

"A-18"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2009	A	\$	9,214.72
Increased by:			
Overpayments in 2010	A-4	\$	<u>61,069.26</u>
			70,283.98
Decreased by:			
Applied to Taxes Receivable	A-9	\$	125.00
Refunded	A-4		<u>28,980.36</u>
			<u>29,105.36</u>
Balance, December 31, 2010	A	\$	<u><u>41,178.62</u></u>

"A-19"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2009	A	\$	4,002.13
Increased by:			
Emergency Appropriations	A-3		<u>100,000.00</u>
Balance, December 31, 2010	A	\$	<u><u>104,002.13</u></u>

"A-20"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2009	A		\$ 11,706.28
Increased by:			
2010 Levy	A-1:A-9	\$ 4,706,688.46	
Added Taxes - 54:63.1 et.seq.	A-1:A-9	<u>9,566.20</u>	
			\$ 4,716,254.66
			<u>\$ 4,727,960.94</u>
Decreased by:			
Payments	A-4		<u>4,718,394.40</u>
Balance, December 31, 2010	A		<u>\$ 9,566.54</u>

"A-21"

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX

Balance, December 31, 2009			
School Tax Deferred		\$ 8,173,524.43	
School Tax Prepaid	A	<u>(87,061.24)</u>	
			\$ 8,086,463.19
Increased by:			
Levy-School Year-July 1, 2010 to June 30, 2011	A-9		<u>17,340,244.03</u>
			\$ 25,426,707.22
Decreased by:			
Payments in 2010	A-4		<u>16,843,644.00</u>
Balance, December 31, 2010			
School Tax Deferred		\$ 8,670,122.02	
School Tax Prepaid	A	<u>(87,058.80)</u>	
			\$ 8,583,063.22
2010 Liability for Regional School District Tax:			
School Tax Paid 2010			\$ 16,843,644.00
Add: School Tax Prepaid December 31, 2009			<u>87,061.24</u>
			\$ 16,930,705.24
Less: School Tax Prepaid December 31, 2010			<u>87,058.80</u>
	A-1		<u>\$ 16,843,646.44</u>

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

PROGRAM	BALANCE	2010		BALANCE
	DECEMBER 31, 2009	APPROPRIATIONS	EXPENDED	DECEMBER 31, 2010
Alcohol Education, Rehabilitation Fund	\$ 188.70	\$	\$	188.70
Drunk Driving Enforcement Fund	3,014.68	4,629.83	2,550.38	5,094.13
SHARE Program-Library Phase I	205.96			205.96
SHARE Program-Library Phase II-Match	1.00			1.00
SHARE Program-Library Study	26,682.40		26,682.40	
SHARE Program-Library Study-Match	20.00		20.00	
FEMA Firefighters Grant	13,262.00			13,262.00
Improvements to Carriage House	7,388.42			7,388.42
Sharing Available Resources	1,465.04			1,465.04
Union County Arts Grant	269.80			269.80
Smart Future Planning Grant	2,150.00			2,150.00
County of Union Project Downtown	1,282.87		1,282.87	
R.O.I.D. Grant 06	12,671.16			12,671.16
R.O.I.D. Grant-06 Match	0.49			0.49
FEMA Firefighters Grant	1,109.00			1,109.00
FEMA Firefighters Grant-Match	4,382.89			4,382.89
Union County Kids Recreation	1,297.00			1,297.00
Union County Kids Recreation	6,481.45			6,481.45
Union County Kids Recreation-10	28,468.00	50,000.00	26,012.74	2,455.26
Clean Communities Program		10,853.64	2,552.25	50,000.00
Pocket Parks Grant 04	5,404.26			8,301.39
Union County - Senior Initiatives	936.33		379.76	5,404.26
Municipal Alliance - Local Match	6,246.50	2,123.75	2,123.75	556.57
Body Armor Replacement Fund	11,925.86	939.52	710.50	6,246.50
Recycling Grant	6,102.88			12,154.88
Comcast Grant	1,449.52		1,449.52	6,102.88
Historic Preservation Grant	17,844.16			7,149.86
Stormwater Infrastructure Grant	6,351.00	5,250.00	10,694.30	6,351.00
Stormwater Infrastructure Grant-08	2,117.00			2,117.00
Local Domestic Preparedness Equip Grant	0.80			0.80
Business Stimulus Grant	50,000.00	4,400.00		5,250.00
Over the Limit Under Arrest				4,400.00
Preserve Union County	1,000.00			50,000.00
Union County Heart Grant				1,000.00
	\$ 219,719.17	\$ 79,196.74	\$ 74,458.47	\$ 224,457.44
Cash Disbursements				
Accounts Payable				
	REF.	A	A-3	A
A-4				\$ 56,912.11
A-24				\$ 17,546.36
				\$ 74,458.47

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	ASSESSMENT TRUST FUND	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND
Balance, December 31, 2009:					
Due From	\$ 8,741.09 \$	318.56 \$	1,170.44 \$	7,252.09 \$	458,791.09
Due To	458,791.09				
Cash Receipts	1,313,369.93			13,502.32	1,299,867.61
Cash Disbursements	1,773,012.94		2.72	14,219.20	1,758,791.02
Balance, December 31, 2010:					
Due From	\$ 9,593.01 \$	318.56 \$	1,173.16 \$	7,968.97 \$	132.32

"A-24"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Increased by:			
Federal & State Grants Appropriated	A-22	\$	17,546.36
2010 Appropriations	A-3		<u>133,088.98</u>
Balance, December 31, 2010	A	\$	<u><u>150,635.34</u></u>

"A-25"

SCHEDULE OF STATE TRAINING FEES -
DUE STATE OF NEW JERSEY

Balance, December 31, 2009	A	\$	710.54
Increased by:			
Receipts	A-4		<u>7,597.00</u>
		\$	<u>8,307.54</u>
Decreased by:			
Disbursements	A-4		<u>7,390.00</u>
Balance, December 31, 2010	A	\$	<u><u>917.54</u></u>

"A-26"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR FIRE FINES AND PENALTIES

	<u>REF.</u>	
Balance, December 31, 2009 and December 31, 2010	A	\$ <u>25.00</u>

"A-27"

SCHEDULE OF BURIAL PERMITS-
DUE STATE OF NEW JERSEY

Balance, December 31, 2009	A	\$ 70.00
Decreased by: Cash Disbursements	A-4	<u>35.00</u>
Balance, December 31, 2010	A	\$ <u>35.00</u>

"A-28"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

REF.

Increased by:			
Transfers from Current Taxes Receivable	A-2	\$	50,000.00
Balance, December 31, 2010	A	\$	<u>50,000.00</u>

"A-29"

SCHEDULE OF SEWER CHARGES RECEIVABLE

Balance, December 31, 2009	A	\$	1,356.16
Increased by:			
Sewer Charges		\$	<u>30,284.18</u>
			31,640.34
Decreased by:			
Cash Receipts	A-4		<u>25,192.87</u>
Balance, December 31, 2010	A	\$	<u>6,447.47</u>

"A-30"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY

REF.

Balance, December 31, 2009 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, 2009	B	\$ <u>13.78</u> \$	<u>644,419.65</u>
Increased by:			
Animal Control Fees	B-9	\$ 6,226.60 \$	
Community Development Block Grant	B-3		11,735.00
Due Current Fund	B-5	2.72	12,989.28
Deficit in Animal Control	B-21	1,156.66	
Miscellaneous Trust Deposits	B-6		34,336.91
Unemployment Compensation Insurance	B-7		4,773.58
Builders Escrow	B-10		5,138.78
Redevelopment Escrow	B-12		10,048.27
Tax Sale Premiums	B-18		16,301.03
Zoning Escrow	B-11		4,938.75
Recreation Commission	B-13		91,850.17
Law Enforcement Trust Fund	B-14		220.90
Developers Housing Escrow	B-15		5,867.00
Police Off-Duty Pay	B-22		202,321.90
Rent Deposits	B-23		320.00
Payroll Deductions	B-20		1,748,894.40
Library	B-16		19,880.17
Fanny Wood Trust	B-2		10,675.79
		\$ <u>7,385.98</u> \$	<u>2,180,291.93</u>
		\$ <u>7,399.76</u> \$	<u>2,824,711.58</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-9	\$ 2,515.52 \$	
Due Current Fund	B-5		12,272.47
Miscellaneous Trust Deposits	B-6		34,653.70
Unemployment Compensation Insurance	B-7		2,174.00
Community Development Block Grant Fund	B-8		11,797.50
Builders Escrow	B-10		34,233.02
Tax Sale Premiums	B-18		66,700.00
Zoning Escrow	B-11		17,954.93
Redevelopment Escrow	B-12		5,158.04
Recreation Commission	B-13		68,169.21
Police Off-Duty Pay	B-22		160,817.21
Payroll Deductions	B-20		1,751,376.88
Library Fund	B-16		24,058.52
Fanny Wood Trust	B-2		8,008.28
Law Enforcement Trust	B-14		3,716.00
		\$ <u>2,515.52</u> \$	<u>2,201,089.76</u>
Balance, December 31, 2010	B	\$ <u>4,884.24</u> \$	<u>623,621.82</u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR FANNYWOOD TRUST

	<u>REF.</u>		
Balance, December 31, 2009	B	\$	12,116.18
Increased by:			
Cash Receipts	B-1	\$	<u>10,675.79</u>
			22,791.97
Decreased by:			
Cash Disbursement	B-1		<u>8,008.28</u>
Balance, December 31, 2010	B	\$	<u><u>14,783.69</u></u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE DECEMBER 31, 2009</u>	<u>DUE FROM COUNTY OF UNION COMMUNITY DEVELOPMENT BLOCK GRANTS</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2010</u>
Handyman	\$ 1,790.00 \$		1,790.00 \$	
Enhanced Senior Bus Service	5,935.00		5,935.00	1,700.00
Senior Citizen Program	5,000.00		5,000.00	5,935.00
Handyman		2,000.00	300.00	
Enhanced Senior Bus Service		5,935.00		
Senior Citizen Program		6,213.00		
	<u>\$ 12,725.00 \$</u>	<u>14,148.00 \$</u>	<u>13,025.00 \$</u>	<u>13,848.00</u>
<u>REF.</u>	B	B-8		B
Cash Receipts			11,735.00	
Canceled			1,290.00	
			<u>13,025.00</u>	

"B-4"

BOROUGH OF FANWOOD
TRUST FUND
ANALYSIS OF ASSESSMENT CASH

		BALANCE DECEMBER <u>31, 2010</u>
Cash Deficit	\$	(318.56)
Due Current Fund	\$	<u>318.56</u>
	<u>REF.</u>	B

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>ASSESSMENT FUND</u>	<u>ANIMAL CONTROL FUND</u>	<u>TRUST OTHER FUNDS</u>
Balance, December 31, 2009 (Due To) (Due To)	B	\$ 318.56 \$	1,170.44 \$	7,252.09
Cash Receipts	B-1		2.72	12,989.28
		\$ <u>318.56</u> \$	<u>1,173.16</u> \$	<u>20,241.37</u>
Cash Disbursements	B-1			<u>12,272.47</u>
Balance, December 31, 2010 (Due To)	B	\$ <u>318.56</u> \$	<u>1,173.16</u> \$	<u>7,968.90</u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2009	B	\$	68,533.98
Increased by:			
Cash Receipts	B-1	\$	<u>34,336.91</u>
			102,870.89
Decreased by:			
Cash Disbursements	B-1		<u>34,653.70</u>
Balance, December 31, 2010	B	\$	<u><u>68,217.19</u></u>

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

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT
COMPENSATION INSURANCE

	<u>REF.</u>		
Balance, December 31, 2009	B	\$	1.58
Increased by:			
Receipts	B-1	\$	<u>4,773.58</u>
			4,775.16
Decreased by:			
Disbursements	B-1		<u>2,174.00</u>
Balance, December 31, 2010	B	\$	<u><u>2,601.16</u></u>

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT

<u>PROGRAM</u>	BALANCE DECEMBER 31, 2009	DUE FROM COUNTY OF UNION- COMMUNITY DEVELOPMENT BLOCK GRANTS	DECREASED	BALANCE DECEMBER 31, 2010
Senior Citizen Program	\$ 3,622.64 \$		3,622.64 \$	
Handyman Program	1,790.00		1,790.00	
Enhanced Senior Bus Service	2,535.54		2,535.54	
Senior Citizen Program	1,377.36		1,377.36	
Enhanced Senior Bus Service		5,935.00	3,399.46	2,535.54
Senior Citizen Program		6,213.00	360.00	5,853.00
Handyman Program		2,000.00	2.50	1,997.50
	\$ 9,325.54 \$	14,148.00 \$	13,087.50 \$	10,386.04

REF.

B

B-3

B

Cash Disbursements
Canceled

B-1
B-3

\$

11,797.50
1,290.00

\$

13,087.50

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Increased by:			
Dog License Fees		\$ 5,048.60	
Cat License Fees		<u>1,178.00</u>	
	B-1		<u>6,226.60</u>
			\$ <u>6,226.60</u>
Decreased by:			
Expenditures Under R.S.4:19-15.11:			
Cash Disbursements	B-1		<u>2,515.52</u>
Balance, December 31, 2010	B		\$ <u><u>3,711.08</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2009	\$	6,410.00
2008		<u>5,706.80</u>
	\$	<u><u>12,116.80</u></u>

"B-10"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR BUILDERS ESCROW

	<u>REF.</u>		
Balance, December 31, 2009	B	\$	74,322.68
Increased by:			
Cash Receipts	B-1	\$	<u>5,138.78</u>
			79,461.46
Decreased by:			
Cash Disbursements	B-1		<u>34,233.02</u>
Balance, December 31, 2010	B	\$	<u><u>45,228.44</u></u>

"B-11"

SCHEDULE OF RESERVE FOR ZONING ESCROW

Balance, December 31, 2009	B	\$	38,160.19
Increased by:			
Cash Receipts	B-1	\$	<u>4,938.75</u>
			43,098.94
Decreased by:			
Cash Disbursements	B-1		<u>17,954.93</u>
Balance, December 31, 2010	B	\$	<u><u>25,144.01</u></u>

"B-12"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR REDEVELOPMENT ESCROW

	<u>REF.</u>		
Balance, December 31, 2009	B	\$	4,454.43
Increased by:			
Cash Receipts	B-1		10,048.27
		\$	<u>14,502.70</u>
Decreased by:			
Cash Disbursements	B-1		5,158.04
			<u>5,158.04</u>
Balance, December 31, 2010	B	\$	<u>9,344.66</u>

"B-13"

SCHEDULE OF RESERVE FOR RECREATION COMMISSION

Balance, December 31, 2009	B	\$	30,041.07
Increased by:			
Cash Receipts	B-1		91,850.17
		\$	<u>121,891.24</u>
Decreased by:			
Cash Disbursements	B-1		68,169.21
			<u>68,169.21</u>
Balance, December 31, 2010	B	\$	<u>53,722.03</u>

"B-14"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUNDS

Balance, December 31, 2009	B	\$	26,462.65
Increased by:			
Cash Receipts	B-1		220.90
		\$	<u>26,683.55</u>
Decreased by:			
Cash Disbursements	B-1		3,716.00
			<u>3,716.00</u>
Balance, December 31, 2010	B	\$	<u>22,967.55</u>

"B-15"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPERS HOUSING ESCROW

	<u>REF.</u>		
Balance, December 31, 2009	B	\$	140,101.12
Increased by:			
Cash Receipts	B-1		<u>5,867.00</u>
Balance, December 31, 2010	B	\$	<u><u>145,968.12</u></u>

"B-16"

SCHEDULE OF RESERVE FOR LIBRARY

Balance, December 31, 2009	B	\$	89,283.61
Increased by:			
Cash Receipts	B-1		<u>19,880.17</u>
		\$	<u>109,163.78</u>
Decreased by:			
Cash Disbursements	B-1		<u>24,058.52</u>
Balance, December 31, 2010	B	\$	<u><u>85,105.26</u></u>

"B-17"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

	<u>REF.</u>	
Balance, December 31, 2009 and December 31, 2010	B	\$ <u>15,000.00</u>

"B-18"

SCHEDULE OF TAX SALE PREMIUMS AND REDEMPTIONS

Balance, December 31, 2009	B	\$ 134,500.00
Increased by:		
Cash Receipts	B-1	<u>16,301.03</u>
		\$ <u>150,801.03</u>
Decreased by:		
Cash Disbursements	B-1	<u>66,700.00</u>
Balance, December 31, 2010	B	\$ <u>84,101.03</u>

"B-19"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR CELL TOWER DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2009 and December 31, 2010	B	\$ <u>7,875.00</u>

"B-20"

SCHEDULE OF PAYROLL DEDUCTIONS

Balance, December 31, 2009	B	\$ 29,714.53
Increased by:		
Cash Receipts	B-1	<u>1,748,894.40</u>
		\$ <u>1,778,608.93</u>
Decreased by:		
Cash Disbursements	B-1	<u>1,751,376.88</u>
Balance, December 31, 2010	B	\$ <u>27,232.05</u>

"B-21"

SCHEDULE OF DEFICIT IN ANIMAL CONTROL EXPENDITURES

Balance, December 31, 2009	B	\$ 1,156.66
Decreased by:		
Raised in 2010 Budget	B-1	\$ <u>1,156.66</u>

"B-22"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR POLICE OFF-DUTY PAY

	<u>REF.</u>		
Increased by:			
Cash Receipts	B-1	\$	202,321.90
Decreased by:			
Cash Disbursements	B-1		<u>160,817.21</u>
Balance, December 31, 2010	B	\$	<u><u>41,504.69</u></u>

"B-23"

SCHEDULE OF RENT DEPOSITS

Increased by:			
Cash Receipts	B-1	\$	320.00
Balance, December 31, 2010	B	\$	<u><u>320.00</u></u>

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2009	C		\$ 1,129,699.76
Increased by Receipts:			
Capital Improvement Fund	C-8	\$ 100,000.00	
Bond Anticipation Note	C-12	4,975,000.00	
Emergency Note	C-17	175,000.00	
Grants Receivable	C-13	197,000.00	
Receipt on Fully Funded Ordinance	C-1	25,899.50	
Due Current Fund	C-4	<u>768,855.77</u>	
			6,241,755.27
			\$ <u>7,371,455.03</u>
Decreased by Disbursements:			
Bond Anticipation Note	C-12	\$ 3,475,000.00	
Emergency Note	C-17	175,000.00	
Contracts Payable	C-9	790,387.11	
Fund Balance Anticipated as Revenue	C-1	200,000.00	
Due Current Fund	C-4	<u>309,932.29</u>	
			<u>4,950,319.40</u>
Balance, December 31, 2010	C		\$ <u><u>2,421,135.63</u></u>

"C-3"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2010</u>
Capital Fund Balance	\$ 153,453.85
Contracts Payable	367,803.40
Capital Improvement Fund	68,663.80
Improvement Authorizations Funded Set Forth on "C-9"	618,588.64
Improvement Authorizations Expended Set Forth on "C-7"	(219,111.08)
Unexpended Proceeds of Bond Anticipation Notes	1,803,150.19
Cash on Hand -Ordinance 00-05/04-05	24,640.80
State Aid Receivable	(580,423.61)
Reserve to Pay Notes	175,237.25
Due from Scotch Plains - Fanwood Board of Education	(6,000.00)
Due Trust Other Fund	15,000.00
Due Current Fund	132.39
	<hr/>
	\$ <u>2,421,135.63</u>

REF.

C

"C-4"

BOROUGH OF FANWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2009	C	\$ 458,791.09
Increased by:		
Cash Disbursements	C-2	\$ <u>309,932.29</u>
		\$ <u>768,723.38</u>
Decreased by:		
Cash Receipts	C-2	<u>768,855.77</u>
Balance, December 31, 2010 (Due To)	C	\$ <u><u>(132.39)</u></u>

"C-5"

SCHEDULE OF DUE FROM SCOTCH PLAINS - FANWOOD BOARD OF EDUCATION

Balance, December 31, 2009 and December 31, 2010	C	\$ <u><u>6,000.00</u></u>
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BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2009	C	\$ 5,370,000.00
Decreased by:		
2010 Budget Appropriation to Pay Bonds	C-11	<u>400,000.00</u>
Balance, December 31, 2010	C	\$ <u>4,970,000.00</u>

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2010	NOTES	ANALYSIS OF BALANCE DECEMBER 31, 2010	
				EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
01-07/02-10	Various Capital Improvements	\$ 169,149.00	132,277.00	\$ 36,872.00	\$
04-09	Various Park Improvements	69,449.20	69,449.20		
05-12/05-16	Various General Improvements	282,314.00	282,314.00		
05-15	Acq. Of Equipment & Reconstruction of Roads	16,800.00	16,800.00		
06-13/06-10	Various Capital Improvements	631,825.00	574,519.00	57,306.00	
07-11/09-09	Various Capital Improvements	1,239,848.00	1,000,000.00		239,848.00
07-21/09-11	Acquisition of Property	2,000,000.00	1,875,000.00	124,933.08	66.92
07-22	Refunding Bond	175,000.00	175,000.00		
10-04	Various Capital Improvements	1,495,000.00	1,000,000.00		495,000.00
		<u>\$ 6,079,385.20</u>	<u>\$ 5,125,359.20</u>	<u>\$ 219,111.08</u>	<u>\$ 734,914.92</u>

REF.

C

C-3

Unexpended Improvement Authorizations-Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes

C-9

C-3

\$ 2,538,065.11
1,803,150.19

Bond Anticipation Notes Payable
Emergency Note Payable
Cash on Hand-Ordinance 01-07/02-10

\$ 4,975,000.00
175,000.00
\$ 5,150,000.00
24,640.80
\$ 5,125,359.20

\$ 734,914.92

"C-8"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2009	C	\$	110,663.80
Increased by:			
2010 Appropriations	C-2	\$	<u>100,000.00</u>
			210,663.80
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-9	\$	80,000.00
Contracts Payable-Preliminary Costs	C-10		<u>62,000.00</u>
			<u>142,000.00</u>
Balance, December 31, 2010	C	\$	<u><u>68,663.80</u></u>

BOROUGH OF FANWOOD
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2009		2010 AUTHORIZATIONS	PAID OR CHARGED	IMPROVEMENT AUTHORIZATIONS CANCELED	INCREASE	BALANCE DECEMBER 31, 2010	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
94-06	General Improvements			\$ 1,837.47	\$			\$		\$	
97-01	Various General Improvements	6/8/94	494,000.00								
	Various Improvements to Sanitary Sewer System	3/13/97	110,000.00					1,837.47			
97-02	Various General Improvements	3/13/97	486,080.00					6,285.79			
98-06/99-26	Various General Improvements	4/9/98	485,000.00								
99-06	Various General Improvements	4/5/99	533,500.00	22,324.40			3,824.40			18,498.00	
00-05	Various General Improvements	5/11/00	764,340.00	9,559.53						9,559.53	
01-07	Various Capital Improvements	5/10/01	988,749.00		33,367.16		2,180.96				31,176.20
02-09	Various Capital Improvements	5/20/02	1,192,350.00	24,000.00						24,000.00	
03-08/09-10	Various Capital Improvements	5/13/03	1,339,040.00	243,064.04			105,076.02			135,237.02	
03-11	Acq. & Installation of Emerg. Serv. Tower	6/10/03	180,000.00	494.50						494.50	
04-09	Various Capital Improvements	7/19/04	787,590.00		69,176.37						69,176.37
05-12/05-16	Various Capital Improvements	6/14/05	1,575,068.00		144,348.75						148,345.42
05-22	Lagrande Park Improvements	10/11/05	147,960.00	59,015.00			715.00			62,658.50	
06-13/06-10	Various Capital Improvements	5/9/06	1,912,468.00		249,023.95		3,279.84				245,744.11
07-11/09-08	Various Capital Improvements	7/3/07	1,513,000.00		835,358.87		286,803.78				548,556.09
07-21	Acquisition of Property	11/20/07	2,000,000.00		123,329.37		123,262.45				66.92
10-04	Various Capital Improvements	6/7/10	2,050,000.00			2,050,000.00	186,859.91			368,140.09	
			\$	366,580.73	1,454,604.47	2,050,000.00	712,011.36	10,876.26	8,356.17	618,588.64	2,539,065.11
C	Capital Improvement Fund	REF.		C	C					C-C-3	C-C-7
	Grants Receivable	C-8	\$ 80,000.00					\$ 1,839.47			
	Deferred Charges Unfunded	C-13	475,000.00					9,036.79			
			1,495,000.00								
	Capital Surplus Reserve for Debt Service	C-1	\$ 2,050,000.00					\$ 10,876.26			
	Contracts Payable Canceled	C-16								\$ 1,160.00	
	Retained Percentage Canceled	C-14								7,196.17	
										\$ 8,356.17	

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance December 31, 2009	C		\$ 385,339.15
Increased by:			
Contracts Issued-Improvement Authorizations	C-9	\$ 712,011.36	
Contracts Issued-Preliminary Costs	C-8	<u>62,000.00</u>	
			774,011.36
			\$ <u>1,159,350.51</u>
Decreased by:			
Cash Disbursements	C-2	790,387.11	
Canceled	C-9	<u>1,160.00</u>	
			<u>791,547.11</u>
Balance December 31, 2010	C		\$ <u><u>367,803.40</u></u>

BOROUGH OF FANWOOD
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2009	DECREASED	BALANCE DECEMBER 31, 2010
			DATE	AMOUNT				
General Improvement Bonds	9/15/01	\$ 1,300,000.00	9/15/11-12	\$ 120,000.00	4.125%	\$ 480,000.00	\$ 120,000.00	360,000.00
			9/15/13	120,000.00	4.250%			
General Improvement Bonds	12/1/03	2,690,000.00	12/1/11	230,000.00	3.250%	1,690,000.00	230,000.00	1,460,000.00
			12/1/12	240,000.00	3.250%			
			12/1/13	240,000.00	3.375%			
			12/1/14-16	250,000.00	3.500%			
General Improvement Bonds	7/15/08	3,200,000.00	7/15/11-12	50,000.00	4.000%	3,200,000.00	50,000.00	3,150,000.00
			7/15/13	125,000.00	4.000%			
			7/15/14-15	225,000.00	4.125%			
			7/15/16	225,000.00	4.250%			
			7/15/17-20	300,000.00	4.250%			
	7/15/21	350,000.00	4.350%					
	7/15/22-23	350,000.00	4.400%					
						\$ 5,370,000.00	\$ 400,000.00	\$ 4,970,000.00

REF.

C

C-6

C

C

BOROUGH OF FANWOOD
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2009</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2010</u>
						\$	\$		\$
01-07/02-10	Various Capital Improvements	10/2/08	9/22/09	9/29/10	1.14%	132,277.00	132,277.00	132,277.00	132,277.00
01-07/02-10	Various Capital Improvements	10/2/08	9/28/10	9/29/11	1.50%				
04-09	Various Capital Improvements	10/2/08	9/22/09	9/29/10	1.14%	94,090.00	94,090.00	94,090.00	94,090.00
04-09	Various Capital Improvements	10/2/08	9/29/10	9/29/11	1.50%				
05-12/05-16	Various Capital Improvements	10/2/08	9/22/09	9/29/10	1.14%	282,314.00	282,314.00	282,314.00	282,314.00
05-12/05-16	Various Capital Improvements	10/2/08	9/29/10	9/29/11	1.50%				
05-15	Acq. of Equipment & Reconstruction of Roads	8/8/07	9/22/09	9/29/10	1.14%	16,800.00	16,800.00	16,800.00	16,800.00
05-15	Acq. of Equipment & Reconstruction of Roads	10/2/08	9/29/10	9/29/11	1.50%				
06-13/06-10	Various Capital Improvements	10/2/08	9/22/09	9/29/10	1.14%	574,519.00	574,519.00	574,519.00	574,519.00
06-13/06-10	Various Capital Improvements	10/2/08	9/29/10	9/29/11	1.50%				
07-11/09-08	Various Capital Improvements	9/22/09	9/22/09	9/29/10	1.14%	500,000.00	500,000.00	500,000.00	500,000.00
07-11/09-08	Various Capital Improvements	9/22/09	9/29/10	9/29/11	1.50%				
07-21	Acquisition of Property	5/22/08	2/27/09	2/25/10	2.43%	1,875,000.00	1,875,000.00	1,875,000.00	1,875,000.00
07-21	Acquisition of Property	5/22/08	2/25/10	2/23/11	1.50%				
07-11/09-09	Various Capital Improvements	7/8/10	7/8/10	2/23/11	1.89%	500,000.00	500,000.00	500,000.00	500,000.00
10-04	Various Capital Improvements	7/8/10	7/8/10	2/23/11	1.89%				
10-04	Various Capital Improvements	9/29/10	9/29/10	9/29/11	1.50%	500,000.00	500,000.00	500,000.00	500,000.00
						\$ 3,475,000.00	\$ 4,975,000.00	\$ 3,475,000.00	\$ 4,975,000.00

<u>REF.</u>	<u>C</u>	<u>C-2</u>	<u>C-2</u>	<u>C-C-7</u>
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General Improvements:

"C-13"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2009	C	\$	302,423.61
Increased by:			
Grants Authorized	C-9	\$	<u>475,000.00</u>
		\$	777,423.61
Decreased by:			
Cash Receipts	C-2		<u>197,000.00</u>
Balance, December 31, 2010	C	\$	<u>580,423.61</u>

"C-14"

SCHEDULE OF RETAINED PERCENTAGE DUE CONTRACTOR

Balance, December 31, 2009	C	\$	7,196.17
Decreased by:			
Canceled	C-9	\$	<u>7,196.17</u>

"C-15"

BOROUGH OF FANWOOD
GENERAL CAPITAL FUND
SCHEDULE OF DUE TRUST OTHER FUND

REF.

Balance, December 31, 2009 and
December 31, 2010

C

\$ 15,000.00

"C-16"

SCHEDULE OF RESERVE TO PAY NOTES

Balance, December 31, 2009

C

\$ 166,200.46

Increased by:

Improvement Auhtorizations canceled

C-9

9,036.79

Balance, December 31, 2010

C

\$ 175,237.25

BOROUGH OF FANWOOD
GENERAL CAPITAL FUND

SCHEDULE OF EMERGENCY NOTE

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2009</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2010</u>	
07-22	Refunding Bond Ordinance	1/24/08	1/22/10	2/25/11	1.50%	\$ 250,000.00	\$ 175,000.00	\$ 250,000.00	\$ 175,000.00	
						\$ 250,000.00	\$ 175,000.00	\$ 250,000.00	\$ 175,000.00	
					<u>REF.</u>	C	C-2			C-C-7
	Cash Disbursements				C-2			\$ 175,000.00		
	Notes Paid by Budget							\$ 75,000.00		
								\$ 250,000.00		

General Improvements:

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31, 2010</u>	
		<u>CAPITAL FUND</u>	<u>TRUST FUND</u>
General Improvements:			
01-07;02-10	Various General Improvements	\$ 36,872.00	\$
06-13/06-10	Various General Improvements	57,306.00	
07-11/09-09	Various Capital Improvements	739,848.00	
07-21	Acquisition of Property	125,000.00	
10-04	Various Capital Improvements	995,000.00	
Local Improvements:			
87-06	Install Curbing on Cray Terrace		<u>318.56</u>
		\$ <u>1,954,026.00</u>	\$ <u>318.56</u>
	Assessment Lien		\$ <u>318.56</u>
			\$ <u>318.56</u>

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BOROUGH OF FANWOOD

PART II

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

SCHEDULES OF EXPENDITURES FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

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



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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E-mail info@senco.com

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

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

We have audited the accompanying financial statements - statutory basis of the Borough of Fanwood, County of Union, New Jersey as of and for the year ended December 31, 2010, and have issued our report thereon dated August 9, 2011. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Fanwood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

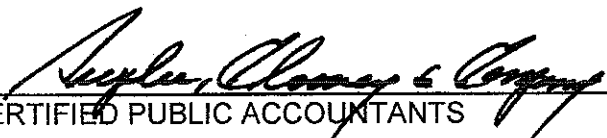
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination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

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

Compliance and Other Matters

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

This report is intended solely 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 9, 2011

BOROUGH OF FANWOOD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2010

PASS THROUGH GRANTOR/ FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANTORS NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2010 FUNDS RECEIVED	2010 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2010
<u>PASS THROUGH FROM COUNTY OF UNION</u>							
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>							
Community Development Block Grant	14.218	008-220	9/1/08 8/31/10	5,000.00		3,622.64	5,000.00
Community Development Block Grant	14.218	009-428	9/1/09 8/31/10	710.00	500.00	500.00	710.00
Community Development Block Grant	14.218	009-220	9/1/09 8/31/10	5,000.00	5,000.00	1,377.36	5,000.00
Community Development Block Grant	14.218	009-221	9/1/09 8/31/10	5,935.00	5,935.00	2,535.54	5,935.00
Community Development Block Grant	14.218	010-428	9/1/10 8/31/11	2,000.00	300.00	2.50	2.50
Community Development Block Grant	14.218	010-220	9/1/10 8/31/11	6,213.00		360.00	360.00
Community Development Block Grant	14.218	010-221	9/1/10 8/31/11	5,935.00		3,399.46	3,399.46
				\$ 11,735.00	\$ 11,797.50	\$ 11,797.50	\$ 20,406.96
<u>PASS THROUGH FROM STATE OF NEW JERSEY</u>							
Over the Limit Under Arrest	20.601			4,400.00			
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>							
Fire Operations and Firefighter Safety Grant	83-554	EMW-2003-FG-07801	11/15/03 11/14/04	23,800.00	\$	\$	23,800.00
Fire Fighter Grant		EMW-2005-FG-07257		24,653.00			20,270.11
Fire Fighter Equipment Grant				13,262.00			
				\$	\$	\$	44,070.11
				\$ 16,135.00	\$ 11,797.50	\$ 11,797.50	\$ 64,477.07

BOROUGH OF FANWOOD

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2010

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2010 FUNDS RECEIVED	2010 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2010
DEPARTMENT OF COMMUNITY AFFAIRS						
Alcohol Education and Rehabilitation Fund	9735-760-098-6020	Continuous	767.07			578.37
Handicapped Persons Recreation Opportunity Grant (ROID)	8050-100-022-8050-035-F157-6120	1/1/06	5,545.00			5,544.51
Smart Growth Grant	8049-100-022-8049-006-FSMR-6120	12/31/03	50,000.00			50,000.00
Smart Growth Grant-TDR	8049-100-022-8049-006-FSMR-6120	2/14/05	40,000.00			40,000.00
S.H.A.R.E. GRANT-Library Phase I	05-100-022-8030-654-FFFF-6120	5/1/05	46,350.00			46,343.89
S.H.A.R.E. GRANT-Library Phase II	05-100-022-8030-658-FFFF-6120	7/1/05	38,288.00			38,288.00
S.H.A.R.E. GRANT-Storage Facility	05-100-022-8030-658-FFFF-6120	7/1/05	40,000.00			40,000.00
S.H.A.R.E. GRANT-Library Study	8049-734-022-8049-001-F000-6120	7/1/05	149,750.00	23,116.76	26,682.40	149,750.00
Smart Future Planning Grant			50,000.00	5,983.61	1,282.87	50,000.00
Sharing Available Resources			12,727.00			11,281.96
Livable Communities Grant-Local Library Aid	05-100-022-8030-654-FFFF-6120	5/1/05	40,000.00			40,000.00
State of New Jersey Special Legislative Grant	8050-100-022-8050-604-FFFF-6120	1/1/01	100,000.00			100,000.00
				29,100.37	27,965.27	571,786.73
DEPARTMENT OF TREASURY						
State Contingency Fund Special Purpose-LaGrande Park Improvements to Carriage House	9420-100-094-9420-047-8999-6130 CDG 07-029	1/1/05 7/1/06	130,000.00 50,000.00			42,611.58 42,611.58
DEPARTMENT OF ENVIRONMENTAL PROTECTION						
Clean Communities Program	4900-765-042-4900	Continuous	10,853.64	10,853.64	2,552.25	2,552.25
Municipal Stormwater Regulation Program	05-100-042-5850-118	3/1/04	8,468.00			8,468.00
Municipal Stormwater Regulation Program	06-100-042-5850-118	2/28/07	6,351.00			
Municipal Stormwater Regulation Program	4900-752-042-4900	Various	2,117.00			
Recycling Tonnage Grant - Prior	4900-752-042-4900	Various	11,600.86			11,600.86
			14,611.57	10,853.64	2,552.25	8,598.79
						31,129.90
DEPARTMENT OF LAW AND PUBLIC SAFETY						
Drunk Driving Enforcement Fund-Prior	1110-100-066-1110	Various	7,235.85			6,771.55
Drunk Driving Enforcement Fund	1110-100-066-1110	Various	4,629.83	4,629.83	2,550.38	21,499.20
Domestic Preparedness Equipment Grant	1020-100-066-1020	1/1/04	21,500.00			4,000.00
Emergency Management	1200-100-066-1200-726-YEMR-6120	1/1/04	4,000.00			2,405.72
State/Local All Hazards Emergency Operation Planning Prog.	1200-100-066-1200-845-YEMR-6120	1/1/04	2,405.72			7,021.82
Body Armor Replacement Fund-Prior	1020-718-066-1020	Continuous	18,237.18		710.50	
Body Armor Replacement Fund	1020-718-066-1020	Continuous	939.52	939.52		
			5,589.35	5,589.35	3,260.88	41,688.29

BOROUGH OF FANWOOD

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2010

<u>STATE GRANTOR/PROGRAM TITLE</u>	<u>STATE ACCOUNT NUMBER</u>	<u>GRANT PERIOD FROM TO</u>	<u>GRANT AWARD AMOUNT</u>	<u>2010 FUNDS RECEIVED</u>	<u>2010 EXPENDITURES</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2010</u>
DEPARTMENT OF TRANSPORTATION						
Sheelan's Crossing Bridge Deck & Ramps	02-480-078-6320-AFG-6010	Continuos	\$ 200,000.00	\$	\$	\$ 93,655.42
Westfield Road	03-480-078-6320-AG5-6010	Continuos	250,000.00			250,000.00
Safe Streets to Schools	06-480-078-6300-DDO-7310	Continuos	100,000.00			25,000.00
Helen Street, Pleasant Ave, Tower/Midway (Sec. 2)	05-480-078-6320-AJG-6010	Continuos	188,000.00	47,000.00	47,000.00	188,000.00
Russell Road	09-480-078-6320-AJ3-6010	Continuos	200,000.00	150,000.00	150,000.00	150,000.00
Belvidere Ave	09-480-078-6320-AKE-6010	Continuos	200,000.00			
Watson Road	09-480-078-6320-AKE-6010	Continuos	275,000.00			
			<u>197,000.00</u>	<u>197,000.00</u>	<u>197,000.00</u>	<u>613,000.00</u>
			\$	<u>242,523.36</u>	<u>230,778.40</u>	<u>1,300,206.50</u>

BOROUGH OF FANWOOD

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

YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - STATUTORY BASIS

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

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

Revenues

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$ 4,400.00	\$ 45,523.36	\$ 27,161.39	\$ 77,084.75
Trust Other Fund	11,735.00			11,735.00
General Capital Fund		197,000.00		197,000.00
	<u>\$ 16,135.00</u>	<u>\$ 242,523.36</u>	<u>\$ 27,161.39</u>	<u>\$ 285,819.75</u>

Expenditures

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$	\$ 33,778.40	\$ 14,664.33	\$ 48,442.73
Trust Other Fund	11,797.50			11,797.50
General Capital Fund		197,000.00		197,000.00
	<u>\$ 11,797.50</u>	<u>\$ 230,778.40</u>	<u>\$ 14,664.33</u>	<u>\$ 257,240.23</u>

NOTE 5. OTHER

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

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

	<u>YEAR 2010</u>		<u>YEAR 2009</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 758,666.00	2.47%	\$ 816,505.99	2.81%
Miscellaneous From Other Than Local Property				
Tax Levies	2,159,264.86	7.02%	1,958,207.79	6.74%
Collection of Delinquent Taxes and Tax Title Liens	261,222.28	0.85%	177,753.84	0.61%
Collection of Current Tax Levy	<u>27,562,523.21</u>	<u>89.66%</u>	<u>26,096,597.07</u>	<u>89.84%</u>
<u>Total Income</u>	<u>\$ 30,741,676.35</u>	<u>100.00%</u>	<u>\$ 29,049,064.69</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 8,462,855.17	28.14%	\$ 8,250,412.76	29.09%
County Taxes	4,716,254.66	15.68%	4,378,237.93	15.44%
Regional High School Taxes	16,843,646.44	56.01%	15,729,534.10	55.45%
Miscellaneous	<u>52,355.59</u>	<u>0.17%</u>	<u>7,005.39</u>	<u>0.02%</u>
<u>Total Expenditures</u>	<u>\$ 30,075,111.86</u>	<u>100.00%</u>	<u>\$ 28,365,190.18</u>	<u>100.00%</u>
Excess in Revenue	\$ 666,564.49		\$ 683,874.51	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budgets of Succeeding Years	<u>100,000.00</u>		<u>4,002.13</u>	
Statutory Excess to Fund Balance	\$ 766,564.49		\$ 611,716.08	
Fund Balance, January 1	<u>922,645.05</u>		<u>1,051,274.40</u>	
	\$ 1,689,209.54		\$ 1,662,990.48	
Less: Utilization as Anticipated Revenue	<u>758,666.00</u>		<u>816,505.99</u>	
Fund Balance, December 31	<u>\$ 930,543.54</u>		<u>\$ 922,645.05</u>	

PART III

BOROUGH OF FANWOOD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATION

YEAR ENDED DECEMBER 31, 2010

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>12.165</u>	<u>11.528</u>	<u>10.832</u>
Apportionment of Tax Rate:			
Municipal	2.541	2.451	2.349
County	2.054	1.913	1.801
Local School	7.570	7.164	6.682

ASSESSED VALUATIONS:

2010	<u>\$229,072,651.00</u>		
2009		<u>\$228,198,702.00</u>	
2008			<u>\$226,179,795.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH</u> <u>COLLECTION</u>	<u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2010	\$27,923,757.51	\$27,562,523.21	98.70%
2009	\$26,377,287.54	\$26,096,597.07	98.93%
2008	\$24,657,919.18	\$24,466,463.61	99.22%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2010	\$20,114.27	\$320,978.99	\$341,093.26	0.40%
2009	\$18,800.45	\$281,222.28	\$300,022.73	0.35%
2008	\$17,555.43	\$177,714.20	\$195,269.63	0.24%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2010	\$12,279.00
2009	\$12,279.00
2008	\$12,279.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
2010	\$930,543.54	\$774,934.00
2009	922,645.05	758,666.00
Current Fund 2008	1,051,274.40	816,505.99
2007	879,558.32	420,000.00
2006	1,235,246.78	900,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT</u>	<u>SURETY</u>
Colleen Mahr	Mayor	*	
Russell Huegel	Councilman	*	
Joan Wheeler	Council President	*	
Robert Manduca	Councilman	*	
Katherine Mitchell	Councilwoman	*	
Michael Szuch	Councilman	*	
Anthony Parenti	Councilman	*	
Eleanor McGovern	Borough Clerk/Administrator	*	
Frederick J. Tomkins	Chief Financial Officer	\$100,000.00	Travelers Casualty and Surety Company
Patricia Celardo	Bookkeeper	*	
Colleen Huehn	Tax Collector	\$140,525.00	Travelers Casualty and Surety Company
Michael Ross	Tax Assessor	*	
Joseph Pryor	Borough Engineer to 8/1/10	*	
Domenic Carrino	Borough Engineer from 8/1/10	*	
Dennis Estis	Borough Attorney	*	
Daniel Antonelli	Prosecutor	*	
Susan Macmullan	Magistrate	\$20,000.00	Travelers Casualty and Surety Company
Joy Veeck	Court Administrator	\$50,000.00	Travelers Casualty and Surety Company
Donna Zucker	Deputy Court Administrator	*	
Donald Domanoski	Chief Of Police to 2/1/10	*	
Richard Trido	Chief of Police from 2/1/10	*	
Bruce Helmstetter	Construction Code Official	*	

* - \$1,000,000.00 Crime Coverage Bond-Garden State Municipal Joint Insurance Fund

All Bonds were examined and properly executed

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COMMENTS AND RECOMMENDATION

GENERAL COMMENTS

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

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

Effective July 1, 2005, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$21,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$21,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Aerial Tower
Retaining Wall

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

GENERAL COMMENTS (CONTINUED)

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

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

Planning Consultants
Bond Counsel
Auditor
Engineering Services
Attorney
Insurance Consultant

COLLECTION OF INTEREST ON DELINQUENT
TAXES AND ASSESSMENTS

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

The governing body on January 12, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

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

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

GENERAL COMMENTS (CONTINUED)

VERIFICATION OF DELINQUENT TAXES
AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2011 Taxes	25
Payments of 2010 Taxes	25
Delinquent Taxes	25

TAX TITLE LIENS

The last tax sale was held on June 22, 2010 and was complete.

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

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

<u>YEARS</u>	<u>NUMBER OF LIENS</u>
2010	3
2009	3
2008	3

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

OTHER COMMENTS

Interfund Balances

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

Encumbrance System

On a test check basis, we examined the paid claims of the various funds for proper signatures, approvals and authorizations, support documentation, correct extensions and applicability to account or appropriations charged. Our examination disclosed that several vouchers were paid without claimant signature, orders were placed prior to encumbrance of funds, checks were not always included on the bill list approved by the governing body.

RECOMMENDATION

That all vouchers contain the required signatures, support documentation and approvals prior to their payments.