWOOD

TRUST FUND

ANALYSIS OF ASSESSMENT CASH

BALANCE  
DECEMBER  
31, 2013

Cash Deficit

\$ (318.56)

Due Current Fund

\$ 318.56

REF.

B

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>ASSESSMENT FUND</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER FUNDS</u>
Balance, December 31, 2012 (Due To)	B	\$ 318.56 \$	0.67 \$	16,353.36
Cash Receipts	B-1		68.56	7,654.49
		\$ <u>318.56</u> \$	<u>69.23</u> \$	<u>24,007.85</u>
Cash Disbursements	B-1		66.55	7,935.54
Balance, December 31, 2013 (Due To)	B	\$ <u><u>318.56</u></u> \$	<u><u>2.68</u></u> \$	<u><u>16,072.31</u></u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	88,104.83
Increased by:			
Cash Receipts	B-1		34,629.60
		\$	<u>122,734.43</u>
Decreased by:			
Cash Disbursements	B-1		<u>39,057.03</u>
Balance, December 31, 2013	B	\$	<u><u>83,677.40</u></u>

Analysis of Miscellaneous Trust Deposits is on file in the Treasurers Office.

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT  
COMPENSATION INSURANCE

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	2,253.71
Increased by:			
Receipts	B-1		<u>5,033.88</u>
		\$	<u>7,287.59</u>
Decreased by:			
Disbursements	B-1		<u>5,544.20</u>
Balance, December 31, 2013	B	\$	<u><u>1,743.39</u></u>

"B-8"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT

<u>PROGRAM</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>	<u>DUE FROM</u> <u>COUNTY OF UNION-</u> <u>COMMUNITY</u> <u>DEVELOPMENT</u> <u>BLOCK GRANTS</u>	<u>DECREASED</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
Handyman Program	\$ 1,000.00 \$	\$	723.00 \$	277.00
Enhanced Senior Bus Service	3,235.50		3,235.50	
Senior Citizen Program	1,610.96		1,610.96	
Handyman Program	1,226.00		1,226.00	
Enhanced Senior Bus Service		7,700.00	4,464.50	3,235.50
Senior Citizen Program		3,600.00	2,938.57	661.43
Handyman Program		1,000.00	360.00	640.00
	<u>\$ 7,072.46 \$</u>	<u>12,300.00 \$</u>	<u>14,558.53 \$</u>	<u>4,813.93</u>

B

B-3

B

REF.

Cash Disbursements	\$ 13,534.99
Cancelled	<u>1,023.54</u>
	<u>\$ 14,558.53</u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	6,331.68
Increased by:			
Dog License Fees		\$	4,812.80
Cat License Fees			<u>1,050.00</u>
	B-1		<u>5,862.80</u>
		\$	<u>12,194.48</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-1		<u>5,347.73</u>
Balance, December 31, 2013	B	\$	<u><u>6,846.75</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2012	\$	5,341.61
2011		<u>6,226.60</u>
	\$	<u><u>11,568.21</u></u>

"B-10"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR BUILDERS ESCROW

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 19,320.73
Increased by:		
Cash Receipts	B-1	\$ <u>118,157.54</u>
		\$ 137,478.27
Decreased by:		
Cash Disbursements	B-1	<u>28,434.40</u>
Balance, December 31, 2013	B	\$ <u><u>109,043.87</u></u>

"B-11"

SCHEDULE OF RESERVE FOR ZONING ESCROW

Balance, December 31, 2012	B	\$ 28,368.50
Increased by:		
Cash Receipts	B-1	\$ <u>60,725.67</u>
		\$ 89,094.17
Decreased by:		
Cash Disbursements	B-1	<u>64,867.40</u>
Balance, December 31, 2013	B	\$ <u><u>24,226.77</u></u>

"B-12"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR REDEVELOPMENT ESCROW

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 4,426.60
Increased by:		
Cash Receipts	B-1	68,604.86
		<u>\$ 73,031.46</u>
Decreased by:		
Cash Disbursements	B-1	68,504.86
		<u>68,504.86</u>
Balance, December 31, 2013	B	<u>\$ 4,526.60</u>

"B-13"

SCHEDULE OF RESERVE FOR RECREATION COMMISSION

Balance, December 31, 2012	B	\$ 82,301.71
Increased by:		
Cash Receipts	B-1	135,089.36
		<u>\$ 217,391.07</u>
Decreased by:		
Cash Disbursements	B-1	174,216.40
		<u>174,216.40</u>
Balance, December 31, 2013	B	<u>\$ 43,174.67</u>

"B-14"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUNDS

Balance, December 31, 2012	B	\$ 12,750.53
Increased by:		
Cash Receipts	B-1	95.97
		<u>95.97</u>
Balance, December 31, 2013	B	<u>\$ 12,846.50</u>

"B-15"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPERS HOUSING ESCROW

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 16,471.14
Increased by:		
Cash Receipts	B-1	\$ <u>12,321.36</u>
		\$ 28,792.50
Decreased by:		
Cash Disbursements	B-1	<u>22,730.00</u>
Balance, December 31, 2013	B	\$ <u><u>6,062.50</u></u>

"B-16"

SCHEDULE OF RESERVE FOR LIBRARY

Balance, December 31, 2012	B	\$ 60,185.28
Increased by:		
Cash Receipts	B-1	\$ <u>23,734.50</u>
		\$ 83,919.78
Decreased by:		
Cash Disbursements	B-1	<u>17,985.51</u>
Balance, December 31, 2013	B	\$ <u><u>65,934.27</u></u>

"B-17"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR IN LIEU OF CONSTRUCTION

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	94,209.98
Increased by:			
Cash Receipts	B-1		2,453.00
Decreased by:			
Cash Disbursements	B-1		<u>81,470.25</u>
Balance, December 31, 2013	B	\$	<u><u>15,192.73</u></u>

"B-18"

SCHEDULE OF TAX SALE PREMIUMS AND REDEMPTIONS

Balance, December 31, 2012	B	\$	116,649.74
Increased by:			
Cash Receipts	B-1		<u>336,441.36</u>
		\$	<u>453,091.10</u>
Decreased by:			
Cash Disbursements	B-1		<u>421,004.79</u>
Balance, December 31, 2013	B	\$	<u><u>32,086.31</u></u>

"B-19"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR CELL TOWER DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	7,875.00
Increased by:			
Cash Receipts	B-1		<u>10,623.16</u>
Balance, December 31, 2013	B	\$	<u><u>18,498.16</u></u>

"B-20"

SCHEDULE OF PAYROLL DEDUCTIONS

Balance, December 31, 2012	B	\$	30,658.99
Increased by:			
Cash Receipts	B-1	\$	<u>1,895,102.26</u>
			<u>1,925,761.25</u>
Decreased by:			
Cash Disbursements	B-1		<u>1,900,079.66</u>
Balance, December 31, 2013	B	\$	<u><u>25,681.59</u></u>

"B-21"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR POLICE OFF-DUTY PAY

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	33,410.49
Increased by:			
Cash Receipts	B-1	\$	<u>263,827.69</u>
			297,238.18
Decreased by:			
Cash Disbursements	B-1		<u>261,337.32</u>
Balance, December 31, 2013	B	\$	<u><u>35,900.86</u></u>

"B-22"

SCHEDULE OF PSEG DEPOSITS

Increased by:			
Cash Receipts	B-1	\$	69,684.00
Decreased by:			
Cash Disbursements	B-1		<u>4,500.00</u>
Balance, December 31, 2013	B	\$	<u><u>65,184.00</u></u>

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 1,737,443.65
Increased by Receipts:			
Capital Improvement Fund	C-8	\$ 100,000.00	
General Serial Bonds	C-11	4,600,000.00	
Bond Anticipation Note	C-12	5,585,486.00	
Grants Receivable	C-13	43,812.50	
Premium on Sale of Notes	C-1	15,437.31	
Due Current Fund	C-4	<u>216,923.05</u>	
			\$ <u>10,561,658.86</u>
			\$ <u>12,299,102.51</u>
Decreased by Disbursements:			
Bond Anticipation Note	C-12	\$ 9,772,309.00	
Reserve for Debt Service	C-14	237.50	
Capital Improvement Fund	C-8	31,666.66	
Contracts Payable	C-10	2,110,320.37	
Fund Balance Anticipated as Revenue	C-1	74,155.00	
Due Current Fund	C-4	<u>236,718.26</u>	
			<u>12,225,406.79</u>
Balance, December 31, 2013	C		\$ <u><u>73,695.72</u></u>

"C-3"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

	BALANCE DECEMBER <u>31, 2013</u>
Capital Fund Balance	\$ 29,245.29
Contracts Payable	1,998,541.94
Capital Improvement Fund	43,380.14
Improvement Authorizations Funded Set Forth on "C-9"	391,645.75
Improvement Authorizations Expended Set Forth on "C-7"	(2,373,003.00)
Unexpended Proceeds of Bond Anticipation Notes Set Forth on "C-7"	403,889.16
State Aid Receivable	(475,307.58)
Reserve to Pay Bonds	62,164.12
Due from Scotch Plains - Fanwood Board of Education	(6,000.00)
Due Current Fund	<u>(860.10)</u>
	\$ <u><u>73,695.72</u></u>

REF.

C

"C-4"

BOROUGH OF FANWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2012 (Due To)	C	\$ 18,935.11
Increased by:		
Cash Receipts	C-2	\$ <u>216,923.05</u>
		\$ <u>235,858.16</u>
Decreased by:		
Cash Disbursements	C-2	<u>236,718.26</u>
Balance, December 31, 2013 (Due To)	C	\$ <u><u>860.10</u></u>

"C-5"

SCHEDULE OF DUE FROM SCOTCH PLAINS - FANWOOD BOARD OF EDUCATION

Balance, December 31, 2013 and December 31, 2012	C	\$ <u><u>6,000.00</u></u>
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"C-6"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 4,160,000.00
Increased by:		
2013 Bond Sale	C-11	<u>4,600,000.00</u>
		8,760,000.00
Decreased by:		
2013 Budget Appropriation to Pay Bonds	C-11	<u>485,000.00</u>
Balance, December 31, 2013	C	<u>\$ 8,275,000.00</u>

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE			UNEXPENDED IMPROVEMENT AUTHORIZATIONS
		BALANCE DECEMBER 31, 2013	NOTES	EXPENDITURES	
01-07/02-10	Various Capital Improvements	\$ 84.00	\$	84.00	\$
04-09	Various Park Improvements	112.20		112.20	
05-12/05-16	Various General Improvements	316.00		35.67	280.33
06-13/06-10	Various Capital Improvements	63,379.00			63,379.00
07-11/09-09	Various Capital Improvements	221,963.00			221,963.00
10-04	Various Capital Improvements	913,225.00	592,115.00		321,110.00
11-08	Various Capital Improvements	1,128,915.00	875,000.00		253,915.00
12-07	Drainage Improvements	2,242,075.00		1,131,658.03	1,110,416.97
12-11	Various Capital Improvements	1,425,000.00	423,031.00	971,724.50	30,244.50
13-08-S	Site Remediation	350,000.00		269,388.60	80,611.40
13-12-S	Various Capital Improvements	1,520,000.00			1,520,000.00
		\$ 7,865,069.20	\$ 1,890,146.00	\$ 2,373,003.00	\$ 3,601,920.20

REF.	C	C-3
Unexpended Improvement Authorizations-Unfunded		\$ 4,005,809.36
Less: Unexpended Proceeds of Bond Anticipation Notes		403,889.16
		\$ 3,601,920.20

Bond Anticipation Notes Payable	\$ 1,890,146.00
	\$ 1,890,146.00

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2012	C	\$	55,046.80
Increased by:			
2013 Appropriations	C-2		<u>100,000.00</u>
		\$	155,046.80
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-9	\$	80,000.00
Disbursements	C-2		<u>31,666.66</u>
			<u>111,666.66</u>
Balance, December 31, 2013	C	\$	<u><u>43,380.14</u></u>

BOROUGH OF FANWOOD  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2012		2013 AUTHORIZATIONS	PAID OR CHARGED	IMPROVEMENT AUTHORIZATIONS CANCELED	BALANCE DECEMBER 31, 2013	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
	General Improvements:									
99-06	Various General Improvements	04/05/99	\$ 533,500.00	\$	\$					
00-05	Various General Improvements	05/11/00	764,340.00	54.50	17,978.40		54.50	17,978.40		
01-07	Various Capital Improvements	05/10/01	988,749.00							
02-09	Various Capital Improvements	05/20/02	1,192,350.00							
03-08/09-10	Various Capital Improvements	05/13/03	1,339,040.00	21,909.75			21,909.75			
03-11	Acquisition and Installation of Emergency Service Tower	06/10/03	100,000.00				42,355.75			280.33
	Various Capital Improvements	07/19/04	767,590.00				1,830.22			
04-09	Various Capital Improvements	06/14/05	1,575,068.00	4,359.65			4,359.65			
05-12/05-16	Various Capital Improvements	10/11/05	147,960.00				(280.33)			
05-22	LaGrande Park Improvements	05/09/06	1,912,468.00				14,600.00			63,379.00
06-13/06-10	Various Capital Improvements	07/03/07	1,513,000.00				19,282.43			221,963.00
07-11/09-09	Various Capital Improvements	11/20/07	2,000,000.00				484,150.95			2,099.02
10-04	Acquisition of Property	06/07/10	2,050,000.00				1,504.92			
11-08	Various Capital Improvements	06/14/11	1,363,582.00				525,953.69			522,700.98
12-07	Drainage Improvements	06/19/12	2,561,000.00				481,172.09			454,114.16
12-11	Various Capital Improvements	08/21/12	1,680,000.00				2,252,128.80			1,110,416.97
13-08-S	Site Remediation	05/21/13	350,000.00				1,401,599.97			30,244.50
13-12-S	Various Capital Improvements	12/20/14	1,805,000.00				350,000.00			80,611.40
				\$ 26,323.90	\$ 5,426,900.72	\$ 2,155,000.00	\$ 3,122,281.24	\$ 88,488.27	\$ 391,645.75	\$ 4,005,809.36

C-C-3

C-C-7

C-10

C

C

REF.

C-8  
C-13

C-14  
C-13  
C-1

Capital Improvement Fund  
Grants Receivable  
Deferred Charges Unfunded

Reserve to Debt Service  
Grants Receivable  
Fund Balance

\$ 62,164.37  
15,116.03  
11,207.87  
88,488.27

"C-10"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance December 31, 2012	C	\$	986,581.07
Increased by:			
Contracts Issued-Improvement Authorizations	C-9	\$	<u>3,122,281.24</u>
			<u>3,122,281.24</u>
Decreased by:		\$	<u>4,108,862.31</u>
Cash Disbursements	C-2		<u>2,110,320.37</u>
Balance December 31, 2013	C	\$	<u><u>1,998,541.94</u></u>



BOROUGH OF FANWOOD  
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
01-07/02-11	Various Capital Improvements	10/02/08	09/26/12	09/19/13	1.25%	\$ 126,161.00	\$	\$ 126,161.00	\$
04/09	Various Capital Improvements	10/02/08	09/26/12	09/19/13	1.25%	74,753.00		74,753.00	
05-12/05-16	Various Capital Improvements	10/02/08	09/26/12	09/19/13	1.25%	229,316.00		229,316.00	
05-15	Acquisition of Equip and Reconst of Rds	10/02/08	09/26/12	09/19/13	1.25%	13,275.00		13,275.00	
06-13/06-10	Various Capital Improvements	09/22/09	09/26/12	09/19/13	1.25%	469,894.00		469,894.00	
07-11/09-09	Various Capital Improvements	05/22/08	02/16/12	02/15/13	1.25%	488,230.00		488,230.00	
07-21	Acquisition of Property	05/22/08	02/15/13	09/19/19	1.25%	1,775,000.00	1,850,000.00	1,775,000.00	
07-21	Acquisition of Property	04/17/12	04/17/12	02/15/13	0.85%	125,000.00		125,000.00	
07-11/09-09	Various Capital Improvements	07/08/10	02/16/12	02/15/13	1.25%	500,000.00		500,000.00	
07-11/09-09	Various Capital Improvements	07/08/10	02/15/13	09/19/19	1.25%	500,000.00	482,115.00	500,000.00	
10-04	Various Capital Improvements	07/08/10	02/15/13	02/15/13	1.25%	500,000.00		500,000.00	
10-04	Various Capital Improvements	07/08/10	02/15/13	09/19/19	1.25%	500,000.00	488,225.00	488,225.00	
10-04	Various Capital Improvements	09/29/10	09/24/12	09/19/13	1.25%	680,000.00		680,000.00	
10-04	Various Capital Improvements	09/29/10	09/18/13	09/17/14	1.25%	875,000.00	592,115.00	875,000.00	592,115.00
11-08	Various Capital Improvements	04/17/12	04/17/12	02/15/13	0.85%	875,000.00		875,000.00	
11-08	Various Capital Improvements	04/17/12	09/18/13	09/17/14	1.25%	875,000.00		875,000.00	
11-08	Various Capital Improvements	09/26/12	09/24/12	09/19/13	1.25%	300,000.00		300,000.00	
12-07	Drainage Improvements	09/18/13	09/18/13	09/17/14	1.25%		423,031.00		423,031.00
12-11	Various Capital Improvements								
						\$ 6,156,629.00	\$ 5,585,486.00	\$ 9,851,969.00	\$ 1,880,146.00

C: C-7

C: C-2

C

REF.

Cash Disbursements  
Notes Paid by Budget

C-2

\$ 9,772,309.00

79,660.00

\$ 9,851,969.00

BOROUGH OF FANWOOD  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 329,236.11
Increased by:			
Grants Authorized	C-9		<u>205,000.00</u>
			\$ 534,236.11
Decreased by:			
Cash Receipts	C-2	\$ 43,812.50	
Canceled	C-9	<u>15,116.03</u>	
			<u>58,928.53</u>
Balance, December 31, 2013	C		\$ <u><u>475,307.58</u></u>

"C-14"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO DEBT SERVICE

	<u>REF.</u>		
Balance, December 31, 2012	C	\$	237.25
Increased by:			
Cancellation of Improvement Authorization-funded	C-9		<u>62,164.37</u>
		\$	<u>62,401.62</u>
Decreased by:			
Cash Disbursements	C-2		<u>237.50</u>
Balance, December 31, 2013	C	\$	<u><u>62,164.12</u></u>

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2013</u>	
		<u>CAPITAL FUND</u>	<u>TRUST FUND</u>
General Improvements:			
01-07;02-10	Various General Improvements	\$ 84.00	\$
04-09	Various General Improvements	112.20	
05-12/05-16	Various General Improvements	316.00	
06-13/06-10	Various General Improvements	63,379.00	
07-11/09-09	Various Capital Improvements	221,963.00	
10-04	Various Capital Improvements	321,110.00	
11-08	Various Capital Improvements	253,915.00	
12-07	Drainage Improvements	2,242,075.00	
12-11	Various Capital Improvements	1,001,969.00	
13-08-S	Site Remediation	350,000.00	
13-12-S	Various Capital Improvements	1,520,000.00	
Local Improvements:			
87-06	Install Curbing on Cray Terrace		<u>318.56</u>
		\$ <u>5,974,923.20</u>	\$ <u>318.56</u>
	Assessment Lien		\$ <u>318.56</u>
			\$ <u>318.56</u>

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BOROUGH OF FANWOOD

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

SCHEDULES OF EXPENDITURES FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Fanwood  
County of Union  
Fanwood, New Jersey 07023

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Fanwood, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July 16, 2014. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Fanwood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

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

## SUPLEE, CLOONEY & COMPANY

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 a 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 by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July 16, 2014

SCHEDULE 1

BOROUGH OF FAIRWOOD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2013

FEDERAL CFDA NUMBER	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2013 FUNDS RECEIVED	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>						
<u>PASS-THROUGH COUNTY OF UNION:</u>						
14.218	011-428	09/01/11 08/31/12	\$ 976.50	\$	\$ 202.50	\$ 976.50
14.218	012-220	09/01/12 08/31/13	3,600.00	3,600.00	1,610.96	3,600.00
14.218	012-221	09/01/12 08/31/13	7,700.00	7,700.00	3,235.50	7,700.00
14.218	012-428	09/01/12 08/31/13	999.96	561.00	722.96	722.96
14.218	013-220	09/01/13 08/31/14	3,600.00		2,938.57	2,938.57
14.218	013-221	09/01/13 08/31/14	7,700.00		4,464.50	4,464.50
14.218	013-428	09/01/13 08/31/14	1,000.00		360.00	360.00
			\$	\$ 11,861.00	\$ 13,534.99	\$ 20,762.53
<u>U. S. DEPARTMENT OF HOMELAND SECURITY:</u>						
97.036	N/A	01/01/13 12/31/13	143,252.51	143,252.51	143,252.51	143,252.51
			\$	\$ 143,252.51	\$ 143,252.51	\$ 143,252.51
<u>U. S. DEPARTMENT OF TRANSPORTATION:</u>						
<u>PASS-THROUGH STATE OF NEW JERSEY:</u>						
20.205	02-480-078-6320-AFG-6010	Continuous	200,000.00			93,655.42
20.205	09-480-078-6320-AKE-6010	Continuous	200,000.00			150,000.00
20.205	11-480-078-6320-AK3-6010	Continuous	175,250.00	43,812.50	43,812.50	175,250.00
20.205	12-480-078-6320-ACL-6010	Continuous	180,000.00			
20.205	13-480-078-6320-ACL-6010	Continuous	205,000.00			
20.614	Click It or Ticket	Continuous	4,000.00	4,000.00	4,000.00	4,000.00
			\$	\$ 47,812.50	\$ 47,812.50	\$ 422,905.42
			\$	\$ 202,925.01	\$ 204,600.00	\$ 586,920.46



BOROUGH OF FANWOOD

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial awards of the Borough of Fanwood, County of Union, New Jersey. All federal and state financial awards received directly from federal or state agencies, as well as federal financial awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - statutory basis.

NOTE 3. 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.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's statutory basis financial statements. These amounts are reported in the Current Fund, General Capital Fund, or Trust Other Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS-REGULATORY BASIS (CONTINUED)

Revenues

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 143,252.51	\$ 52,092.93	\$ 140,966.71	\$ 336,312.15
Trust Other Fund	11,861.00			11,861.00
General Capital Fund	<u>47,812.50</u>	<u>                    </u>	<u>                    </u>	<u>47,812.50</u>
	<u>\$ 202,926.01</u>	<u>\$ 52,092.93</u>	<u>\$ 140,966.71</u>	<u>\$ 395,985.65</u>

Expenditures

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 143,252.51	\$ 35,542.61	\$ 157,549.47	\$ 336,344.59
Trust Other Fund	13,534.99			13,534.99
General Capital Fund	<u>47,812.50</u>	<u>                    </u>	<u>                    </u>	<u>47,812.50</u>
	<u>\$ 204,600.00</u>	<u>\$ 35,542.61</u>	<u>\$ 157,549.47</u>	<u>\$ 397,692.08</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

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PART III  
BOROUGH OF FANWOOD  
STATISTICAL DATA  
LIST OF OFFICIALS  
COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2013

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2013</u>		<u>YEAR 2012</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 232,000.00	0.72%	\$ 215,000.00	0.69%
Miscellaneous From Other Than Local Property				
Tax Levies	2,864,946.85	8.95%	2,723,570.04	8.75%
Collection of Delinquent Taxes and Tax Title Liens	295,917.24	0.92%	328,673.70	1.06%
Collection of Current Tax Levy	<u>28,626,120.30</u>	<u>89.40%</u>	<u>27,867,332.85</u>	<u>89.51%</u>
<u>Total Income</u>	<u>\$ 32,018,984.39</u>	<u>100.00%</u>	<u>\$ 31,134,576.59</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 8,723,894.17	27.69%	\$ 9,028,754.41	28.90%
County Taxes	5,501,262.50	17.46%	5,241,213.54	16.77%
Regional High School Taxes	17,134,362.91	54.38%	16,944,403.70	54.23%
Miscellaneous	<u>147,655.70</u>	<u>0.47%</u>	<u>31,549.27</u>	<u>0.10%</u>
<u>Total Expenditures</u>	<u>\$ 31,507,175.28</u>	<u>100.00%</u>	<u>\$ 31,245,920.92</u>	<u>100.00%</u>
Excess(Deficit) in Revenue	\$ 511,809.11		\$ (111,344.33)	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budgets of Succeeding Years			<u>555,000.00</u>	
Statutory Excess to Fund Balance	\$ 511,809.11		\$ 307,526.12	
Fund Balance, January 1	<u>691,791.33</u>		<u>463,135.66</u>	
	\$ 1,203,600.44		\$ 770,661.78	
Less: Utilization as Anticipated Revenue	<u>232,000.00</u>		<u>215,000.00</u>	
Fund Balance, December 31	<u>\$ 971,600.44</u>		<u>\$ 691,791.33</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>12.672</u>	<u>12.334</u>	<u>12.176</u>
Apportionment of Tax Rate:			
Municipal	2.523	2.456	2.447
Municipal Library	0.161	0.166	0.168
County	2.405	2.290	2.151
Local School	7.583	7.422	7.410

ASSESSED VALUATIONS

2013	<u>\$228,324,588.00</u>		
2012		<u>\$228,470,715.00</u>	
2011			<u>\$228,535,474.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTION</u>	<u>PERCENTAGE OF COLLECTIONS</u>
2013	\$28,985,680.05	\$28,626,120.30	98.76%
2012	\$28,228,943.65	\$27,864,235.27	98.71%
2011	\$27,875,159.74	\$27,484,903.34	98.60%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2013	\$19,081.34	\$289,788.76	\$308,870.10	1.07%
2012	\$22,761.35	\$291,223.47	\$313,984.82	1.11%
2011	\$21,429.28	\$329,830.42	\$351,259.70	1.26%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2013	\$12,279.00
2012	\$12,279.00
2011	\$12,279.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
2013	\$971,600.44	\$515,433.00 *
2012	\$691,473.58	\$215,000.00
Current Fund 2011	\$463,135.66	\$215,000.00
2010	\$930,543.54	\$774,934.00
2009	\$922,645.05	\$758,666.00

\* Per Introduced Budget

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT</u>
Colleen Mahr	Mayor	*
Russell Huegel	Councilman	*
Jack Molenaar	Councilman	*
Katherine Mitchell	Councilwoman	*
Anthony Parenti	Councilman	*
Daniel Levine	Councilman	*
Kevin Boris	Councilman	*
Eleanor McGovern	Borough Clerk/Administrator	**
Frederick J. Tomkins	Chief Financial Officer	**
Patricia Celardo	Assistant Treasurer	**
Colleen Huehn	Tax Collector	**
Michael Ross	Tax Assessor	*
Dominic Carrino	Borough Engineer	*
Dennis Estis	Borough Attorney	*
Daniel Antonelli	Prosecutor	*
Susan Macmullan	Magistrate	**
Joy Veeck	Court Administrator	**
Donna Zucker	Deputy Court Administrator	*
Richard Trigo	Chief of Police	*
Bruce Helmstetter	Construction Code Official	*

\* \$1,000,000.00 Crime Coverage Bond-Travelers Insurance Fund

\*\*\$1,000,000.00 Travelers Casualty and Surety Company of America

All Bonds were examined and properly executed.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

- Road Improvements
- Park Improvements
- In-Situ Geochemical Stabilization

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" as required by N.J.S.A.40:11-14:

- Planning Consultants
- Bond Counsel
- Auditor
- Engineering Services
- Attorney
- Architect
- Insurance Consultant

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 15, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

The Collector of Taxes shall charge interest at the rate of eight (8%) percent per annum on the first \$1,500.00 of the delinquency, which term is defined in N.J.S.A. 54:4-67, and eighteen (18%) percent per annum on any amount of the delinquency, as that term is defined in N.J.S.A. 54:4-67, in excess of the \$1,500.00, to be calculated from the date the taxes and/or assessments were payable until the date that actual payment to the lien holder is next authorized; and the Tax Collector shall also charge a penalty of an additional six (6%) percent of the amount of the delinquency, as that term is defined by N.J.S.A. 54:4-67, to a taxpayer with such a delinquency in excess of \$10,000.00 and who fails to pay that delinquency prior to the end of the fiscal year. If such taxes and/or assessments are fully paid and satisfied by the holder of an outstanding tax sale certificate, such holders shall be entitled to receive the six (6%) percent penalty as part of the amount required to be paid by the taxpayer in order to redeem such tax sale certificate.

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2014 Taxes	25
Payments of 2013 Taxes	25
Delinquent Taxes	25

GENERAL COMMENTS (CONTINUED)

TAX TITLE LIENS

The last tax sale was held on June 11, 2013 and was complete.

An examination of the tax sale certificates revealed all certificates were on file and available for audit.

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

<u>YEARS</u>	<u>NUMBER OF LIENS</u>
2013	2
2012	3
2011	3

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

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

Encumbrance System

On a test check basis, we examined the paid claims of the various funds for proper signatures, approvals and authorizations, support documentation, correct extensions and applicability to account or appropriations charged. Our examination disclosed that several orders were placed prior to encumbrance of funds, and invoices and approval signatures were not always present.

General Ledger

Several adjustments needed to be made to the Current Fund General Ledger to properly reflect account balances.

## RECOMMENDATIONS

\*That funds be encumbered prior to ordering of goods and services and all vouchers contain the required support documentation and approvals prior to their payments.

\*That the Current Fund General Ledger be accurately maintained.

\*Prior Year Recommendations

