

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, 2011

BOROUGH OF FANWOOD

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BOROUGH OF FANWOOD

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2011



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@senco.com

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements - regulatory basis of the various individual funds and the account group of the Borough of Fanwood, County of Union, New Jersey as of and for the years ended December 31, 2011 and 2010, and for the year ended December 31, 2011 as listed as financial statements - regulatory basis in the foregoing table of contents. These financial statements - regulatory basis are the responsibility of the management of the Borough of Fanwood, County of Union. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough of Fanwood, County of Union, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, because the Borough of Fanwood prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the various individual funds of the Borough of Fanwood as of December 31, 2011 and 2010 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2011.

SUPLEE, CLOONEY & COMPANY

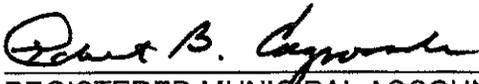
However, in our opinion, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various individual funds and account groups of the Borough of Fanwood, County of Union, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance - regulatory basis for the years then ended and the revenues, expenditures and changes in fund balance - regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 13, 2012 on our consideration of the Borough of Fanwood's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - regulatory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of the Borough of Fanwood, County of Union, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

August 13, 2012

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CURRENT FUND

BOROUGH OF FANWOOD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2011</u> | <u>BALANCE DECEMBER 31, 2010</u> |
|---|-------------|--|--|
| Cash | A-4 | \$ 1,280,322.66 | \$ 1,511,254.67 |
| Cash - Change Funds | A-6 | 200.00 | 200.00 |
| Due from State of New Jersey-Senior Citizens Deductions | A-8 | 4,579.01 | 4,829.01 |
| State Aid Receivable | A-5 | <u>375,633.87</u> | <u>315,995.92</u> |
| | | <u>\$ 1,660,735.54</u> | <u>\$ 1,832,279.60</u> |
| Receivables With Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-9 | \$ 329,830.42 | \$ 320,978.99 |
| Tax Title Liens Receivable | A-10 | 21,429.28 | 20,114.27 |
| Property Acquired for Taxes-Assessed Valuation | A-11 | 12,279.00 | 12,279.00 |
| Revenue Accounts Receivable | A-12 | 18,559.05 | 14,853.82 |
| Sewer Charges Receivable | A-29 | 409.27 | 6,447.47 |
| Interfunds Receivable | A-23 | 4,058.43 | 9,593.01 |
| Prepaid Regional School Tax | A-21 | <u> </u> | <u>87,058.80</u> |
| | A | <u>\$ 386,565.45</u> | <u>\$ 471,325.36</u> |
| Deferred Charges: | | | |
| Overexpenditure of Appropriations | A-19 | \$ 49,353.00 | \$ 4,002.13 |
| Emergency Appropriations | A-19 | <u>49,353.00</u> | <u>100,000.00</u> |
| | | <u>\$ 2,096,653.99</u> | <u>\$ 2,407,607.09</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, 2011</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3:A-13 | \$ 313,234.87 \$ | 455,491.93 |
| Encumbrances Payable | A-24 | 351,281.76 | 150,635.34 |
| Prepaid Taxes | A-17 | 95,608.56 | 65,763.77 |
| Tax Overpayments | A-18 | 10,449.64 | 41,178.62 |
| Interfunds Payable | A-23 | 5,758.56 | |
| County Taxes Payable | A-20 | 8,589.09 | 9,566.54 |
| School Taxes Payable | A-21 | 116,740.39 | |
| Reserve for: | | | |
| Due State of New Jersey: | | | |
| Marriage License Fees | A-16 | 125.00 | |
| State Training Fees | A-25 | 2,641.54 | 917.54 |
| Burial Permits | A-27 | 35.00 | 35.00 |
| Tax Appeals | A-28 | 39,624.80 | 50,000.00 |
| Library | A-30 | 4,905.76 | 4,905.76 |
| Sale of Municipal Assets | A-14 | 125.00 | 125.00 |
| Grants - Appropriated | A-22 | 280,091.82 | 224,457.44 |
| Grants - Unappropriated | A-15 | 17,716.09 | 2,636.25 |
| Fire Fines and Penalties | A-26 | 25.00 | 25.00 |
| | | <u>\$ 1,246,952.88</u> | <u>\$ 1,005,738.19</u> |
| Reserve for Receivables and Other Assets | A | 386,565.45 | 471,325.36 |
| Fund Balance | A-1 | <u>463,135.66</u> | <u>930,543.54</u> |
| | | <u>\$ 2,096,653.99</u> | <u>\$ 2,407,607.09</u> |

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

BOROUGH OF FANWOODCURRENT FUNDSTATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | <u>YEAR ENDED DECEMBER 31, 2011</u> | <u>YEAR ENDED DECEMBER 31, 2010</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME</u> | | | |
| Fund Balance Utilized | A-2 | \$ 774,934.00 | \$ 758,666.00 |
| Miscellaneous Revenue Anticipated | A-2 | 2,084,288.57 | 2,034,392.89 |
| Receipts From Delinquent Taxes | A-2 | 320,978.99 | 261,222.28 |
| Receipts From Current Taxes | A-2 | 27,484,912.34 | 27,562,523.21 |
| Non-Budget Revenue | A-2 | 111,438.31 | 32,421.71 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-13 | 167,942.65 | 92,447.82 |
| Interfunds Returned | | 5,534.58 | |
| Tax Overpayments Canceled | A-18 | 4,546.52 | |
| Reserve for Prepaid Regional School Taxes | | 87,058.80 | 2.44 |
| TOTAL INCOME | | \$ 31,041,634.76 | \$ 30,741,676.35 |
| <u>EXPENDITURES</u> | | | |
| Budget Appropriations: | | | |
| Operations Within "CAPS": | | | |
| Operating | A-3 | \$ 5,782,494.00 | \$ 5,895,269.60 |
| Deferred Charges and Statutory Expenditures | A-3 | 896,597.13 | 456,461.06 |
| Operations Excluded From "CAPS": | | | |
| Other Operations | A-3 | 967,955.68 | 1,234,988.53 |
| Capital Improvement Fund | A-3 | 120,000.00 | 100,000.00 |
| Deferred Charges | A-3 | 70,000.00 | |
| Municipal Debt Service | A-3 | 858,903.04 | 776,135.98 |
| Regional School Tax | A-21 | 17,136,446.30 | 16,843,646.44 |
| County Taxes | A-20 | 4,916,776.06 | 4,706,688.46 |
| County Share of Added Taxes | A-20 | 8,588.75 | 9,566.20 |
| Interfunds Advanced | | | 851.92 |
| Reserve for Tax Appeals | | | 50,000.00 |
| Refund of Prior Year Revenue | A-4 | 25,700.68 | 1,503.67 |
| TOTAL EXPENDITURES | | \$ 30,783,461.64 | \$ 30,075,111.86 |
| Excess in Revenue | | \$ 258,173.12 | \$ 666,564.49 |
| Adjustment to Income Before Fund Balance: | | | |
| Expenditures Included above which are by Statute | | | |
| Deferred Charges to Budgets of Succeeding Years | | 49,353.00 | 100,000.00 |
| Statutory Excess to Fund Balance | | \$ 307,526.12 | \$ 766,564.49 |
| Fund Balance | | | |
| Balance, January 1 | A | 930,543.54 | 922,645.05 |
| | | \$ 1,238,069.66 | \$ 1,689,209.54 |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | A-1:A-2 | 774,934.00 | 758,666.00 |
| Balance, December 31 | A | <u>\$ 463,135.66</u> | <u>\$ 930,543.54</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, 2011

| | <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>774,934.00</u> | | \$ <u>774,934.00</u> | |
| Miscellaneous Revenues: | | | | | |
| Licenses: | | | | | |
| Alcoholic Beverages | A-12 | \$ 7,800.00 | | \$ 7,500.00 | \$ (300.00) |
| Other | A-2 | 3,800.00 | | 4,213.00 | 413.00 |
| Fees and Permits: | | | | | |
| Construction Code Official | A-12 | 160,000.00 | | 173,273.00 | 13,273.00 |
| Other | A-2 | 63,000.00 | | 74,640.05 | 11,640.05 |
| Municipal Court Fines | A-12 | 206,000.00 | | 213,103.73 | 7,103.73 |
| Interest and Costs on Taxes | A-12 | 55,000.00 | | 74,861.97 | 19,861.97 |
| Parking Meters & Permits | A-2 | 252,000.00 | | 270,350.35 | 18,350.35 |
| Interest on Investments | A-12 | 31,000.00 | | 31,245.74 | 245.74 |
| Consolidated Municipal Property Tax Relief Aid | A-12 | 13,621.00 | | 13,621.00 | |
| Energy Receipts Tax | A-12 | 741,667.00 | | 741,667.00 | |
| Township of Scotch Plains - Interfocal Agreement : | | | | | |
| Street Lighting | A-12 | 2,000.00 | | 2,000.00 | |
| Drunk Driving Enforcement Fund | A-5 | | 1,648.11 | 1,648.11 | |
| Recycling Enhancement Grant | A-5 | | 3,000.00 | 3,000.00 | |
| Union County Kids Recreation | A-5 | | 50,000.00 | 50,000.00 | |
| Clean Communities Program | A-5 | | 10,391.07 | 10,391.07 | |
| Body Armor Replacement Fund | A-5 | | 1,948.53 | 1,948.53 | |
| Municipal Alliance | A-5 | 2,313.75 | | 2,313.75 | |
| Click It or Ticket | A-5 | | 4,000.00 | 4,000.00 | |
| Preserve Union County | A-5 | | 15,000.00 | 15,000.00 | |
| Union County Heart Grant | A-5 | | 1,000.00 | 1,000.00 | |
| NJ Clean Energy Grant | A-5 | | 58,839.66 | 58,839.66 | |
| Recycling Tonnage Grant | A-5 | | 11,189.22 | 11,189.22 | |
| Sewer Fees | A-29 | 25,000.00 | | 35,613.75 | 10,613.75 |
| Uniform Fire Safety Act | A-12 | 6,000.00 | | 5,222.42 | (777.58) |
| Verizon TV | A-12 | 35,000.00 | | 50,140.39 | 15,140.39 |
| Bulk Waste Pick Up | A-12 | 20,000.00 | | 18,330.00 | (1,670.00) |
| Cable T.V. Franchise Fee | A-12 | 43,000.00 | | 39,759.02 | (3,240.98) |
| Communications Tower Rental | A-12 | 32,750.00 | | 32,750.00 | |
| Metro PCS Rental Fees | A-12 | 32,000.00 | | 36,666.81 | 4,666.81 |
| Capital Surplus | A-12 | 100,000.00 | | 100,000.00 | |
| | A-1 | \$ <u>1,831,951.75</u> | \$ <u>157,016.59</u> | \$ <u>2,084,288.57</u> | \$ <u>95,320.23</u> |
| Receipts From Delinquent Taxes | A-1 | \$ <u>337,000.00</u> | | \$ <u>320,978.99</u> | \$ <u>(16,021.01)</u> |
| Property Tax for Support of Municipal Budget Appropriation: | | | | | |
| Local Tax for Municipal Purposes | A-2:A-9 | \$ 5,591,808.59 | | \$ 5,658,221.96 | \$ 66,413.37 |
| Minimum Library Tax | A-2:A-9 | 384,345.00 | | 384,345.00 | |
| | | <u>5,976,153.59</u> | | <u>6,042,566.96</u> | <u>66,413.37</u> |
| Budget Totals | | \$ <u>8,920,039.34</u> | \$ <u>157,016.59</u> | \$ <u>9,222,768.52</u> | \$ <u>145,712.59</u> |
| Non-Budget Revenue | A-1 :A-2 | \$ _____ | \$ _____ | \$ <u>111,438.31</u> | \$ <u>111,438.31</u> |
| | | \$ <u>8,920,039.34</u> | \$ <u>157,016.59</u> | \$ <u>9,334,206.83</u> | \$ <u>257,150.90</u> |
| | <u>REF.</u> | 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, 2011

| | <u>REF.</u> | |
|--|-------------|-------------------------------|
| Allocation of Current Tax Collections: Collected | A-1:A-9 | \$ 27,484,912.34 |
| Allocated to: Schools and County Taxes | | <u>21,858,011.38</u> |
| Support of Municipal Budget Appropriations | | \$ 5,626,900.96 |
| Add: Appropriation Reserve for Uncollected Taxes | A-3 | <u>415,666.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | \$ <u><u>6,042,566.96</u></u> |
| Other Licenses: Health Officer | A-12 | \$ 3,313.00 |
| Clerk | A-12 | <u>900.00</u> |
| | A-2 | \$ <u><u>4,213.00</u></u> |
| Other Fees and Permits: Health Officer | A-12 | \$ 9,090.00 |
| Police Department | A-12 | 45,151.55 |
| Zoning | A-12 | 4,554.50 |
| Fire Inspection | A-12 | 13,549.00 |
| Clerk | A-12 | <u>2,295.00</u> |
| | A-2 | \$ <u><u>74,640.05</u></u> |
| Parking Meters | A-12 | \$ 275,572.35 |
| Less: Refunds | A-4 | <u>5,222.00</u> |
| | A-2 | \$ <u><u>270,350.35</u></u> |
| Miscellaneous Revenue Not Anticipated: Senior Citizens - Administrative Fee | | \$ 1,588.52 |
| Insurance Refund | | 42,601.32 |
| Reimbursements | | 24,230.00 |
| Motor Vehicle Fine Reimbursements | | 7,289.25 |
| FEMA | | 12,061.81 |
| Tax Collector | | 1,008.96 |
| Miscellaneous | | <u>22,658.45</u> |
| | A-4 | \$ <u><u>111,438.31</u></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, 2011

| | APPROPRIATIONS | | EXPENDED | | CANCELED |
|---------------------------------|----------------|---------------------------|-----------------|-----------|----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| OPERATIONS WITHIN "CAPS" | | | | | |
| GENERAL GOVERNMENT | | | | | |
| Administrative and Executive: | | | | | |
| Salaries and Wages | \$ 160,000.00 | \$ 161,705.00 | \$ 160,942.00 | \$ 763.00 | |
| Other Expenses | 46,770.00 | 46,770.00 | 43,174.50 | 3,595.50 | |
| Office Of The Mayor: | | | | | |
| Salaries and Wages | 500.00 | 500.00 | 202.50 | 297.50 | |
| Other Expenses | 1,900.00 | 1,900.00 | 1,899.52 | 0.48 | |
| Financial Administration: | | | | | |
| Salaries and Wages | 82,665.00 | 91,241.00 | 90,974.27 | 266.73 | |
| Other Expenses | 16,800.00 | 16,800.00 | 12,370.82 | 4,429.18 | |
| Audit | 25,725.00 | 25,400.00 | 25,400.00 | | |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | 17,554.00 | 17,905.00 | 17,905.02 | -0.02 | |
| Other Expenses | 4,900.00 | 4,900.00 | 4,235.27 | 664.73 | |
| Collection of Taxes: | | | | | |
| Salaries and Wages | 52,826.00 | 62,102.00 | 62,075.93 | 26.07 | |
| Other Expenses | 3,780.00 | 3,780.00 | 3,759.18 | 20.82 | |
| Legal Services and Costs: | | | | | |
| Salaries and Wages | 62,800.00 | 64,056.00 | 64,051.96 | 4.04 | |
| Other Expenses | 44,000.00 | 79,000.00 | 55,061.33 | 23,938.67 | |
| Municipal Prosecutor: | | | | | |
| Salaries and Wages | 23,693.00 | 23,693.00 | 22,127.08 | 1,565.92 | |
| Engineering Services and Costs: | | | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 12,000.00 | | |
| Planning Board: | | | | | |
| Other Expenses | 16,680.00 | 13,680.00 | 12,623.60 | 1,056.40 | |
| Environmental Commission: | | | | | |
| Salaries and Wages | 3,575.00 | 3,647.00 | 3,647.04 | -0.04 | |
| Other Expenses | 2,185.00 | 2,185.00 | 399.54 | 1,785.46 | |
| Shade Tree Commission: | | | | | |
| Other Expenses | 38,900.00 | 38,900.00 | 38,807.50 | 92.50 | |
| Insurance: | | | | | |
| Surety Bond Premiums | | | | | |
| State Unemployment Compensation | 24,000.00 | 31,000.00 | 21,394.45 | 9,605.55 | |
| Group Insurance for Employees | 989,000.00 | 989,000.00 | 862,856.91 | 6,143.09 | |
| Other Insurance Premiums | 122,767.00 | 121,694.28 | 121,694.28 | 1,072.72 | |
| Workmen's Compensation | 155,000.00 | 140,000.00 | 137,076.77 | 2,923.23 | |

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, 2011

| | APPROPRIATIONS | | EXPENDED | | CANCELED |
|---|----------------|---------------------------|-----------------|-----------|----------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| <u>OPERATIONS WITHIN "CAPS"</u> | | | | | |
| <u>PUBLIC SAFETY</u> | | | | | |
| Fire: | | | | | |
| Other Expenses: | | | | | |
| Fire Hydrants | \$ 115,000.00 | \$ 115,000.00 | \$ 114,438.00 | \$ 562.00 | \$ |
| Miscellaneous | 46,475.00 | 46,475.00 | 35,888.67 | 10,586.33 | |
| Fire Prevention Bureau: | | | | | |
| Salaries and Wages | 19,500.00 | 19,946.00 | 17,742.94 | 2,203.06 | |
| Other Expenses | 3,000.00 | 3,000.00 | 2,754.88 | 245.12 | |
| Police: | | | | | |
| Salaries and Wages | 1,831,123.00 | 1,826,336.00 | 1,751,800.40 | 74,535.60 | |
| Other Expenses | 58,536.00 | 95,536.00 | 93,072.59 | 2,463.41 | |
| School Crossing Guards: | | | | | |
| Salaries and Wages | 67,500.00 | 62,000.00 | 62,000.00 | | |
| Dispatchers: | | | | | |
| Other Expenses | 80,000.00 | 80,000.00 | 80,000.00 | | |
| Traffic Signal Maintenance | | | | | |
| Other Expenses | 8,600.00 | 8,600.00 | 1,455.00 | 7,145.00 | |
| Emergency Management Services: | | | | | |
| Other Expenses | 1,670.00 | 1,670.00 | 1,375.00 | 295.00 | |
| Sanitization: | | | | | |
| Solid Waste Management Act: | | | | | |
| Salaries and Wages | 7,000.00 | 7,000.00 | 5,862.02 | 1,137.98 | |
| Other Expenses | 61,000.00 | 54,000.00 | 45,701.29 | 8,298.71 | |
| Road Repair and Maintenance: | | | | | |
| Salaries and Wages | 619,349.00 | 632,082.00 | 583,585.15 | 48,496.85 | |
| Other Expenses | 86,100.00 | 86,100.00 | 76,805.63 | 9,294.37 | |
| Street Lighting | 126,000.00 | 106,000.00 | 89,660.50 | 16,339.50 | |
| <u>HEALTH AND WELFARE</u> | | | | | |
| Board of Health: | | | | | |
| Salaries and Wages | 11,208.00 | 11,412.00 | 11,411.92 | 0.08 | |
| Other Expenses | 2,205.00 | 1,128.31 | 1,128.31 | 1,076.69 | |
| Contractual - Town of Westfield | | | | | |
| Animal Control Regulation: | | | | | |
| Other Expenses | 39,359.00 | 39,359.00 | 39,359.00 | | |
| Shared Services: | | | | | |
| Other Expenses | 18,272.00 | 18,272.00 | 12,017.20 | 6,254.80 | |
| New Jersey Public Employees Occupational and Safety Health Act: | | | | | |
| Other Expenses | 2,200.00 | 2,200.00 | 2,200.00 | | |
| Right To Know Act: | | | | | |
| Salaries and Wages | 1,500.00 | 1,500.00 | 237.00 | 1,263.00 | |
| Historic Preservation Commission: | | | | | |
| Other Expenses | 1,000.00 | 1,000.00 | | 1,000.00 | |
| Other Expenses | 1,500.00 | 1,500.00 | | 1,500.00 | |
| Other Expenses | 1,450.00 | 1,450.00 | 1,071.65 | 378.35 | |

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, 2011

| | 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 | | | | | |
| Other Expenses | | | | | |
| Celebration of Public Events: | | | | | |
| Other Expenses | | | | | |
| Senior Citizen | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | | | | | |
| Rescue Squad | | | | | |
| Other Expenses | | | | | |
| <u>MUNICIPAL COURT</u> | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | | | | | |
| State Uniform Construction Code: | | | | | |
| Construction Official: | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | | | | | |
| Sub Code Officials: | | | | | |
| Plumbing Inspector: | | | | | |
| Salaries and Wages | | | | | |
| Building Inspector: | | | | | |
| Salaries and Wages | | | | | |
| Electrical Inspector: | | | | | |
| Salaries and Wages | | | | | |
| Zoning Officer: | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | | | | | |
| Fire Sub Code Official: | | | | | |
| Salaries and Wages | | | | | |
| Utilities-Other | | | | | |
| Gasoline and Diesel Fuel | | | | | |
| Downtown Revitalization | | | | | |
| Communications - Community Assessment | | | | | |
| Cable T.V. Community Access: | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | | | | | |
| Postage | | | | | |
| Salary Adjustment | | | | | |
| New Jersey Transit - Contractual | | | | | |
| | | | | | |
| <u>CONTINGENT</u> | | | | | |
| TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS" | | | | | |

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, 2011

| | APPROPRIATIONS | | EXPENDED | | CANCELED |
|--|----------------------|---------------------------|----------------------|--------------------|------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | |
| OPERATIONS WITHIN "CAPS" (CONTINUED) | | | | | |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS": | | | | | |
| Overexpenditure of Appropriations | \$ 4,002.13 \$ | 4,002.13 \$ | 4,002.13 \$ | | \$ |
| Statutory Expenditures | | | | | |
| Contribution To: | | | | | |
| Public Employees Retirement System | 174,401.00 | 174,401.00 | 174,401.00 | | |
| Social Security System | 173,000.00 | 173,000.00 | 160,382.97 | 12,617.03 | |
| Police & Firemen's Retirement System of NJ | 545,194.00 | 545,194.00 | 545,194.00 | | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL-WITHIN "CAPS" | 896,597.13 | 896,597.13 | 883,980.10 | 12,617.03 | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | 6,699,091.13 | 6,679,091.13 | 6,367,856.26 | 311,234.87 | |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | | |
| Plainfield Area Regional Sewerage Authority | 366,547.00 | 366,547.00 | 351,927.34 | | |
| Maintenance of Free Public Library (N.J.S.A. 40:54) | 384,345.00 | 384,345.00 | 384,345.00 | | 14,619.66 |
| Length of Service Award Program (L.O.S.A.P.) | 21,000.00 | 21,000.00 | 21,000.00 | | |
| Emergency Authorizations: Public Works Sanitation | | 10,085.78 | 10,085.78 | | |
| Emergency Authorizations: Hurricane Irene Clean Up S&W | | 19,267.22 | 19,267.22 | | |
| Statutory Expenditures: | | 20,000.00 | 20,000.00 | | |
| Interlocal Agreements: | | | | | |
| Township of Scotch Plains: | | | | | |
| Street Lighting-Other Expenses | 2,000.00 | 2,000.00 | | 2,000.00 | |
| STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES | | | | | |
| Clean Communities Program(40A:4-87 \$10,391.07) | | 10,391.07 | 10,391.07 | | |
| NJ Clean Energy (40A:4-87 \$58,839.66) | | 58,839.66 | 58,839.66 | | |
| Municipal Alliance on Alcoholism and Drug Abuse | 2,313.75 | 2,313.75 | 2,313.75 | | |
| Body Armor Replacement Fund (40A:4-87 \$1,948.53) | | 1,948.53 | 1,948.53 | | |
| UC Kids Recreation Trust (40A:4-87 \$50,000.00) | | 50,000.00 | 50,000.00 | | |
| Click It or Ticket (40A:4-87 \$4,000.00) | | 4,000.00 | 4,000.00 | | |
| Heart Grant Music Series (40A:4-87 \$1,000.00) | | 1,000.00 | 1,000.00 | | |
| Recycling Enhancement Grant(40A:4-87 \$3,000.00) | | 3,000.00 | 3,000.00 | | |
| DDEF (40A:4-87 \$1,648.11) | | 1,648.11 | 1,648.11 | | |
| Preserve Union County (40A:4-87 \$15,000.00) | | 15,000.00 | 15,000.00 | | |
| Recycling Tonnage Grant (40A: 4-87 \$11,189.22) | | 11,189.22 | 11,189.22 | | |
| TOTAL OPERATIONS EXCLUDED FROM "CAPS" | 776,205.75 \$ | 982,575.34 \$ | 985,955.68 \$ | 2,000.00 \$ | 14,619.66 |

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, 2011

| | APPROPRIATIONS BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | EXPENDED RESERVED | CANCELED |
|---|--------------------------|------------------------------|------------------------|----------------------|---------------------|
| CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS" | | | | | |
| Capital Improvement Fund | \$ 100,000.00 | \$ 120,000.00 | \$ 120,000.00 | \$ | |
| MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS" | | | | | |
| Payment of Bond Principal | 400,000.00 | 400,000.00 | 400,000.00 | | |
| Payment of Bond Anticipation and Capital Notes | 125,000.00 | 125,000.00 | 125,000.00 | | |
| Interest on Bonds | 198,775.00 | 198,775.00 | 198,775.00 | | |
| Interest on Notes | 74,063.01 | 74,063.01 | 73,889.59 | | 173.42 |
| Union County Improvement Authority: | | | | | |
| Capital Lease Program: | | | | | |
| Principal | 59,025.01 | 59,025.01 | 59,025.01 | | |
| Interest | 2,213.44 | 2,213.44 | 2,213.44 | | |
| TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | 859,076.46 | 859,076.46 | 858,903.04 | | 173.42 |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL | | | | | |
| Deferred Charges: | | | | | |
| Rocco's Demolition - Emergency | 70,000.00 | 70,000.00 | 70,000.00 | | |
| | 70,000.00 | 70,000.00 | 70,000.00 | | |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | 1,805,292.21 | 2,031,651.80 | 2,014,858.72 | 2,000.00 | 14,793.08 |
| SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES | 8,504,373.34 | 8,710,742.93 | 8,382,714.98 | 313,284.87 | 14,793.08 |
| | 415,666.00 | 415,666.00 | 415,666.00 | | |
| TOTAL GENERAL APPROPRIATIONS | \$ 8,920,039.34 | \$ 9,126,408.93 | \$ 8,798,380.98 | \$ 313,234.87 | \$ 14,793.08 |
| REF. | | | | | |
| Budget | | | | | |
| Emergency Appropriation 40A-4-47 | \$ | \$ 8,920,039.34 | | | |
| Appropriation by 40A-4-87 | | 49,369.00 | | | |
| | | 157,016.59 | | | |
| | | \$ 9,126,408.93 | | | |
| State and Federal Programs | | | | | |
| Reserve for Uncollected Taxes | | \$ | 159,330.34 | | |
| Accounts Payable | | | 415,666.00 | | |
| Deferred Charges | | | 175,172.92 | | |
| Disbursed | | | 74,002.13 | | |
| | | | 8,254,896.43 | | |
| | | | 9,079,107.82 | | |
| Less: Refunds | | | 280,728.84 | | |
| | | | \$ 8,798,380.98 | | |

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, 2011</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</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 | \$ 3,435.27 | \$ 4,884.24 |
| Due Current Fund | B-5 | 1.23 | |
| | | <u>\$ 3,436.50</u> | <u>\$ 4,884.24</u> |
| Other Trust Funds: | | | |
| Cash | B-1 | \$ 630,089.36 | \$ 623,621.82 |
| Due General Capital Fund | B-17 | | 15,000.00 |
| Due County of Union - Community Development Block Grant | B-3 | 21,377.68 | 13,848.00 |
| | | <u>\$ 651,467.04</u> | <u>\$ 652,469.82</u> |
| | | <u>\$ 655,222.10</u> | <u>\$ 657,672.62</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 | \$ | \$ 1,173.16 |
| Reserve for Animal Control Fund Expenditures | B-9 | 3,436.50 | 3,711.08 |
| | | <u>\$ 3,436.50</u> | <u>\$ 4,884.24</u> |
| Other Trust Funds: | | | |
| Due Current Fund | B-5 | \$ 3,739.87 | \$ 7,968.90 |
| Reserve For: | | | |
| Unemployment Compensation Insurance | B-7 | 1,977.58 | 2,601.16 |
| Community Development Block Grant | B-8 | 14,434.54 | 10,386.04 |
| Builders Escrow | B-10 | 42,661.24 | 45,228.44 |
| Zoning Escrow Trust | B-11 | 38,083.85 | 25,144.01 |
| Redevelopers Escrow | B-12 | 4,871.01 | 9,344.66 |
| Recreation Trust | B-13 | 72,358.93 | 53,722.03 |
| Law Enforcement Trust | B-14 | 22,645.31 | 22,967.55 |
| Developers Housing Escrow | B-15 | 132,984.73 | 145,968.12 |
| Library Fund | B-16 | 94,977.40 | 85,105.26 |
| Fanny Wood Trust | B-2 | 16,783.22 | 14,783.69 |
| Tax Sale Premiums and Redemptions | B-18 | 66,715.86 | 84,101.03 |
| Cell Tower Deposits | B-19 | 7,875.00 | 7,875.00 |
| Payroll Deductions | B-20 | 28,315.28 | 27,232.05 |
| Police Off-Duty Pay | B-21 | 18,900.88 | 41,504.69 |
| Rent Deposits | B-22 | 320.00 | 320.00 |
| Miscellaneous Trust Deposits | B-6 | 83,822.34 | 68,217.19 |
| | | <u>\$ 651,467.04</u> | <u>\$ 652,469.82</u> |
| | | <u>\$ 655,222.10</u> | <u>\$ 657,672.62</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, 2011</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> |
|---|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2 | \$ 1,079,273.29 | \$ 2,421,135.63 |
| State Aid Receivable | C-13 | 349,423.61 | 580,423.61 |
| Due Scotch Plains-Fanwood Board of Education | C-5 | 6,000.00 | 6,000.00 |
| Due Current Fund | C-4 | 5,757.93 | |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-6 | 4,570,000.00 | 4,970,000.00 |
| Unfunded | C-7 | 6,900,800.20 | 6,079,385.20 |
| | | <u>\$ 12,911,255.03</u> | <u>\$ 14,056,944.44</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| General Serial Bonds | C-11 | \$ 4,570,000.00 | \$ 4,970,000.00 |
| Bond Anticipation Note | C-12 | 4,750,000.00 | 4,975,000.00 |
| Emergency Note | C-16 | 100,000.00 | 175,000.00 |
| Due Trust Other Fund | C-14 | | 15,000.00 |
| Due Current Fund | C-4 | | 132.39 |
| Improvement Authorizations-Funded | C-9 | 76,505.16 | 618,588.64 |
| Improvement Authorizations-Unfunded | C-9 | 2,345,666.58 | 2,538,065.11 |
| Contracts Payable | C-10 | 912,925.39 | 367,803.40 |
| Capital Improvement Fund | C-8 | 83,246.80 | 68,663.80 |
| Reserve to Pay Notes | C-15 | 237.25 | 175,237.25 |
| Fund Balance | C-1 | 72,673.85 | 153,453.85 |
| | | <u>\$ 12,911,255.03</u> | <u>\$ 14,056,944.44</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, 2010 | C | \$ 153,453.85 |
| Increased by: | | |
| Premium on Sale of Notes | C-2 | 19,220.00 |
| | | \$ <u>172,673.85</u> |
| Decreased by: | | |
| Anticipated as Revenue in 2011 Budget | C-2 | <u>100,000.00</u> |
| Balance, December 31, 2011 | C | \$ <u><u>72,673.85</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, 2011</u> | BALANCE DECEMBER <u>31, 2010</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>4,386,650.06</u> | <u>4,344,519.99</u> |
| | <u>\$ 9,126,023.06</u> | <u>\$ 9,083,892.99</u> |
| Reserve: | | |
| Investments in General Fixed Assets | <u>\$ 9,126,023.06</u> | <u>\$ 9,083,892.99</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, 2011 AND 2010

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

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes

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 policies 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 - 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, 2011:

| <u>Fund Type</u> | <u>Bank Balance</u> | <u>Reconciling Items</u> | | <u>Reconciled Balance</u> |
|--------------------------------|------------------------|--------------------------|----------------------|---------------------------|
| | | <u>Additions</u> | <u>Deletions</u> | |
| Current Fund | \$ 1,022,661.84 | \$ 275,000.66 | \$ 17,339.84 | \$ 1,280,322.66 |
| Animal Control Trust Fund | 3,435.27 | | | 3,435.27 |
| Trust Other Fund | 635,710.60 | 53.10 | 5,674.34 | 630,089.36 |
| General Capital Fund | <u>1,369,428.26</u> | | <u>290,154.97</u> | <u>1,079,273.29</u> |
| <u>Total December 31, 2011</u> | <u>\$ 3,031,235.97</u> | <u>\$ 275,053.76</u> | <u>\$ 313,169.15</u> | <u>\$ 2,993,120.58</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, 2011, 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, \$357,434.48 was covered by Federal Depository Insurance and \$2,673,801.49 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, 2011.

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, 2011 are detailed on Exhibits "C-11", "C-12" and "C-17".

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

| | <u>YEAR 2011</u> | <u>YEAR 2010</u> | <u>YEAR 2009</u> |
|--|-------------------------|-----------------------------|-----------------------------|
| <u>Issued</u> | | | |
| General: | | | |
| Bonds, Notes and Loans | \$ 9,420,000.00 | \$ 10,120,000.00 | \$ 9,095,000.00 |
| Net Debt Issued | 9,420,000.00 | 10,120,000.00 | 9,095,000.00 |
| Less: Cash on Hand to Pay Debt | 24,640.80 | 190,841.26 | 190,841.26 |
| Less: Reserve to Pay Bonds | <u>237.25</u> | <u> </u> | <u> </u> |
| | \$ <u>9,395,121.95</u> | \$ <u>9,929,158.74</u> | \$ <u>8,904,158.74</u> |
| <u>Authorized But Not Issued</u> | | | |
| General: | | | |
| Bonds and Notes | 2,075,441.00 | 954,026.00 | 959,026.00 |
| Assessment Trust: | | | |
| Bonds and Notes | <u>318.56</u> | <u>318.56</u> | <u>318.56</u> |
| Total Authorized But Not Issued | <u>2,075,759.56</u> | <u>954,344.56</u> | <u>959,344.56</u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | \$ <u>11,470,881.51</u> | \$ <u>10,883,503.30</u> | \$ <u>9,863,503.30</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 .98%.

| | <u>GROSS DEBT</u> | <u>DEDUCTIONS</u> | <u>NET DEBT</u> |
|----------------------------|-------------------------|------------------------|-------------------------|
| Local School District Debt | \$ 2,951,152.00 | \$ 2,951,152.00 | \$ -0- |
| General Debt | <u>11,495,759.56</u> | <u>24,878.05</u> | <u>11,470,881.51</u> |
| | <u>\$ 14,446,911.56</u> | <u>\$ 2,976,030.05</u> | <u>\$ 11,470,881.51</u> |

NET DEBT \$11,470,881.51 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$1,170,694,523.33 EQUALS .98%.

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

| | |
|--|-------------------------|
| Equalized Valuation Basis* - December 31, 2011 | \$ 1,170,694,523.33 |
| 3-1/2 of Equalized Valuation Basis | 40,974,308.32 |
| Net Debt | <u>11,470,881.51</u> |
| Remaining Borrowing Power | <u>\$ 29,503,426.81</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
31, 2011

\$1,300,000.00 2001 Bonds due in annual remaining installments of \$120,000.00 through September 2013 at interest rates between 4.125% and 4.250% \$240,000.00

\$2,690,000.00 2003 Bonds due in annual remaining installments of \$240,000.00 to \$250,000.00 through December 2016 at interest rates between 3.250% and 3.500%. 1,230,000.00

\$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 4.000 and 4.400%. 3,100,000.00

\$4,570,000.00

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2011, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund \$2,027,441.00

Assessment Trust Fund \$ 318.56

NOTE 3: LONG-TERM DEBT (CONTINUED)

| | <u>Interest Rate</u> | <u>Issue and Maturity Dates</u> | <u>Amount</u> |
|-------------------------------|--------------------------|-------------------------------------|----------------|
| <u>BOND ANTICIPATION NOTE</u> | | | |
| General Capital Fund | 1.25% | 9/26/11 to 9/25/12 | \$1,925,000.00 |
| General Capital Fund | 1.75% | 2/22/11 to 2/21/12 | \$2,825,000.00 |
| <u>EMERGENCY NOTE</u> | | | |
| General Capital Fund | 1.75% | 2/22/11 to 2/21/12 | \$100,000.00 |

The Borough has \$24,640.80 cash on hand to pay notes for Ordinance 04-09.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2011

| <u>CALENDAR YEAR</u> | <u>GENERAL CAPITAL</u> | | <u>TOTAL</u> |
|--------------------------|------------------------|-----------------------|-----------------------|
| | <u>PRINCIPAL</u> | <u>INTEREST</u> | |
| 2012 | \$410,000.00 | \$184,350.00 | \$594,350.00 |
| 2013 | 485,000.00 | 169,600.00 | 654,600.00 |
| 2014 | 475,000.00 | 151,400.00 | 626,400.00 |
| 2015 | 475,000.00 | 133,368.75 | 608,368.75 |
| 2016 | 475,000.00 | 115,337.50 | 590,337.50 |
| 2017 | 300,000.00 | 97,025.00 | 397,025.00 |
| 2018 | 300,000.00 | 84,275.00 | 384,275.00 |
| 2019 | 300,000.00 | 71,525.00 | 371,525.00 |
| 2020 | 300,000.00 | 58,775.00 | 358,775.00 |
| 2021 | 350,000.00 | 46,025.00 | 396,025.00 |
| 2022 | 350,000.00 | 30,800.00 | 380,800.00 |
| 2023 | 350,000.00 | 15,400.00 | 365,400.00 |
| | <u>\$4,570,000.00</u> | <u>\$1,157,881.25</u> | <u>\$5,727,881.25</u> |

NOTE 4: FUND BALANCES APPROPRIATED

Fund Balance at December 31, 2011, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2012, was as follows:

Current Fund \$215,000.00

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>2011</u> | BALANCE DECEMBER 31, <u>2010</u> |
|---------------|--|--|
| Prepaid Taxes | <u>\$95,608.56</u> | <u>\$65,763.77</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 \$719,595.00 for 2011, \$557,115.40 for 2010 and \$275,168.40 for 2009.

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 liabilities as follows:

| | <u>REGIONAL SCHOOL TAX</u> | |
|-----------------------|--|--|
| | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> |
| Balance of Tax | \$8,583,063.22 | \$8,583,063.22 |
| Deferred | <u>8,466,322.29</u> | <u>8,670,122.02</u> |
| Tax Payable (Prepaid) | <u>\$116,740.93</u> | <u>(\$87,058.80)</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 \$117,525.00. 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, 2011.

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, 2011, 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 2011 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, 2011.

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> |
|-------------|---|-------------------------------|--------------------------|-----------------------|
| 2011 | \$ 18.23 | \$ 4,726.79 | \$ 5,368.60 | \$ 1,977.58 |
| 2010 | 11.21 | 4,762.37 | 2,174.00 | 2,601.16 |
| 2009 | 9.52 | 5,112.75 | 5,132.09 | 1.58 |

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2011:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------------|-----------------------------|--------------------------|
| Current Fund | \$4,058.43 | \$5,758.56 |
| Assessment Trust Fund | | 318.56 |
| Animal Control Fund | 1.23 | |
| Trust Other Fund | | 3,739.87 |
| General Capital Fund | 5,757.33 | |
| | <u>\$9,816.99</u> | <u>\$9,816.99</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 \$18,600.00 per year.

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.

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, 2011, the following deferred charges are shown:

| | BALANCE DECEMBER 31, <u>2011</u> | 2012 BUDGET <u>APPROPRIATION</u> |
|----------------------------------|--|-------------------------------------|
| Current Fund: | | |
| Emergency Appropriation 40A:4-47 | \$49,353.00 | \$49,353.00 |
| | <u>\$49,353.00</u> | <u>\$49,353.00</u> |

NOTE 17: SUBSEQUENT EVENTS

In 2012, the Borough adopted ordinance 2012-07 for drainage improvements totaling \$2,561,000.00. The Borough received approval on its application to the New Jersey Environmental Infrastructure Financing Program for not to exceed \$2,187,000.00 of its bonds to finance some of the costs associated with the drainage project. In addition, the Borough issued a Bond Anticipation Note in the amount of \$1,000,000.00 dated April 17, 2012, maturing February 15, 2013.

BOROUGH OF FANWOOD

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2011

BOROUGH OF FANWOODCURRENT FUNDSCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | <u>CURRENT FUND</u> | |
|---|-------------|---------------------|----------------------|
| Balance, December 31, 2010 | A | \$ | 1,511,254.67 |
| Increased by Receipts: | | | |
| Taxes Receivable | A-9 | \$ | 27,650,135.88 |
| Prepaid Taxes | A-17 | | 95,608.56 |
| Tax Overpayments | A-18 | | 17,495.14 |
| Prior Year Senior Citizens Deduction Disallowed | A-8 | | 1,073.98 |
| Revenue Accounts Receivable | A-12 | | 1,894,566.48 |
| Miscellaneous Revenue Not Anticipated | A-2 | | 111,438.31 |
| Interfunds Receivable | A-23 | | 1,863,293.03 |
| Appropriation Reserve Refunds | A-13 | | 2,775.65 |
| Appropriations Refunds | A-3 | | 280,726.84 |
| Grants Unappropriated | A-15 | | 15,079.84 |
| Grants Receivable | A-5 | | 99,692.39 |
| State of New Jersey-Senior Citizens and Veterans Deductions-Chapter 20, P.L.1971 | A-8 | | 79,426.02 |
| Petty Cash | A-7 | | 400.00 |
| Sewer Charges | A-29 | | 35,613.75 |
| Due to State of New Jersey: | | | |
| State Training Fees | A-25 | | 7,056.00 |
| Marriage License Fees | A-16 | | 400.00 |
| | | | <u>32,154,781.87</u> |
| | | \$ | 33,666,036.54 |
| Decreased by Disbursements: | | | |
| 2011 Appropriations | A-3 | \$ | 8,254,936.43 |
| Appropriation Reserves | A-13 | | 242,454.51 |
| County Taxes | A-20 | | 4,926,342.26 |
| Regional School Taxes | A-21 | | 16,932,647.11 |
| Interfunds Payable | A-23 | | 1,851,999.89 |
| Petty Cash | A-7 | | 400.00 |
| Reserve for Tax Appeals | A-28 | | 10,375.20 |
| Refund of Parking Meter Revenue | A-2 | | 5,222.00 |
| Accounts Payable | A-24 | | 4,292.80 |
| Tax Overpayments | A-18 | | 33,935.92 |
| Refund of Prior Year Revenue | A-1 | | 25,700.68 |
| Reserve for Grants Appropriated | A-22 | | 91,800.08 |
| Due to State of New Jersey: | | | |
| State Training Fees | A-25 | | 5,332.00 |
| Marriage License Fees | A-16 | | 275.00 |
| | | | <u>32,385,713.88</u> |
| Balance, December 31, 2011 | A | \$ | <u>1,280,322.66</u> |

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

| <u>PROGRAM</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>2011 ANTICIPATED REVENUE</u> | <u>RECEIVED</u> | <u>BALANCE DECEMBER 31, 2011</u> |
|--|--|---|-----------------|--|
| SHARE Program | \$ 2,371.54 | \$ | \$ | 2,371.54 |
| SHARE Program-Library Study | 3,565.64 | | 2,665.80 | 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 | | | 44,016.39 |
| 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 | | 11,189.22 | 11,189.22 | |
| Recycling Enhancement Grant | | 3,000.00 | 3,000.00 | |
| Union County Kids Recreation Grant | 26,812.99 | | | 26,812.99 |
| Union County Kids Recreation Grant-09 | 1,806.61 | | | 1,806.61 |
| Union County Kids Recreation Grant-10 | 50,000.00 | | | 50,000.00 |
| Union County Kids Recreation Grant-11 | | | | |
| Body Armor Replacement Fund | | 50,000.00 | 1,948.53 | 50,000.00 |
| Municipal Alliance-10 | 2,123.75 | 1,948.53 | | |
| Municipal Alliance-11 | | | | |
| R.O.I.D. Grant 06 | 995.00 | 2,313.75 | | 2,123.75 |
| County of Union KIDS Recreation | 1,000.00 | | | 2,313.75 |
| TDR Grant 06 | 20,000.00 | | | 995.00 |
| Clean Communities Grant | | | | 1,000.00 |
| Drunk Driving Enforcement Fund | | | | 20,000.00 |
| Firefighters Grant | | 10,391.07 | 10,391.07 | |
| Local Domestic Preparedness Equip Grant | 11,745.00 | 1,648.11 | 1,648.11 | 11,745.00 |
| NJ Clean Energy | 21,500.00 | | | 21,500.00 |
| Business Stimulus Fund | 5,250.00 | 58,839.66 | 58,839.66 | |
| Click It or Ticket | | 4,560.00 | 4,560.00 | 690.00 |
| Union County Heart Grant-09 | 500.00 | 4,000.00 | 3,950.00 | 50.00 |
| Union County Heart Grant | 500.00 | | 500.00 | |
| Union County Heart Grant | | 1,000.00 | 1,000.00 | 500.00 |
| Preserve Union County-Carriage House | | 15,000.00 | | 15,000.00 |
| Preserve Union County | 50,000.00 | | | 50,000.00 |
| | \$ 315,995.92 | \$ 159,330.34 | \$ 99,692.39 | \$ 375,633.87 |
| <u>REF.</u> | A | A-2 | A-4 | A |

"A-6"

BOROUGH OF FANWOOD
CURRENT FUND
SCHEDULE OF CHANGE FUNDS

| | <u>REF.</u> | |
|---|-------------|------------------|
| Balance, December 31, 2011 and December 31, 2010 | A | \$ <u>200.00</u> |
| <u>OFFICE</u> | | |
| Municipal Court | | \$ 100.00 |
| Board of Health | | 50.00 |
| Collector | | <u>50.00</u> |
| | | \$ <u>200.00</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, 2010 (Due From) | A | \$ | 4,829.01 |
| Increased by: | | | |
| Senior Citizens and Veterans Deductions: | | | |
| Per Tax Billings | | \$ | 79,750.00 |
| Allowed by Collector | | | <u>500.00</u> |
| | | | 80,250.00 |
| | | \$ | <u>85,079.01</u> |
| Decreased by: | | | |
| Senior Citizens and Veterans Deductions: | | | |
| Disallowed by Collector: | | | |
| Prior Year Taxes | A-4 | \$ | 1,073.98 |
| Received in Cash From State | A-4 | | <u>79,426.02</u> |
| | | | <u>80,500.00</u> |
| Balance, December 31, 2011 (Due From) | A | \$ | <u>4,579.01</u> |

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

| | | | |
|--|-----|----|------------------|
| Senior Citizens and Veterans Deductions: | | | |
| Per Tax Billings | | \$ | 79,750.00 |
| Allowed by Collector | | | <u>500.00</u> |
| | A-9 | \$ | <u>80,250.00</u> |

BOROUGH OF FANWOOD
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| <u>YEAR</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u> | <u>2011 LEVY</u> | <u>COLLECTIONS</u> <u>BY CASH</u> | <u>2010</u> | <u>2011</u> | <u>TRANSFERRED</u> <u>TO TAX</u> <u>TITLE LIENS</u> | <u>CANCELED</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u> |
|----------------|--|------------------|--------------------------------------|------------------|-------------|---|-----------------|--|
| 2010 and Prior | \$ 320,978.99 | \$ | \$ | 320,978.99 | \$ | \$ | \$ | |
| 2011 | | 27,875,159.74 | 65,763.77 | 27,419,148.57 | 1,315.01 | 59,101.97 | | 329,830.42 |
| | \$ 320,978.99 | \$ 27,875,159.74 | \$ 65,763.77 | \$ 27,740,127.56 | \$ 1,315.01 | \$ 59,101.97 | \$ | \$ 329,830.42 |
| <u>REF.</u> | A | | A-2;A-17 | A-2 | A-10 | | | A |

REF.

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

\$ 27,650,135.88
9,741.68
80,250.00
\$ 27,740,127.56

ANALYSIS OF 2011 PROPERTY TAX LEVY

TAX YIELD
General Purpose Tax
Added and Omitted Tax (54.4-63.1 et seq.)

\$ 27,826,479.31
48,680.43
\$ 27,875,159.74

TAX LEVY
Regional District School Tax:
Levy (Abstract)
County Tax (Abstract)
Due County for Added Taxes - (54.4-63.1 et seq.)
Total County Tax
Local Tax for Municipal Purposes (Abstract)
Minimum Library Tax
Add. Additional Taxes Levied

\$ 16,932,646.57
4,916,776.06
8,586.75
4,925,364.81
5,591,808.59
384,345.00
40,994.77
6,017,148.36

TOTAL

\$ 27,875,159.74

"A-10"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

| | <u>REF.</u> | |
|---------------------------------|-------------|---------------------|
| Balance, December 31, 2010 | A | \$ 20,114.27 |
| Increased by: | | |
| Transfers From Taxes Receivable | A-9 | <u>1,315.01</u> |
| Balance, December 31, 2011 | A | \$ <u>21,429.28</u> |

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

| | | |
|---|---|---------------------|
| Balance, December 31, 2011 and December 31, 2010 | A | \$ <u>12,279.00</u> |
|---|---|---------------------|

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| <u>REF.</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>ACCRUED IN 2011</u> | <u>COLLECTED</u> | <u>BALANCE DECEMBER 31, 2011</u> |
|-------------|--|----------------------------|------------------------|--|
| | \$ | | | |
| A-2 | | 7,500.00 \$ | 7,500.00 \$ | |
| A-2 | | 900.00 | 900.00 | |
| A-2 | | 2,295.00 | 2,295.00 | |
| A-2 | | 3,313.00 | 3,313.00 | |
| A-2 | | 9,090.00 | 9,090.00 | |
| A-2 | | 173,273.00 | 173,273.00 | |
| A-2 | 14,853.82 | 216,808.96 | 213,103.73 | 18,559.05 |
| A-2 | | 45,151.55 | 45,151.55 | |
| A-2 | | 4,554.50 | 4,554.50 | |
| A-2 | | 13,549.00 | 13,549.00 | |
| A-2 | | 74,861.97 | 74,861.97 | |
| A-2 | | 275,572.35 | 275,572.35 | |
| A-2 | | 31,245.74 | 31,245.74 | |
| A-2 | | 13,621.00 | 13,621.00 | |
| A-2 | | 741,667.00 | 741,667.00 | |
| A-2 | | 2,000.00 | 2,000.00 | |
| A-2 | | 100,000.00 | 100,000.00 | |
| A-2 | | 5,222.42 | 5,222.42 | |
| A-2 | | 36,666.81 | 36,666.81 | |
| A-2 | | 32,750.00 | 32,750.00 | |
| A-2 | | 18,330.00 | 18,330.00 | |
| A-2 | | 50,140.39 | 50,140.39 | |
| A-2 | | 39,759.02 | 39,759.02 | |
| | \$ | <u>1,898,271.71 \$</u> | <u>1,894,566.48 \$</u> | <u>18,559.05</u> |
| <u>REF.</u> | A | A-4 | A | A |

Clerk:

Licenses:

Alcoholic Beverage

Other Licenses

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

Consolidated Municipal Property Tax Relief Aid

Energy Receipts Tax

Township of Scotch Plains - Interlocal Agreement:

Street Lighting

Capital Fund Balance

Uniform Fire Safety Act

Metro PCS Rental Fee

T Mobile Rental Fee

Bulk Waste Pick Up

Verizon TV

Cable T.V.-Gross Revenue Franchise Fee

"A-14"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF
MUNICIPAL ASSETS

REF.

| | | |
|--|---|------------------|
| Balance December 31, 2010 and December 31, 2011 | A | \$ <u>125.00</u> |
|--|---|------------------|

"A-15"

SCHEDULE OF RESERVE GRANTS - UNAPPROPRIATED

| | | |
|----------------------------|-----|---------------------|
| Balance, December 31, 2010 | A | \$ 2,636.25 |
| Increased by: Receipts | A-4 | <u>15,079.84</u> |
| Balance, December 31, 2011 | A | \$ <u>17,716.09</u> |

ANALYSIS OF BALANCE

| | |
|-----------------------------|---------------------|
| Body Armor Replacement Fund | \$ 1,919.25 |
| Recycling Tonnage Grant | 15,079.84 |
| Greening Union County | <u>717.00</u> |
| | \$ <u>17,716.09</u> |

"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 | \$ | 400.00 |
| Decreased by: | | | |
| Disbursements | A-4 | | <u>275.00</u> |
| Balance, December 31, 2011 | A | \$ | <u><u>125.00</u></u> |

"A-17"

SCHEDULE OF PREPAID TAXES

| | | | |
|-----------------------------|-----|----|-------------------------|
| Balance, December 31, 2010 | A | \$ | 65,763.77 |
| Increased by: | | | |
| Collection of 2012 Taxes | A-4 | | <u>95,608.56</u> |
| | | \$ | 161,372.33 |
| Decreased by: | | | |
| Applied to Taxes Receivable | A-9 | | <u>65,763.77</u> |
| Balance, December 31, 2011 | A | \$ | <u><u>95,608.56</u></u> |

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2010 | BALANCE AFTER TRANSFERS | PAID OR CHARGED | BALANCE LAPSED |
|--|---------------------------------|-------------------------------|--------------------|-------------------|
| <u>SALARIES AND WAGES:</u> | | | | |
| Administrative and Executive | \$ 3,481.85 | \$ 3,481.85 | | \$ 3,481.85 |
| Office Of the Mayor | 140.00 | 140.00 | | 140.00 |
| Legal Services and Costs | 4.00 | 4.00 | | 4.00 |
| Municipal Prosecutors | 1,999.88 | 1,999.88 | | 1,999.88 |
| Fire Prevention Bureau | 1,912.08 | 1,912.08 | 585.00 | 1,327.08 |
| Road Repair and Maintenance | 35,092.63 | 15,092.63 | 7,242.52 | 7,850.11 |
| Board of Health | 0.08 | 0.08 | | 0.08 |
| Sanitation: | | | | |
| Solid Waste Management Act | 1,252.94 | 1,252.94 | | 1,252.94 |
| Right to Know Act | 1,000.00 | 1,000.00 | | 1,000.00 |
| Parks and Playgrounds | 2,586.96 | 2,586.96 | | 2,586.96 |
| Electrical Inspector | 10.96 | 10.96 | | 10.96 |
| Zoning Officer | 1,366.20 | 1,366.20 | | 1,366.20 |
| Fire Sub Code Official | 141.00 | 141.00 | | 141.00 |
| School Crossing Guards | 3,289.25 | 3,289.25 | 1,734.35 | 1,554.90 |
| Tax Collector | 1,786.89 | 1,786.89 | | 1,786.89 |
| Administrative and Executive | 7,534.19 | 5,330.40 | 4,140.14 | 1,190.26 |
| Financial Administration | 164.23 | 2,471.15 | 2,301.92 | 169.23 |
| Assessment of Taxes | 1,634.37 | 1,656.08 | 187.96 | 1,468.12 |
| Legal Services and Costs | 18,343.60 | 11,015.48 | 2,762.80 | 8,252.68 |
| Engineering Services and Costs | | | | |
| Planning Board | 916.67 | 6,566.63 | 4,235.32 | 2,331.31 |
| Environmental Commission | 152.00 | 152.00 | | 152.00 |
| Shade Tree Commission | 2,085.13 | 11,394.13 | 10,534.00 | 860.13 |
| Insurance | | | | |
| Group Insurance | 111,120.26 | 161,491.03 | 154,323.89 | 7,167.14 |
| Other Insurance Premiums | 2,326.40 | 3,455.47 | 1,129.07 | 2,326.40 |
| Fire: | | | | |
| Fire Hydrants | 4,000.00 | 4,000.00 | | 4,000.00 |
| Miscellaneous | 2,538.57 | 3,625.12 | 1,506.41 | 2,118.71 |
| Police | 4,520.50 | 11,089.52 | 11,086.78 | 2.74 |
| Fanwood Rescue Squad Contract | 3,000.00 | 3,000.00 | 3,000.00 | |
| Dispatchers | 23,333.00 | 23,333.00 | 20,000.00 | 3,333.00 |
| Traffic Signal Maintenance | 8,031.25 | 8,031.25 | | 8,031.25 |
| Solid Waste Management Act | 4,082.24 | 18,369.74 | 16,650.00 | 1,719.74 |
| Street Lighting | 13,904.38 | 24,309.97 | 21,023.70 | 3,286.27 |
| Board of Health | 348.09 | 775.65 | 453.35 | 322.30 |
| Contractual - Town of Westfield | 2,970.00 | 2,970.00 | | 2,970.00 |
| Animal Control Regulation | 7,530.38 | 7,530.38 | 1,335.22 | 6,195.16 |
| Shared Services | 5,000.00 | 5,000.00 | | 5,000.00 |
| New Jersey Public Employees Occupational and Safety Health Act | 33.00 | 33.00 | | 33.00 |
| Right to Know Act | 1,500.00 | 1,500.00 | | 1,500.00 |
| Historic Preservation Commission | 1,450.00 | 1,450.00 | | 1,450.00 |
| Parks and Playgrounds | 171.90 | 206.41 | 13.76 | 192.65 |
| Celebration of Public Events | 1,132.86 | 1,202.82 | 69.96 | 1,132.86 |
| Senior Citizen | 1,697.52 | 1,697.52 | 1,200.00 | 497.52 |
| Construction Official | 1,957.51 | 2,041.31 | 537.79 | 1,503.52 |
| Zoning Officer | 770.13 | 770.13 | | 770.13 |

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

| | <u>BALANCE DECEMBER 31, 2010</u> | <u>BALANCE AFTER TRANSFERS</u> | <u>PAID OR CHARGED</u> | <u>BALANCE LAPSED</u> |
|-----------------------------------|--|--|----------------------------|---------------------------|
| Utilities- Other | \$ 17,549.29 | \$ 27,863.34 | \$ 23,356.98 | \$ 4,506.36 |
| Gasoline and Diesel Fuel | 21,531.44 | 6,045.64 | 4,514.20 | 1,531.44 |
| Downtown Revitalization | 4,398.33 | 26,901.83 | 6,665.29 | 20,236.54 |
| Community Assessment | 708.80 | 708.80 | | 708.80 |
| Cable T.V. Community Access | 1,133.86 | 1,179.73 | 804.74 | 374.99 |
| Postage | 154.90 | 154.90 | | 154.90 |
| N.J. Transit Contractual | 14,639.38 | 4,919.38 | 1,424.00 | 3,495.38 |
| Length of Service Award Program | 200.00 | 200.00 | | 200.00 |
| Rocco's Demolition - Emergency | <u>77,196.62</u> | <u>100,000.00</u> | <u>90,237.30</u> | <u>9,762.70</u> |
| | <u>\$ 455,491.93</u> | <u>\$ 588,580.91</u> | <u>\$ 420,638.26</u> | <u>\$ 167,942.65</u> |
| | <u>REF.</u> | A | | A-1 |
| Appropriation Reserves | A-13 | \$ 455,491.93 | | |
| Transferred from Accounts Payable | A-24 | <u>133,088.98</u> | | |
| | | <u>\$ 588,580.91</u> | | |
| Cash Disbursements | A-4 | | \$ 242,454.51 | |
| Emergency Authorization Canceled | A-19 | | 30,000.00 | |
| Transferred to Accounts Payable | A-24 | | <u>150,959.40</u> | |
| | | | \$ <u>423,413.91</u> | |
| Less: Refunds | A-4 | | <u>2,775.65</u> | |
| | | | <u>\$ 420,638.26</u> | |

"A-18"

BOROUGH OF FANWOOD
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

| | <u>REF.</u> | | |
|-----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2010 | A | \$ | 41,178.62 |
| Increased by: | | | |
| Overpayments in 2011 | A-4 | | <u>17,495.14</u> |
| | | \$ | <u>58,673.76</u> |
| Decreased by: | | | |
| Applied to Taxes Receivable | A-9 | \$ | 9,741.68 |
| Refunded | A-4 | | 33,935.92 |
| Cancelled | A-1 | | <u>4,546.52</u> |
| | | | <u>48,224.12</u> |
| Balance, December 31, 2011 | A | \$ | <u><u>10,449.64</u></u> |

"A-19"

SCHEDULE OF DEFERRED CHARGES

| | | | |
|--------------------------------|------|----|-------------------------|
| Balance, December 31, 2010 | A | \$ | 104,002.13 |
| Increased by: | | | |
| Emergency Appropriations | A-3 | | <u>49,353.00</u> |
| | | \$ | <u>153,355.13</u> |
| Decreased by: | | | |
| Raised in Budget | A-3 | \$ | 74,002.13 |
| Canceled-Appropriation Reserve | A-13 | | <u>30,000.00</u> |
| | | | <u>104,002.13</u> |
| Balance, December 31, 2011 | A | \$ | <u><u>49,353.00</u></u> |

"A-20"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

| | <u>REF.</u> | | |
|-------------------------------|-------------|-----------------|---------------------------|
| Balance, December 31, 2010 | A | | \$ 9,566.54 |
| Increased by: | | | |
| 2011 Levy | A-1:A-9 | \$ 4,916,776.06 | |
| Added Taxes - 54:63.1 et.seq. | A-1:A-9 | <u>8,588.75</u> | |
| | | | \$ <u>4,925,364.81</u> |
| | | | \$ 4,934,931.35 |
| Decreased by: | | | |
| Payments | A-4 | | <u>4,926,342.26</u> |
| Balance, December 31, 2011 | A | | \$ <u><u>8,589.09</u></u> |

"A-21"

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX

| | | | |
|--|-----|--------------------|--------------------------------|
| Balance, December 31, 2010 | | | |
| School Tax Deferred | | \$ 8,670,122.02 | |
| School Tax Prepaid | A | <u>(87,058.80)</u> | |
| | | | \$ 8,583,063.22 |
| Increased by: | | | |
| Levy-School Year-July 1, 2011 to June 30, 2012 | A-9 | | <u>16,932,646.57</u> |
| | | | \$ 25,515,709.79 |
| Decreased by: | | | |
| Payments in 2011 | A-4 | | <u>16,932,647.11</u> |
| Balance, December 31, 2011 | | | |
| School Tax Deferred | | \$ 8,466,322.29 | |
| School Tax Payable | A | <u>116,740.39</u> | |
| | | | \$ <u><u>8,583,062.68</u></u> |
| 2011 Liability for Regional School District Tax: | | | |
| School Tax Paid 2011 | | | \$ 16,932,647.11 |
| Add: School Tax Prepaid December 31, 2010 | | | <u>87,058.80</u> |
| | | | \$ 17,019,705.91 |
| Add: School Tax (Payable) December 31, 2011 | | | <u>116,740.39</u> |
| | A-1 | | \$ <u><u>17,136,446.30</u></u> |

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

| PROGRAM | BALANCE DECEMBER 31, 2010 | 2011 APPROPRIATIONS | EXPENDED | ACCOUNTS PAYABLE CANCELED | BALANCE DECEMBER 31, 2011 |
|---|---------------------------------|------------------------|---------------|---------------------------------|---------------------------------|
| Alcohol Education, Rehabilitation Fund | \$ 188.70 | \$ | \$ | \$ | 188.70 |
| Drunk Driving Enforcement Fund | 5,094.13 | 1,648.11 | 1,925.14 | | 4,817.10 |
| Clean Communities Program | 8,301.39 | 10,891.07 | 4,416.81 | | 14,775.65 |
| SHARE Program-Library Phase I | 205.96 | | | | 205.96 |
| SHARE Program-Library Phase II-Match | 1.00 | | | | 1.00 |
| SHARE Program-Library Study | | | | | |
| Recycling Enhancement Grant | | | | | |
| FEMA Firefighters Grant | 13,262.00 | 3,000.00 | 1,486.11 | 3,334.20 | 3,334.20 |
| Improvements to Carriage House | 7,388.42 | | | | 1,513.89 |
| Sharing Available Resources | 1,465.04 | | 5,735.95 | | 13,262.00 |
| Sharing Available Resources-Match | 269.80 | | | | 1,652.47 |
| Union County Arts Grant | 2,150.00 | | | | 1,465.04 |
| Smart Future Planning Grant | | | | | 269.80 |
| NJ Clean Energy Grant | | | | | 2,150.00 |
| County of Union Project Downtown | | | | | 742.06 |
| R.O.I.D. Grant-06 | 12,671.16 | 58,839.66 | 58,839.66 | | |
| FEMA Firefighters Grant | 1,109.49 | | | | 12,671.16 |
| Union County Kids Recreation | 4,382.89 | | | | 1,109.49 |
| Union County Kids Recreation | 1,297.00 | | | | 4,382.89 |
| Union County Kids Recreation | 6,481.45 | | | | 1,297.00 |
| Union County Kids Recreation-10 | 2,455.26 | | | | 6,481.45 |
| Union County Kids Recreation-11 | 50,000.00 | 50,000.00 | 35,736.10 | | 2,455.26 |
| Pocket Parks Grant 04 | 5,404.26 | | | | 14,263.90 |
| Union County - Senior Initiatives | 556.57 | | | | 50,000.00 |
| Municipal Alliance - Local Match | 6,246.50 | | | | 5,404.26 |
| Municipal Alliance-11 | | | | | 556.57 |
| Body Armor Replacement Fund | 12,154.88 | 2,313.75 | 2,123.75 | | 6,246.50 |
| Recycling Tonnage Grant | 6,102.88 | 1,948.53 | | | 190.00 |
| Preserve Union County-Carriage House | 7,149.86 | 11,189.22 | | | 14,103.41 |
| Historic Preservation Grant | 6,351.00 | 15,000.00 | | | 17,292.10 |
| Stormwater Infrastructure Grant | 2,117.00 | 4,000.00 | | 8,511.30 | 15,000.00 |
| Click It or Ticket | 0.80 | | | | 15,661.16 |
| Stormwater Infrastructure Grant-08 | 5,250.00 | | | | 6,351.00 |
| Local Domestic Preparedness Equip Grant | 4,400.00 | | | | 4,000.00 |
| Business Stimulus Grant | 50,000.00 | | | | 2,117.00 |
| Over the Limit Under Arrest | 1,000.00 | | | | 0.80 |
| Preserve Union County | 1,000.00 | | | | 690.00 |
| Union County Heart Grant | 1,000.00 | | | | 4,400.00 |
| Union County Heart Grant-10 | | | | | 49,040.00 |
| Union County Heart Grant-11 | | | | | 500.00 |
| | | 1,000.00 | | | 1,000.00 |
| | \$ 224,457.44 | \$ 159,330.34 | \$ 116,283.52 | \$ 12,587.56 | \$ 280,091.82 |

REF.

Cash Disbursements
Accounts Payable

A

A-3

A-4
A-24

A-5

A

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF INTERFUNDS

| REF. | TOTAL | ASSESSMENT TRUST FUND | ANIMAL CONTROL TRUST FUND | TRUST OTHER FUND | GENERAL CAPITAL FUND |
|------|---------------------|--------------------------|---------------------------------|---------------------|----------------------------|
| A | \$ 9,593.01 \$ | 318.56 \$ | 1,173.16 \$ | 7,968.97 \$ | 132.32 |
| A-4 | 1,863,293.03 | | 1,174.39 | 44,611.96 | 1,817,506.68 |
| A-4 | <u>1,851,999.89</u> | | | <u>40,382.86</u> | <u>1,811,617.03</u> |
| A | 4,058.43 \$ | 318.56 \$ | | | |
| A | \$ <u>5,758.56</u> | | <u>1.23</u> | <u>3,739.87 \$</u> | <u>5,757.33</u> |

Balance, December 31, 2010:

Due From

Cash Receipts

Cash Disbursements

Balance, December 31, 2011:

Due From

Due To

"A-24"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|---------------------------------------|-------------|-------------------|-----------------------------|
| Balance, December 31, 2010 | A | | \$ 150,635.34 |
| Increased by: | | | |
| Federal & State Grants Appropriated | A-22 | \$ 24,483.44 | |
| 2011 Appropriations | A-3 | 175,172.92 | |
| 2010 Appropriation Reserves | A-13 | <u>150,959.40</u> | |
| | | | \$ <u>350,615.76</u> |
| | | | \$ <u>501,251.10</u> |
| Decreased by: | | | |
| Transferred to Appropriation Reserves | A-13 | \$ 133,088.98 | |
| Disbursements | A-4 | 4,292.80 | |
| Canceled | A-22 | <u>12,587.56</u> | |
| | | | \$ <u>149,969.34</u> |
| Balance, December 31, 2011 | A | | \$ <u><u>351,281.76</u></u> |

"A-25"

SCHEDULE OF STATE TRAINING FEES -
DUE STATE OF NEW JERSEY

| | | | |
|----------------------------|-----|--|---------------------------|
| Balance, December 31, 2010 | A | | \$ 917.54 |
| Increased by: | | | |
| Receipts | A-4 | | <u>7,056.00</u> |
| | | | \$ <u>7,973.54</u> |
| Decreased by: | | | |
| Disbursements | A-4 | | <u>5,332.00</u> |
| Balance, December 31, 2011 | A | | \$ <u><u>2,641.54</u></u> |

"A-26"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR FIRE FINES AND PENALTIES

REF.

Balance, December 31, 2011 and
December 31, 2010

A

\$ 25.00

"A-27"

SCHEDULE OF BURIAL PERMITS
DUE STATE OF NEW JERSEY

Balance, December 31, 2011 and
December 31, 2010

A

\$ 35.00

"A-28"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

REF.

| | | | |
|----------------------------|-----|----|-------------------------|
| Balance, December 31, 2010 | A | \$ | 50,000.00 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | | <u>10,375.20</u> |
| Balance, December 31, 2011 | A | \$ | <u><u>39,624.80</u></u> |

"A-29"

SCHEDULE OF SEWER CHARGES RECEIVABLE

| | | | |
|----------------------------|---------|----|----------------------|
| Balance, December 31, 2010 | A | \$ | 6,447.47 |
| Increased by: | | | |
| Sewer Charges | | | <u>29,575.55</u> |
| | | \$ | <u>36,023.02</u> |
| Decreased by: | | | |
| Cash Receipts | A-2:A-4 | | <u>35,613.75</u> |
| Balance, December 31, 2011 | A | \$ | <u><u>409.27</u></u> |

"A-30"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY

REF.

Balance, December 31, 2011 and
December 31, 2010

A

\$ 4,905.76

BOROUGH OF FANWOODTRUST FUNDSCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | <u>ANIMAL CONTROL</u> | <u>OTHER</u> |
|--|-------------|-----------------------|------------------------|
| Balance, December 31, 2010 | B | \$ <u>4,884.24</u> | \$ <u>623,621.82</u> |
| Increased by: | | | |
| Animal Control Fees | B-9 | \$ 6,138.60 | \$ |
| Community Development Block Grant | B-3 | | 10,667.57 |
| Due Current Fund | B-5 | | 2,904.37 |
| Miscellaneous Trust Deposits | B-6 | | 44,846.88 |
| Unemployment Compensation Insurance | B-7 | | 4,745.02 |
| Builders Escrow | B-10 | | 10,389.24 |
| Redevelopment Escrow | B-12 | | 48.29 |
| Tax Sale Premiums | B-18 | | 58,038.77 |
| Zoning Escrow | B-11 | | 57,108.34 |
| Recreation Commission | B-13 | | 95,174.19 |
| Law Enforcement Trust Fund | B-14 | | 168.76 |
| Developers Housing Escrow | B-15 | | 4,758.49 |
| Police Off-Duty Pay | B-21 | | 217,823.21 |
| Payroll Deductions | B-20 | | 1,157,153.38 |
| Library | B-16 | | 62,927.69 |
| Due General Capital Fund | B-17 | | 15,000.00 |
| Fanny Wood Trust | B-2 | | 13,043.05 |
| | | \$ <u>6,138.60</u> | \$ <u>1,754,797.25</u> |
| | | \$ <u>11,022.84</u> | \$ <u>2,378,419.07</u> |
| Decreased by: | | | |
| Expenditures Under R.S.4:19-15.11 | B-9 | \$ 6,413.18 | \$ |
| Due Current Fund | B-5 | 1,174.39 | 7,133.40 |
| Miscellaneous Trust Deposits | B-6 | | 29,241.73 |
| Unemployment Compensation Insurance | B-7 | | 5,368.80 |
| Community Development Block Grant Fund | B-8 | | 14,148.75 |
| Builders Escrow | B-10 | | 12,956.44 |
| Tax Sale Premiums | B-18 | | 75,423.94 |
| Zoning Escrow | B-11 | | 44,168.50 |
| Redevelopment Escrow | B-12 | | 4,521.94 |
| Recreation Commission | B-13 | | 76,537.29 |
| Developers Housing Escrow | B-15 | | 17,741.88 |
| Police Off-Duty Pay | B-21 | | 240,427.02 |
| Payroll Deductions | B-20 | | 1,156,070.15 |
| Library Fund | B-16 | | 53,055.55 |
| Fanny Wood Trust | B-2 | | 11,043.52 |
| Law Enforcement Trust | B-14 | | 491.00 |
| | | \$ <u>7,587.57</u> | \$ <u>1,748,329.71</u> |
| Balance, December 31, 2011 | B | \$ <u>3,435.27</u> | \$ <u>630,089.36</u> |

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR FANNYWOOD TRUST

| | <u>REF.</u> | | |
|----------------------------|-------------|----|-------------------------|
| Balance, December 31, 2010 | B | \$ | 14,783.69 |
| Increased by: | | | |
| Cash Receipts | B-1 | | <u>13,043.05</u> |
| | | \$ | <u>27,826.74</u> |
| Decreased by: | | | |
| Cash Disbursement | B-1 | | <u>11,043.52</u> |
| Balance, December 31, 2011 | B | \$ | <u><u>16,783.22</u></u> |

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

| <u>PROGRAM</u> | <u>BALANCE DECEMBER 31, 2010</u> | <u>DUE FROM COUNTY OF UNION COMMUNITY DEVELOPMENT BLOCK GRANTS</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2011</u> |
|-----------------------------|--|--|---------------------|--|
| Handyman | \$ 1,700.00 | \$ | \$ 1,700.00 | |
| Enhanced Senior Bus Service | 6,213.00 | | 5,046.32 | 1,166.68 |
| Senior Citizen Program | 5,935.00 | | 5,935.00 | |
| Senior Citizen Walkway | | 3,500.00 | | 3,500.00 |
| Handyman | | 2,000.00 | | 2,000.00 |
| Enhanced Senior Bus Service | | 10,000.00 | | 10,000.00 |
| Senior Citizen Program | | 4,711.00 | | 4,711.00 |
| | <u>\$ 13,848.00</u> | <u>\$ 20,211.00</u> | <u>\$ 12,681.32</u> | <u>\$ 21,377.68</u> |

REF.

Cash Receipts
Canceled

B-1
B-8

B

B-8

B