DRAFT

BOROUGH OF FAIRVIEW

Financial Statements With Supplementary Information

December 31, 2019

(With Independent Auditors' Report Thereon)

BOROUGH OF FAIRVIEW

Table of Contents

Part I

Exhibit		Page
	Independent Auditors' Report	1
	FINANCIAL STATEMENTS	
	Current Fund	
A	Balance Sheet - Regulatory Basis	5
A-1	Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	8
A-3	Statement of Expenditures - Regulatory Basis	11
	Trust Funds	
B	Balance Sheet - Regulatory Basis	21
	General Capital Fund	
C	Balance Sheet - Regulatory Basis	22
C-1	Statement of Changes in Fund Balance - Regulatory Basis	23
	Public Assistance Fund	
E	Balance Sheet - Regulatory Basis	24
	General Fixed Assets Account Group	
H	Statement of General Fixed Assets - Regulatory Basis	25
	Notes to Financial Statements	26
	Supplementary Data	63

BOROUGH OF FAIRVIEW

Table of Contents, (continued)

Part I, (continued)

Exhibit		Page
	SUPPLEMENTARY INFORMATION	
	Current Fund	
A-4	Schedule of Cash - Collector-Treasurer	71
A-5	Schedule of Amount Due to State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976	72
A-6	Schedule of Tax Title Liens	73
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	74
A-8	Schedule of Property Acquired for Taxes Assessed Valuation	75
A-9	Schedule of Revenue Accounts Receivable	76
A-10	Schedule of Interfunds	77
A-11	Schedule of Deferred Charges - N.J.S.A. 40A:4-46, Special Emergency Authorizations	78
A-12	Schedule of Deferred Charges - N.J.S.A. 40A:4-53, Special Emergency Authorizations	79
A-13	Schedule of 2018 Appropriation Reserves	80
A-14	Schedule of Encumbrances Payable	83
A-15	Schedule of Prepaid Taxes	83
A-16	Schedule of Local District School Tax Payable	84
A-17	Schedule of County Taxes Payable	84
A-18	Schedule of Tax Overpayments	85
A-19	Schedule of Prepaid Payroll	85
A-20	Schedule of Various Cash Liabilities and Reserves	86
A-21	Schedule of Grants Receivable	87
A-22	Schedule of Appropriated Reserves for Grants	88
A-23	Schedule of Unappropriated Reserves for Grants	89
	Trust Funds	
B-1	Schedule of Cash	90
B-2	Schedule of Due from BCCLS	91
B-3	Reserve for Animal Control Trust Expenditures	92
B-4	Schedule of Due to State Department of Health	93
B-5	Schedule of Interfund – Current Fund	94
B-6	Schedule of Other Trust Funds	95
B-7	Schedule of Reserve for Library Trust Expenditures	96
B-8	Schedule of Reserve for Expenditures - Community Development Trust Fund	97

BOROUGH OF FAIRVIEW

Table of Contents, (continued)

Part I, (continued)

Exhibit		Page
	General Capital Fund	
C-2	Schedule of Cash	98
C-3	Analysis of Cash	99
C-4	Schedule of Grants Receivables	100
C-5	Schedule of Deferred Charges to Future Taxation - Funded	101
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	102
C-7	Schedule of General Serial Bonds Payable	103
C-8	Schedule of Capital Leases Payable	104
C-9	Schedule of Bond Anticipation Notes Payable	105
C-10	Schedule of Improvement Authorizations	106
C-11	Schedule of Capital Improvement Fund	107
C-12	Schedule of Interfunds Due from/(to) Current Fund	108
C-13	Schedule of Contracts Payable	109
C-14	Schedule of Reserve for Park Improvements - Statewide Livable Communities Grant	109
C-15	Schedule of Reserve for Payment of Debt	110
C-16	Schedule of Reserve for Payment of Notes	110
C-17	Schedule of Bonds and Notes Authorized But Not Issued	111
	Public Assistance Fund	
E-1	Schedule of Cash –Treasurer	112
E-2	Schedule of Public Assistance Cash and Reconciliation Per N.J.S.A. 40A:5-5	113
E-3	Schedule of Public Assistance Cash and Reconciliation	114
E-4	Schedule of Interfunds	115
E-5	Schedule of Reserve for Public Assistance Expenditures	116
E-6	Schedule of Revenues – Cash Basis	117
E-7	Schedule of Expenditures – Cash Basis	118
E-8	Schedule of Commitments Payable	119
	Independent Auditor's Report on Internal Control Over Financial Reporting on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	120
	General Comments	122
	Comments	125
	Recommendations	126
	Status of Prior Year Audit Findings/Recommendations	127
	Acknowledgment	127

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Fairview in the County of Bergen, as of December 31, 2019 and 2018, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Fairview as of December 31, 2019 and 2018, or changes in financial position for the years then ended.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2019 and 2018, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2019 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fairview's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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

Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

[DATE]

Exhibit A

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2019 and 2018

	Ref.	2019	2018
Assets			
Current Fund:			
Cash	A-4	$ 7,440,247	6,259,418
Due to State of New Jersey: Ch. 73, P.L.			
Senior Citizens and Veterans Deduction	A-5	19,795	18,795
		7,460,042	6,278,213
Receivables and Other Assets with Full Reserves:			
Tax Title Liens Receivable	A-6	29,031	26,119
Delinquent Taxes Receivable	A-7	483,057	583,999
Property Acquired for Taxes -			
Assessed Valuation	A-8	92,400	92,400
Revenue Accounts Receivable	A-9	23,536	32,515
Interfund Receivables	A-10	55,622	16,335
Prepaid Payroll	A-19		140,547
		683,646	891,915
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-13		
Special Emergency Authorizations	A-12	150,000	
Emergency Appropriation	A-11		72,000
		150,000	72,000
		8,293,688	7,242,128
Grant Fund:			
Due from Current Fund		552,536	468,560
Federal and State Grants Receivable	A-21	215,179	218,121
		$ 767,715	686,681

Exhibit A

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2019 and 2018

	Ref.	2019	2018
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation Reserves	A-3/A-13	$ 1,539,278	1,644,222
Interfunds Payables	A-10	554,651	468,560
Encumbrances Payable	A-14	166,898	305,774
Prepaid Taxes	A-15	133,930	141,103
Local District School Tax Payable	A-16	6,046	41,150
Due to County - Added/Omitted Taxes	A-17	8,418	5,872
Tax Overpayments	A-18	13,079	15,500
Reserve for:			
Revaluation	A-20	23,179	23,179
Disability	A-20	18,684	18,684
Tax Map	A-20	7,344	7,344
Due to Library	A-20	326,444	222,720
DMV Inspection Fines	A-20	3,393	3,393
Accounts Payable	A-20	131,939	131,939
Reassessment	A-20	135,700	
Miscellaneous			3,393
Due to State of New Jersey:			
DCA Fees Payable	A-20	1,683	1,683
Marriage/Domestic Partnerships	A-20	11,300	1,950
		3,081,966	3,036,466
Reserve for Receivables	Contra	683,646	891,915
Fund Balance	A-1	4,528,076	3,313,747
		8,293,688	7,242,128
Grant Fund:			
Reserve for:			
Appropriated Grants	A-21	655,917	629,383
Grant Encumbrances	A-22	40	2,400
Unappropriated Grants	A-22	111,758	54,898
		$ 767,715	686,681

See accompanying notes to financial statements.

Exhibit A-1

BOROUGH OF FAIRVIEW, N.J.

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

For the Years Ended December 31, 2019 and 2018

		2019	2018
Revenues and Other Income:			
Fund Balance Utilized	$	1,200,000	1,175,000
Miscellaneous Revenue Anticipated		3,140,003	3,089,034
Receipts from Delinquent Taxes		578,720	673,858
Receipts from Current Taxes		34,584,602	34,328,419
Non-Budget Revenue		266,050	571,172
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,450,037	898,791
Liabilities Canceled		85	
Interfunds Returned		154,927	18
Total Revenues and Other Income		41,374,424	40,736,292
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		7,802,473	7,602,856
Other Expenses		7,992,535	8,368,527
Capital Improvement Fund		50,000	50,000
Municipal Debt Service		1,601,116	1,346,579
Deferred Charges and Statutory Expenditures - Municipal		1,894,505	1,702,342
Local District School Tax		16,201,812	16,272,022
County Taxes including Added Taxes		3,391,928	3,307,065
Interfund Advances		171,723	260
Revenue Refunds		4,003	6,645
Prepaid Payroll			140,547
Tax Appeal Refunds			83,105
Total Expenditures		39,110,095	38,879,948
Excess (Deficit) Revenue Over Expenditures		2,264,329	1,856,344
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year		150,000	72,000
Statutory Excess to Fund Balance		2,414,329	1,928,344
Fund Balance, January 1,		3,313,747	2,560,403
		5,728,076	4,488,747
Decreased by:			
Fund Balance Utilized as Budget Revenue		1,200,000	1,175,000
Fund Balance, December 31,	$	4,528,076	3,313,747

See accompanying notes to financial statements.

Exhibit A-2

BOROUGH OF FAIRVIEW, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 1,200,000	1,200,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	49,000	51,165	2,165
Other	30,000	29,362	(638)
Fees and Permits	75,000	90,369	15,369
Fines and Costs:			
Municipal Court	393,000	345,065	(47,935)
Interest and Costs on Taxes	100,000	108,958	8,958
Annual Service Charge in Lieu of Property Taxation -			
Senior Citizens' Housing Project - Eastview Tower	70,000	49,939	(20,061)
Energy Receipts Taxes	942,844	942,844	
Consolidated Municipal Property Tax Relief Aid	87,434	87,434	
Uniform Construction Code Fees	175,000	409,584	234,584
Parking Meters	35,000	50,976	15,976
Uniform Fire Safety Act - Local	15,000	9,217	(5,783)
Third Party Ambulance Fees	190,000	206,727	16,727
Payments in Lieu of Taxes on State Exempt Property	30,000	30,158	158
Commercial Sewer User Fees	250,000	210,114	(39,886)
Police Administrative/Outside Duty	125,000	334,419	209,419
Due from Payroll Agency Fund			
Capital Fund Balance	100,000	100,000	
Special Items of General Revenue Anticipated			
With Prior written Consent of Director of			
Local Government Services:			
Public and Private Revenues:			
Recycling Tonnage Grant			
Clean Communities	18,554	18,554	
Alcohol Education and Rehabilitation	6,250	6,250	
Municipal Alliance on Alcoholism and Drug Abuse	9,876	9,876	
Distracted Driving Incentive	6,600	6,600	
Click it or Ticket	5,500	5,500	
Recycling Grant	3,000	3,000	
Summer Food Program	15,898	15,898	
Drunk Driving Enforcement Fund	3,932	3,932	
Impaired Driving Countermeasure	14,062	14,062	
Total Miscellaneous Revenues	2,750,950	3,140,003	389,053

Exhibit A-2

BOROUGH OF FAIRVIEW, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Realized	Excess or (Deficit)
Receipts from Delinquent Taxes	580,000	578,720	(1,280)
Subtotal General Revenues	4,530,950	4,918,723	387,773
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	15,480,553	15,800,862	320,309
Budget Totals	20,011,503	20,719,585	708,082
Non-Budget Revenue		266,050	266,050
	$ 20,011,503	20,985,635	974,132

Adopted Budget	19,992,605
Appropriated by N.J.S.A. 40A:4-87	18,898
	20,011,503

Allocation of Current Year Tax Collections:

Revenue from Collections		$ 34,584,602
Allocated to:		
School Taxes	$ 16,201,812	
County Taxes	3,391,928	
		19,593,740
Balance for Support of Municipal Budget Appropriations		14,990,862
Add: Appropriation - Reserve for Uncollected Taxes		810,000
Amount for Support of Municipal Budget Appropriations		$ 15,800,862

Exhibit A-2

BOROUGH OF FAIRVIEW, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Realized	Excess or (Deficit)
Analysis of Non-budget Revenues			
Miscellaneous Revenues Not Anticipated:			
Interest on Investments	$ 69,833		
Assessor Lists	290		
Police	7,729		
Cable TV	114,983		
Pistol Range Fees	1,500		
Duplicate Bills	305		
Polling Rental	672		
Bad Check Fees	235		
Salee of Assets	1,720		
JIF	42,315		
Traffic Light Reimbursement	1,104		
Administrative fee	840		
Mail Reimbursement	499		
Offsets not Applied	10,000		
Specifications	2,800		
Overtime Reimbursements	9,464		
Miscellaneous	1,761		
		$ 266,050	

See accompanying notes to financial statements.

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Administrative and Executive:					
Salaries and Wages	391,569	391,569	390,269	1,300	
Other Expenses	134,100	134,100	115,052	19,048	
Financial Administration:					
Salaries and Wages	199,975	199,975		199,975	
Other Expenses:					
Single Audit Act of 1984	2,000	2,000		2,000	
Miscellaneous Other Expenses	137,000	175,210	150,060	25,150	
Collection of Taxes:					
Salaries and Wages	73,152	269,922	269,922		
Other Expenses	11,500	38,911	13,394	25,517	
Assessment of Taxes:					
Salaries and Wages	58,696	58,696	57,617	1,079	
Other Expenses	37,550	37,550	19,119	18,431	
Legal Services and Costs:					
Salaries and Wages	210,243	214,367	214,367		
Other Expenses	30,000	32,683	32,683		
Engineering Services and Costs:					
Other Expenses	15,000	15,000	3,614	11,386	

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	16,750	17,616	17,007	609	
Other Expenses	5,000	5,000	300	4,700	
Zoning Board of Adjustment:					
Salaries and Wages	16,750	16,750	15,870	880	
Other Expenses	200	200		200	
Rent Leveling Board:					
Salaries and Wages	9,944	10,545	10,545		
Other Expenses	200	200		200	
Insurance:					
Other Insurance Premiums	600,000	600,000	454,716	145,284	
Group Insurance for Employees	2,290,000	2,290,000	2,118,200	171,800	
Public Safety:					
Police:					
Salaries and Wages	4,612,311	4,161,856	4,099,384	62,472	
Other Expenses	227,000	237,376	195,941	41,435	
Special Police:					
Salaries and Wages	100,652	112,629	112,629		
Other Expenses	18,000	18,000	8,455	9,545	

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Emergency Response Unit					
Salaries and Wages	150,000	150,000	132,066	17,934	
Other Expenses	184,900	184,900	130,233	54,667	
Emergency Management Services					
Other Expenses	8,200	8,200	4,682	3,518	
Fire:					
Stipends	125,000	125,000	67,275	57,725	
Miscellaneous other expense	101,550	101,550	94,004	7,546	
Fire Hydrant Service	90,000	90,000	77,390	12,610	
Uniform Fire Safety Act:					
Salaries and Wages	56,260	77,559	77,559		
Other Expenses	20,000	20,000	16,347	3,653	
Municipal Prosecutor:					
Salaries and Wages	10,892	11,409	11,409		
Other Expenses	500	500		500	
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	1,152,311	1,222,023	1,222,023		
Other Expenses	170,800	170,800	130,332	40,468	
Fleet Maintenance	100,000	100,000	65,000	35,000	

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Sanitation:					
Garbage and Trash Removal:					
Other Expenses	320,000	320,000	261,785	58,215	
Sanitary Landfill:					
Contractual - Bergen County	71,500	71,500	5,566	65,934	
Public Buildings and Grounds:					
Salaries and Wages	35,000	35,000		35,000	
Other Expenses	61,900	61,900	60,244	1,656	
Sewer System:					
Salaries and Wages	1,500	1,500	850	650	
Other Expenses	29,500	29,500	7,378	22,122	
Health and Welfare:					
Board of Health:					
Salaries and Wages	85,423	92,966	92,966		
Other Expenses	93,450	98,006	97,906	100	
Administration of Public Assistance:					
Salaries and Wages	1,165	1,165		1,165	
Other Expenses	6,800	6,800	2,679	4,121	
Redevelopment					
Other Expenses	10,000	10,000		10,000	
Recreation and Education:					
Parks and Playgrounds:					
Salaries and Wages	1	1		1	
Other Expenses	15,000	15,000	14,977	23	

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Parking Meters					
Salaries and Wages	42,135	42,135	27,000	15,135	
Other Expenses	12,000	12,000	10,455	1,545	
Recreation:					
Salaries and Wages	156,913	173,886	173,886		
Other Expenses	60,000	71,168	71,168		
Celebration of Public Events:					
Other Expenses	2,000	2,000		2,000	
Senior Citizen:					
Other Expenses	12,000	12,000		12,000	
Municipal Court:					
Salaries and Wages	193,492	193,492	182,691	10,801	
Other Expenses	38,150	38,150	32,626	5,524	
Public Defender (P.L., C. 256)					
Salaries and Wages	10,092	10,092	10,092		
Other Expenses	500	500	500		
Occupational Safety and Health Act (N.J.S.A. 40A:40-45.3):					
Other Expenses	23,200	23,200	21,500	1,700	
Hepatitis B	3,750	3,750		3,750	

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Construction Code Official:					
Salaries and Wages	187,320	187,320	180,488	6,832	
Other Expenses	12,950	19,370	19,281	89	
Code Enforcement:					
Other Expenses	5,000	5,000		5,000	
UNCLASSIFIED:					
Salary and Wage Adjustment Program	25,000	25,000		25,000	
Utilities:					
Street Lighting	151,000	151,000	117,277	33,723	
Telephone	140,000	140,000	120,171	19,829	
Water	65,000	68,145	66,732	1,413	
Natural Gas & Electricity	215,000	215,000	151,372	63,628	
Fuel Oil	20,000	20,000	12,420	7,580	
Heating Oil	2,000	2,000		2,000	
Gasoline	75,000	75,000	46,418	28,582	
Third Party Ambulance	24,000	24,650	24,650		
Reassessment of Real Property		150,000	150,000		
Total Operations within "CAPS"	13,575,746	13,710,292	12,290,542	1,419,750	
B. Contingent					
Total Operations Including Contingent-within "CAPS"	13,575,746	13,710,292	12,290,542	1,419,750	
Detail:					
Salaries & Wages	7,922,546	7,802,473	7,365,915	436,558	
Other Expenses (Including Contingent)	5,653,200	5,907,819	4,924,627	983,192	
	13,575,746	13,710,292	12,290,542	1,419,750	

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
(E) Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	333,165	337,348	337,348		
Police and Firemen's Retirement System	1,118,886	1,118,886	1,118,886		
Social Security System (O.A.S.I.)	320,000	331,271	331,271		
Unemployment Compensation Insurance	30,000	30,000		30,000	
DCRP	5,000	5,000		5,000	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,807,051	1,822,505	1,787,505	35,000	
Total General Appropriations for Municipal Purposes within "CAPS"	15,382,797	15,532,797	14,078,047	1,454,750	
Operations - Excluded from "CAPS"					
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)					
Other Expenses	455,941	455,941	371,413	84,528	
Bergen County Utility Authority Sewer					
Sewer service charges - contractual	1,542,634	1,542,634	1,542,634		
Total Other Operations - Excluded from "CAPS"	1,998,575	1,998,575	1,914,047	84,528	

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Public and Private Programs Offset by Revenues					
Clean Communities Program:					
Other Expenses	18,554	18,554	18,554		
Bergen County Drug Alliance Program:					
Other Expenses:					
County Share	9,876	9,876	9,876		
Borough Share	2,469	2,469	2,469		
Alcohol Education Rehabilitation Fund	6,250	6,250	6,250		
Alcohol Enforcement Grant (Impaired Driving)					
Other Expenses	14,062	14,062	14,062		
Recycling Tonnage Grant					
Other Expenses	3,000	3,000	3,000		
Click it or Ticket Program	5,500	5,500	5,500		
Drunk Driving Enforcement Fund	3,932	3,932	3,932		
Distracted Driving Incentive	6,600	6,600	6,600		
Summer Food Program	15,898	15,898	15,898		
Total Public and Private Programs Offset by Revenues	86,141	86,141	86,141		

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total Operations-Excluded from "CAPS"	2,084,716	2,084,716	2,000,188	84,528	
Detail:					
Salaries and Wages					
Other Expenses	2,084,716	2,084,716	2,000,188	84,528	
	2,084,716	2,084,716	2,000,188	84,528	
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	50,000	50,000	50,000		
Total Capital Improvements Excluded from "CAPS"	50,000	50,000	50,000		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	725,000	725,000	725,000		
Payment of Bond Anticipation Notes & Capital Notes					
Interest on Bonds	425,000	425,000	417,410		7,590
Interest on Notes	408,390	408,390	407,584		806
Green Trust Loan Program:					
Loan Repayments for Principal and Interest					
BCIA Payments	53,600	53,600	51,122		2,478
Total Municipal Debt Service-Excluded from "CAPS"	1,611,990	1,611,990	1,601,116		10,874
Deferred Charges:					
Emergency Authorization	72,000	72,000	72,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	72,000	72,000	72,000		

Exhibit A-3

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,818,706	3,818,706	3,723,304	84,528	10,874
Subtotal General Appropriations	19,201,503	19,351,503	17,801,351	1,539,278	10,874
Reserve for Uncollected Taxes	810,000	810,000	810,000		
Total General Appropriations	$ 20,011,503	20,161,503	18,611,351	1,539,278	10,874

Adopted Budget	19,992,605
Special Emergency Appropriation	150,000
Amended by N.J.S.A. 40A:4-87	18,898
	$ 20,161,503

Reserve for Uncollected Taxes	810,000
Reserve for Reassessment	150,000
Reserve for Encumbrances	166,898
Prepaid Payroll	140,547
Deferred Charges	72,000
Transfer to Grant Fund	83,672
Cash	17,188,234
	$ 18,611,351

Exhibit B

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2019 and 2018

Assets	Ref.	2019	2018
Animal License Fund:			
Cash	B-1	$ 7,785	6,356
		7,785	6,356
Other Trust Funds:			
Cash - Other Trust	B-1	1,965,997	1,881,041
Cash - Unemployment Insurance	B-1	1,425	86
Cash - Community Development	B-1	2	2
Due from Current Fund-Unemployment	B-5	1,056	
Due from Payroll Agency - Unemployment	B-5	962	962
		1,969,442	1,882,091
Library Trust Fund:			
Cash	B-1	393,221	389,656
Due from BCCLS	B-2	248	248
		393,469	389,904
Total Assets		$ 2,370,696	2,278,351

Liabilities, Reserves & Fund Balance		2019	2018
Animal License Fund:			
Reserve for Dog Fund Expenditures	B-3	$ 3,285	4,306
Prepaid Licenses		250	171
Due to State of New Jersey	B-4	53	27
Interfund - Current Fund	B-5	4,197	1,852
		7,785	6,356
Other Trust Fund:			
Due to Current Fund	B-5	37,549	14,262
Due to Unemployment Trust Fund - Payroll Agency	B-5	962	962
Due to Capital Fund	B-5	250,000	250,000
Payroll Deductions Payable	B-6	366,597	44,031
Reserve for:			
Various Trust Reserves	B-6	1,310,890	1,571,787
Unemployment Insurance Compensation	B-6	3,442	1,047
Community Development	B-8	2	2
		1,969,442	1,882,091
Library Trust Fund:			
Due to Current Fund	B-5		83
Reserve for Library Expenditures	B-7	393,469	389,821
		393,469	389,904
Total Liabilties, Reserves & Fund Balance		$ 2,370,696	2,278,351

See accompanying notes to financial statements.

Exhibit C

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2019 and 2018

	Ref.	2019	2018
Assets			
Cash	C-2/C-3	$ 2,232,501	2,408,340
Grants Receivable	C-4	1,341,989	597,135
Deferred Charges to Future Taxation:			
Funded	C-5	17,836,000	8,934,000
Unfunded	C-6	5,288,205	13,667,205
Interfund Receivable-Current Fund	C-12	1,059	
Interfund Receivable - Other Trust Funds:			
DEA Confiscated Funds	C-12	250,000	250,000
		$ 26,949,754	25,856,680
Liabilities, Reserves and Fund Balance			
General Serial Bonds	C-7	$ 17,667,000	8,717,000
Capital Leases Payable	C-8	169,000	217,000
Bond Anticipation Notes	C-9	5,204,000	13,613,000
Improvement Authorizations:			
Funded	C-10	1,017,180	378,538
Unfunded	C-10	918,654	1,651,998
Capital Improvement Fund	C-11	162,292	176,242
Interfunds Payable - Current Fund	C-12		131
Contracts Payable	C-13	423,364	226,489
Reserve for Park Improvements	C-14	31,000	31,000
Reserve for Payment of Debt	C-15	845,437	317,988
Reserve for Payment of Notes	C-16	247,000	250,000
Fund Balance	C-1	264,827	277,293
		$ 26,949,754	25,856,679

There were bonds and notes authorized but not issued on December 31, 2019 and December 31, 2018 of $84,205 and $54,205. (Exhibit C-17).

See accompanying notes to financial statements.

Exhibit C-1

BOROUGH OF FAIRVIEW, N.J.

Comparative Statement of Changes in Fund Balance-Regulatory Basis

General Capital Fund

Years Ended December 31, 2019 and 2018

		2019	2018
Balance - January 1,	$	277,293	131,792
Increased by:			
Improvement Authorizations Cancelled			142,538
Premium on Sale of Notes/Bonds		87,534	162,963
		87,534	305,501
		364,827	437,293
Decreased by:			
Utilized as Budget Revenue		100,000	
Improvement Authorizations			160,000
		100,000	160,000
Balance - December 31,	$	264,827	277,293

See accompanying notes to financial statements.

Exhibit E

BOROUGH OF FAIRVIEW, N.J.

Balance Sheet-Regulatory Basis

Public Assistance Trust Fund

December 31, 2019 and 2018

	Ref.	2019	2018
Assets			
Cash - Public Assistance	E-1	$ 131,564	61,265
		$ 131,564	61,265
Liabilities			
Due to Current Fund	E-4	20	18
Reserve for Public Assistance	E-5	131,544	61,247
		$ 131,564	61,265

See accompanying notes to the financial statements.

Exhibit H

BOROUGH OF FAIRVIEW, N.J.

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2019 and 2018

		2019	2018
General Fixed Assets:			
Land and Land Improvements	$	3,369,525	3,369,525
Buildings and Building Improvements		6,849,537	6,849,537
Equipment and Vehicles		7,849,871	6,921,650
Furniture		24,509	24,509
	$	18,093,442	17,165,221
Investment in Fixed Assets	$	18,093,442	17,165,221

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Fairview have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Fairview (the "Fairview") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Library Trust Fund – This fund is used to account for Library state aid received from the State of New Jersey.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - This fund is used to account for the 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 - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Fairview. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the current year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

General Capital Fund
Trust Fund
Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2019 and 2018, the Governing body approved $18,898 and $14,966, respectively, in accordance with N.J.S.A. 40A:4-87. The Mayor and Council also approved Current Fund emergency or special emergency appropriations of $150,000 and $72,000, respectively, in 2019 and 2018. In addition, several budget transfers were approved by the governing body in 2019 and 2018.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

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 issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Fairview has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. 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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.* This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

For the year ended December 31, 2019, the Borough adopted the following GASB Statement:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement.* The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

C. 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 which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2019, $-0- of the Borough's bank balance of $12,695,090 was exposed to custodial credit risk and as of December 31, 2018, $-0- of the Borough's bank balance of $11,217,916 was exposed to custodial credit risk.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2019 and 2018 consisted of the following:

	Balance Dec. 31, 2018	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	$8,717,000	$9,675,000	$725,000	$17,667,000	$1,115,000
Other Liabilities:					
Deferred PERS/PFRS Pension Contribution	254,934		9,459	245,475	
Compensated Absences Payable	1,884,155	65,485	292,838	1,656,802	
Capital Leases	217,000		48,000	169,000	55,000
	$11,073,089	$9,740,485	$1,075,297	$19,738,277	$1,170,000

NOTE 3. MUNICIPAL DEBT, (continued)

	Balance Dec. 31, 2017	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	$9,412,000	$	$695,000	$8,717,000	$725,000
Other Liabilities:					
Deferred PERS/PFRS Pension Contribution	293,969		39,035	254,934	39,081
Compensated Absences Payable	1,909,265	437,423	462,533	1,884,155	
Capital Leases	261,000		44,000	217,000	48,000
	$11,876,234	$437,423	$1,240,568	$11,073,089	$812,081

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued 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, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	2019	2018	2017
Issued:			
General - Bonds, Notes and Loans	$22,871,000	$22,330,000	$19,162,000
Total Issued	22,871,000	22,330,000	19,162,000
Less:			
Funds Temporarily Held to Pay Bonds and Notes	1,092,437	567,988	317,988
Net debt issued	21,778,563	21,762,012	18,844,012
Authorized But Not Issued:			
General - Bonds, Notes and Loans	84,205	54,205	3,495,539
Total Authorized But Not Issued	84,205	54,205	3,495,539
Net Bonds and Notes Issued and Authorized But Not Issued	$21,862,768	$21,816,217	$22,339,551

NOTE 3. MUNICIPAL 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 and indicates a statutory net debt of 1.596% for 2019:

	Gross debt	Deductions	Net debt
General debt	$22,955,205	$1,092,437	$21,862,768

Net debt of $21,862,768 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $1,370,027,664 equals 1.596%.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.625% for 2018:

	Gross debt	Deductions	Net debt
General debt	$22,384,205	$567,988	$21,816,217

Net debt of $21,816,217 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $1,342,147,813 equals 1.625%.

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

	2019	2018
3-1/2% of equalized valuation basis (municipal)	$47,950,968	$46,975,173
Net debt	21,862,768	21,816,216
Remaining Borrowing Power	$26,088,200	$25,158,957

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long-term debt consisted of the following at December 31, 2019:

Paid by Current Fund:

General Serial Bonds:

	2019	2018
$5,230,000 2010 General Improvement Bonds with variable interest rates, issued February 15, 2010, due through February 15, 2026	$3,635,000	$4,085,000
$5,607,000 General Improvement Bonds with variable interest rates, issued August 15, 2014, due through February 15, 2030	4,357,000	4,632,000
$9,675,000 General Improvement Bonds with variable interest rates, issued February 1, 2019, due through February 1, 2037	9,675,000	
	$17,667,000	$8,717,000

Aggregate debt service requirements are as follows:

	General Capital		
Year	Principal	Interest	Total
2020	$1,115,000	$537,255	$1,652,255
2021	1,170,000	504,683	1,674,683
2022	1,260,000	468,166	1,728,166
2023	1,310,000	427,704	1,737,704
2024	1,400,000	384,260	1,784,260
2025-2029	5,767,000	1,280,160	7,047,160
2030-2034	3,625,000	578,600	4,203,600
2035-2037	2,020,000	101,825	2,121,825
	$17,667,000	$4,282,653	$21,949,653

General capital serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

At December 31, 2019 and 2018, the Borough had authorized but not issued debt of $84,205 and $54,204, respectively.

NOTE 4. CAPITAL LEASES PAYABLE

On March 15, 2003 the Borough entered into a $464,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. This lease was subsequently refinanced with the issuance of a refunding capital lease of $416,000 on May 1, 2012. Annual debt service requirements for the capital leases are as follows:

Year	Principal	Interest	Total
2020	$55,000	$4,229	$59,229
2021	59,000	2,625	61,625
2022	27,000	1,758	28,758
2023	28,000		28,000
	$169,000	$8,612	$177,612

NOTE 5. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2019 and 2018, the Borough had $5,204,000 and $13,613,000, respectively, in outstanding General Capital Bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2019 and 2018:

	Balance Dec. 31, 2018	Additions	Reductions	Balance Dec. 31, 2019
Notes Payable:				
Bank of New Jersey	$13,613,000	$5,204,000	$13,613,000	$5,204,000
	$13,613,000	$5,204,000	$13,613,000	$5,204,000

	Balance Dec. 31, 2017	Additions	Reductions	Balance Dec. 31, 2018
Notes Payable:				
Bank of New Jersey	$9,750,000	$13,613,000	$9,750,000	$13,613,000
	$9,750,000	$13,613,000	$9,750,000	$13,613,000

NOTE 6. FUND BALANCE APPROPRIATED

The Current Fund balance at December 31, 2019 and 2018 which has been appropriated as revenue in the 2020 and 2019 budgets are as follows:

	2020	2019
Current Fund	$1,600,000	$1,200,000

NOTE 7. ACCRUED SICK AND VACATION BENEFITS

The Borough permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. This amount is not reported either as an expenditure or liability.

The estimated accumulated unpaid compensation as of December 31, 2019 and 2018 was $1,656,802 and $1,884,155, respectively.

NOTE 8. PENSION PLANS

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

NOTE 8. PENSION PLANS, (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Public Employees' Retirement System (PERS)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

NOTE 8. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Fairview opted for this deferral in the amount of $445,673. The outstanding balance at December 31, 2019 was $245,475.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

NOTE 8. PENSION PLANS, (continued)

Contribution Requirements, (continued)

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

Year	PERS	PFRS	DCRP
2019	$337,348	$1,118,886	$-0-
2018	322,830	989,959	-0-
2017	293,526	914,064	-0-

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2019, the Borough had a liability of $5,814,841 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the Borough's proportion was .0322715375 percent, which was an increase/(decrease) of (0.000627298) percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized pension expense of $337,348. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$104,369	$25,687
Changes of assumptions	580,633	2,018,313
Net difference between projected and actual earnings on pension plan investments		91,790
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	177,816	106,289
Total	$862,818	$2,242,079

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2020	($167,906)
2021	(544,684)
2022	(486,371)
2023	(228,376)
2024	(23,450)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	$3,149,522,616	$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
Borough's Proportion	0.322715375%	0.03164424%

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2019.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 8. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Sensitivity of the Collective Net Pension Liability toChanges in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease 5.28%	At Current Discount Rate 6.28%	1% Increase 7.28%
Borough's proportionate share of the pension liability	$7,355,735	$5,814,841	$4,516,420

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2019, the Borough had a liability of $13,563,604 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2019, the Borough's proportion was .1108335072 percent, which was an increase/(decrease) of .00179061 percent from its proportion measured as of June 30, 2018.

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

For the year ended December 31, 2019, the Borough recognized pension expense of $1,118,886. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in actual and expected experience	$114,494	$183,782
Changes of assumptions	464,763	147,830
Net difference between projected and actual earnings on pension plan investments		85,874
Changes in proportion and differences between Borough contributions and proportionate share of contributions	1,164,820	4,383,632
Total	$1,744,077	$4,801,118

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2020	$(711,080)
2021	(1,492,671)
2022	(1,057,124)
2023	(521,090)
2024	(292,067)

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2019 and June 30, 2018 are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	$1,198,936,924	$1,988,215,695
Collective deferred inflows of resources	4,874,748,912	4,286,994,294
Collective net pension liability	12,237,818,793	13,531,648,591
Borough's Proportion	.1108335072%	0.1090428996%

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2019 are summarized in the following table:

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease 5.85%	At Current Discount Rate 6.85%	1% Increase 7.85%
Borough's proportionate share of the pension liability	$16,900,172	$11,377,622	$6,806,915

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is $2,141,719 and $2,004,264, respectively. For the years ended December 31, 2019 and 2018, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is $248,850 and $237,402, respectively, which is more than the actual contributions the State made on behalf of the Borough of $144,307 and $118,701, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

NOTE 8. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 9. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2019.

	Balance Dec. 31, 2018	Additions	Deletions	Balance Dec. 31, 2019
Land	$3,369,525	$	$	$3,369,525
Buildings and Building Improvements	6,849,537			6,849,537
Machinery and Equipment	6,921,650	928,221		7,849,871
Furniture	24,509		—	24,509
	$17,165,221	$928,221	$0	$18,093,442

	Balance Dec. 31, 2017	Additions	Deletions	Balance Dec. 31, 2018
Land	$3,369,525	$	$	$3,369,525
Buildings and Building Improvements	6,118,629	730,908		6,849,537
Machinery and Equipment	6,638,788	282,862		6,921,650
Furniture	88,565		64,056	24,509
	$16,215,507	$1,013,770	$64,056	$17,165,221

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2019 consist of the following:

$99,618	Due to the Current Fund from the Payroll Agency Fund for the employees' share of health benefit deductions and interest earned on the account.
51,405	Due to the Current Fund from the Other Trust Fund for municipal lien redemptions deposit error less interest earned on investments and deposit errors.
4,197	Due to the Current Fund from the Animal License Trust Fund for the current statutory excess calculation.
20	Due to the Current Fund from the Public Assistance II Fund for excess interest earnings turned over.
1,056	Due from the Current Fund from the Unemployment Trust Fund for deduction not turned over.
32,455	Due to the Current Fund from the Payroll Trust Fund for excess payroll deposits.
1,059	Due from the Current Fund from the Capital Fund for excess interest earnings turned over.
552,536	Due to the State and Federal Grant Fund for grant funds received but not transferred.
$742,346	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 11. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019 the following deferred charges are shown on the balance sheet of the various funds:

	Balance Dec. 31, 2019	2020 Budget Appropriation	Balance to Succeeding Year's Budget
Current Fund:			
Special Emergency Authorizations - (40A:4-53)			
DPW - Reassessment of Property	$150,000	$30,000	$120,000
Total Current Fund	$150,000	$30,000	$120,000

NOTE 11. DEFERRED CHARGES, (continued)

	Balance Dec. 31, 2018	2019 Budget Appropriation	Balance to Succeeding Year's Budget
Current Fund:			
Emergency Authorizations - (40A:4-46)			
DPW - Other	$72,000	$72,000	$ ____
Total Current Fund	$72,000	$72,000	$ ____

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur.. During the 2019 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Fairview is a member of the South Bergen Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The SBJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

NOTE 12. RISK MANAGEMENT, (continued)

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages in any of the prior three years.

NOTE 13. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance Dec 31, 2019	Balance Dec 31, 2018
Prepaid Taxes	$133,930	$141,103
Cash Liability for Taxes Collected in Advance	$133,930	$141,103

NOTE 14. LITIGATION

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation. The Borough expects such amounts, if any, to be immaterial.

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 8, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provides they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total OPEB Liability

At December 31, 2019, the Borough had a liability of $15,383,460 proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2019 the Borough's proportion was .113564 percent.

For the year ended December 31, 2019, the Borough recognized OPEB expense of $(551,249). At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$	$4,498,723
Changes of assumptions		5,451,556
Net difference between projected and actual earnings on OPEB plan investments	12,672	
Changes in proportion	259,843	2,510,345
Total	$272,515	$12,460,624

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	$(1,618,516)
2021	(1,618,516)
2022	(1,619,509)
2023	(1,621,115)
2024	(1,622,582)
Thereafter	(1,837,370)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016 , which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected.. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less that the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease 2.50%	At Current Discount Rate 3.50%	1% Increase 4.50%
Borough's proportionate share of Net OPEB liability	$17,787,193	$15,383,460	$13,460,109

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates:

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of Net OPEB liability	$12,981,745	$15,383,460	$18,447,253

Special Funding Situation PFRS

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under chapter 271, P.L. 1989.

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At December 31, 2019, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is $185,333 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is $164,612.

NOTE 16. COMMITMENTS AND CONTINGENCIES

The Borough underwent a municipal-wide reassessment effective for tax year 2020. As a result, numerous tax appeals have been filed with the New Jersey State Tax Court. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals. Any successful appeals would be raised through future taxation.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through [DATE], the date which the financial statements were available to be issued and noted the following item for disclosure:

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 pandemic are unknown. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Fairview. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collection. The Borough will continue to monitor the situation closely.

SUPPLEMENTARY DATA

BOROUGH OF FAIRVIEW, N.J.

Supplementary Data

Comparative Schedule of Tax Rate Information

	2019	2018	2017
Tax rate	3.356	3.366	3.260
Apportionment of tax rate:			
Municipal	1.438	1.432	1.397
Library	0.044	0.044	0.042
County	0.323	0.318	0.317
Local school	1.551	1.572	1.504

Assessed valuation:	
2019	$ 1,045,056,367
2018	1,035,136,267
2017	1,037,158,906

Comparison of Tax Levies and Collections Currently

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

Year	Tax Levy	Cash Collections	Percentage of Collections
2019	$ 35,159,538	34,584,602	98.36%
2018	34,929,736	34,328,419	98.28%
2017	33,964,821	33,171,000	97.66%

BOROUGH OF FAIRVIEW, N.J.

Supplementary Data

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.

Year	Amount of tax title liens	Amount of delinquent taxes	Total delinquent	Percentage of tax levy
2019	$ 29,031	483,057	512,088	1.46%
2018	26,119	583,999	610,118	1.75%
2017		763,296	763,296	2.25%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in fiscal year 2019 by foreclosure or deed as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, 2019, 2018, ai on the basis of the last assessed valuation of such properties, was as follows:

Year	Amount
2019	$ 92,400
2018	92,400
2017	92,400

Comparative Schedule of Fund Balances

	Year	Year ended	Utilized in budget of succeeding year
Current Fund:	2018	$ 4,528,076	1,600,000
	2018	3,313,747	1,200,000
	2017	2,560,403	1,175,000
	2016	2,229,963	1,000,000
	2015	1,722,662	800,000

BOROUGH OF FAIRVIEW

Supplementary Data

Officials in Office and Surety Bonds

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

Name	Title	Amount of bond	Name of corporate surety
Vincent Bellucci, Jr.	Mayor		
Violetta Berisha	Councilwoman		
Stephen Burke	Councilman		
Jhon Gomez	Councilman		
Albert Lukin	Councilman		
Russel Martin	Councilman		
Stephen Russo	Councilman		
Diane Testa	Administrator/Borough Clerk		
James Anzevino	Tax Assessor		
Michael Apicella	Tax Collector	1,000,000	(A)
Christopher Rutch	Treasurer/Acting CFO	1,000,000	(A)
Frank Tortora	Magistrate	1,000,000	(A)
Serina Ruberto	Court Administrator/Clerk	1,000,000	(A)
John L. Schettino	Borough Attorney		
JoAnn Panzarino	Welfare Director/ Board of Health		

(A) - Statutory positions are covered under the South Bergen Municipal Joint Insurance Fund ($50,000) and the Municipal Excess Joint Insurance Fund (Excess Crime Policy - Public Employee Bond of $950,000).

Schedule 1

BOROUGH OF FAIRVIEW, N.J.

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Grant Period From	Grant Period To	Total Grant Award	Cash Receipts	Expenditures		MEMO Cumulative Total Expenditures
U.S. Department of Housing and Urban Development									
Pass Through Funds:									
County of Bergen	Community Development Block Grants	14.218						*	
	General Capital Fund:							*	
	Ord. 2016-7: Handicapped Ramp on Fairview Ave		1/1/16	12/31/17	106,000			*	106,000
	Ord. 2016-7: Improvements to Cliff Street (Section 4)		1/1/16	12/31/18	88,900			*	88,900
	Ord. 2017-11: ADA Ramp Improvements - Anderson Avenue		1/1/18	12/31/19	170,000			*	151,324
	Ord. 2019-4: Columbus Park Improvements		1/1/19	12/31/20	100,000			*	
								*	
	Current Fund:							*	
	Community Development Planning Grant (Current)		7/1/05	6/30/06	30,000			*	30,000
	Fire Department Refill Station	210-124-738-49-77	11/1/08	10/31/09	50,000			*	39,950
	Morris Street Improvements	210-155-747-49-67	7/1/11	6/30/12	107,357			*	85,359
	Ninth Street Improvments	210-155-743-49-67	7/1/12	6/30/13	100,000			*	100,000
	Imps. to 9th Street to Park Avenue	210-235-744-49-88	7/1/13	6/30/14	110,000			*	
								*	601,533
								*	
U.S. Department of Agriculture - Food								*	
Nutrition Service (1)	Summer Food Service for Children	10.559	1/1/14	12/31/14	5,926			*	5,926
		10.559	1/1/15	12/31/15	10,755			*	10,755
		10.559	1/1/16	12/31/16	14,247		2,394	*	14,247
		10.559	1/1/17	12/31/17	13,705		7,704	*	7,704
		10.559	1/1/18	12/31/18	14,966	5,403		*	
		10.559	1/1/19	12/31/19	26,210	26,210			
		10.559							
						31,613	10,098	*	38,632

Schedule 1

BOROUGH OF FAIRVIEW, N.J.

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2019

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Grant Period From	Grant Period To	Total Grant Award	Cash Receipts	Expenditures		MEMO Cumulative Total Expenditures
U.S. Department of Transportation								*	
	National Highway Traffic Safety Administration -							*	
	Alcohol Impaired Driving Countermeasures							*	
	Incentive Grants	20.601			14,370			*	
	Drunk Driver Prevention	20.601	1/1/12	12/31/12	15,000			*	
	Alcohol Impaired Driving Countermeasures	20.601	1/1/13	12/31/13	8,635			*	
	Impaired Driving Countermeasures	20.601	1/1/14	12/31/14	14,990			*	10,000
		20.601	1/1/15	12/31/15	14,957			*	
		20.601	1/1/16	12/31/16	10,074			*	
		20.601	1/1/17	12/31/17	14,610			*	
		20.601	1/1/18	12/31/18	14,062			*	
	Occupant Protection Grant	20.602	1/1/16	12/31/16	3,999			*	
		20.602	1/1/18	12/31/18	6,600			*	
	Click it or Ticket	20.616	1/1/11	12/31/11	3,973			*	
		20.616	1/1/11	12/31/11	4,000			*	
		20.616	1/1/12	12/31/12	4,000			*	
		20.616	1/1/13	12/31/13	3,969			*	
		20.616	1/1/14	12/31/14	3,998			*	
		20.616	1/1/15	12/31/15	9,926			*	
		20.616	1/1/17	12/31/17	11,000			*	
		20.616	1/1/18	12/31/18	5,500			*	
		20.616	1/1/19	12/31/19	25,416	25,416			
						25,416		*	10,000
								*	
U.S. Department of Environmental Protection (1)	Municipal Stormwater Regulation Program	66.605			17,862			*	7,655
								*	
U.S. Department of Justice	Bulletproof Vest Partnership Grant	16.607			1,152			*	
		16.607	1/1/12	12/31/12	1,485			*	468
		16.607	1/1/15	12/31/15	448			*	
		16.607	1/1/16	12/31/16	164			*	
		16.607	1/1/17	12/31/17	1,050			*	
	Edward Byrne Memorial Justice Assistance							*	
	Grant - Local Solicitation (ARRA)	16.804			35,185			*	15,230
	COPS More Program	2000-CM-WX-0424			125,000			*	124,975
	COPS Hiring Recovery Program (ARRA)	16.710			343,322			*	274,773
								*	415,446
								*	
Total Federal Assistance						$ 57,029	10,098	*	1,073,266

Note: This schedule was not subject to an audit in accordance with OMB Uniform Guidance.

(1) - Passed through the State of New Jersey

BOROUGH OF FAIRVIEW, N.J.

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2018

Name of State Agency or Department	State Program	State Program / Account No.	Grant Period From	Grant Period To	Grant Award	Cash Receipts	Expenditures		MEMO Cumulative Total Expenditures
State Financial Assistance									
Current and Federal and State Grant Fund:									
Department of Environmental Protection and Energy	Clean Communities Grant	4900-765-042-4900-004-V42Y-6020	1/1/11	12/31/11	15,145		12,417	*	2,728
			1/1/12	12/31/12	14,912		5,577	*	12,577
			1/1/13	12/31/13	17,508			*	8,846
			1/1/14	12/31/14	16,416			*	
			1/1/15	12/31/15	19,961			*	2,038
			1/1/16	12/31/16	22,815		19,108	*	19,108
			1/1/17	12/31/17	19,383			*	88
			1/1/18	12/31/18	18,554			*	
			1/1/19	12/31/19	20,704	20,704			
								*	
	Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	1/1/08	12/31/08	17,842		2,331	*	15,153
			1/1/10	12/31/10	16,015			*	
			1/1/13	12/31/13	17,679			*	
			1/1/14	12/31/14	22,453			*	
			1/1/16	12/31/16	22,453			*	
			1/1/17	12/31/17	20,794			*	2,400
			1/1/18	12/31/19	40,682	40,682			
						61,386	39,433		62,938
								*	
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	1/1/11	12/31/11	14,937			*	10,624
			1/1/12	12/31/12	5,433			*	
			1/1/14	12/31/14	6,785			*	840
			1/1/15	12/31/15	3,954			*	
			1/1/16	12/31/16	3,161			*	3,161
			1/1/17	12/31/17	5,702			*	
			1/1/18	12/31/18	3,932			*	
	Alcohol Education Rehabilitation	9735-760-098-Y900-001-X100-6020	1/1/03	12/31/03	2,069			*	
			1/1/11	12/31/11	4,854			*	
			1/1/12	12/31/12	3,777			*	
			1/1/13	12/31/13	4,327			*	
			1/1/14	12/31/14	2,718			*	
			1/1/15	12/31/15	2,416			*	
			1/1/16	12/31/16	5,016			*	
			1/1/17	12/31/17	2,895			*	
			1/1/18	12/31/18	6,250			*	
								*	14,625

Schedule 2

BOROUGH OF FAIRVIEW, N.J.

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2018

Name of State Agency or Department	State Program	State Program / Account No.	Grant Period From	Grant Period To	Grant Award	Cash Receipts	Expenditures		MEMO Cumulative Total Expenditures
Divison of Criminal Justice	Body Armor Grant	1020-718-066-1020-001-YCJS-6120	1/1/11	12/31/11	3,142			*	
			1/1/12	12/31/12	3,215			*	
			1/1/13	12/31/13	4,153			*	
			1/1/14	12/31/14	3,199			*	
			1/1/15	12/31/15	3,194			*	
			1/1/16	12/31/16	3,194		1,346	*	1,341
			1/1/17	12/31/17	3,151		3,151	*	3,151
			1/1/18	12/31/18	3,932		1,421		1,421
			1/1/19	12/31/19	6,170	6,170			
						6,170	5,918	*	5,913
Department of Community Affairs								*	
	Emergency Management Program	1200-100-066-1200-845-YEMR-6120	1/1/04	12/31/04	2,406			*	1,159
Office of Smart Growth	Smart Futures Planning Grant	05-0026-00	1/1/05	12/31/05	70,000			*	
								*	1,159
Division of Highway Traffic Safety	Alcohol Enforcement Program	1160-100-066-1160-118	1/1/06	12/31/06	15,800			*	
		1160-100-066-1160-057	1/1/10	12/31/10	15,603			*	1,922
			1/1/19	12/31/19	5,698	5,698			
								*	1,922
County of Bergen (1)	Municipal Alliance on Alcoholism and Drug Abuse		1/1/04	12/31/04	11,500			*	11,500
			1/1/05	12/31/05	11,500			*	11,500
			1/1/06	12/31/06	11,500			*	11,500
			1/1/07	12/31/07	11,500			*	11,500
			1/1/08	12/31/08	11,500			*	11,500
			1/1/09	12/31/09	11,017			*	11,017
			1/1/10	12/31/10	10,356			*	10,353
			1/1/11	12/31/11	10,356			*	9,057
			1/1/12	12/31/12	10,356			*	9,596
			1/1/13	12/31/13	9,876			*	9,876
			1/1/14	12/31/14	14,814			*	6,531
			1/1/15	12/31/15	9,876		1,689	*	1,889
			1/1/16	12/31/16	4,338			*	
			1/1/17	12/31/17	9,876	539		*	
			1/1/18	12/31/18	9,876	9,876		*	5,018
			1/1/19	12/31/19	9,876				
						10,415	1,689	*	120,837

Schedule 2

BOROUGH OF FAIRVIEW, N.J.

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2018

Name of State Agency or Department	State Program	State Program / Account No.	Grant Period From	Grant Period To	Grant Award	Cash Receipts	Expenditures		MEMO Cumulative Total Expenditures
Total State Financial Assistance - Current and Federal and State Grant Fund						77,971	47,040	*	207,394
General Capital Fund:								*	
State Department of Transportation								*	
	Improvements to Day Avenue	Ord. 2017-11	1/1/18	12/31/19	165,627			*	71,418
	Improvements to Cliff Street Improvements	Ord. 2016-7	1/1/16	12/31/19	155,500			*	155,500
	Improvements to Fairview Ave	Ord. 2019-4	1/1/19	12/31/19	235,000				
	Improvements to DeSoto Pl	Ord. 2019-4	1/1/19	12/31/19	192,050				
	Improvements to Sedore/Greeley Aves	Ord. 2019-17	1/1/19	12/31/19	210,000				
								*	226,918
Public Assistance Trust Fund:								*	
Department of								*	
Human Services	Public Assistance	7550-150-158010-60	1/1/19	12/31/19	243,900	243,900	204,554	*	204,554
Total State Financial Assistance						321,871	251,594	*	638,866
Other Financial Assistance								*	
Bergen County Utilities								*	
Authority	Municipal Recycling Assistance Program		1/1/06	12/31/06	3,240			*	3,239
	Bilingual Recycling Calendar	4875-100-042-4875-353	1/1/05	12/31/05	2,500			*	2,500
								*	5,739
Total Other Financial Assistance								*	5,739
Total State and Other Financial Assistance						$ 321,871	251,594	*	644,605

Note: This schedule was not subject to an audit in accordance with N.J. OMB Circular 15-08.

(1) - Passed through the State of New Jersey
(2) - Represents Supplemental Security Income awards retained and refunds of assistance.

Exhibit A-4

BOROUGH OF FAIRVIEW, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2019

		Current Fund
Balance - December 31, 2018		$ 6,259,418
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	$ 266,050	
Due From State - Senior Citizen and Veteran Deductions	42,000	
Taxes Receivable	34,979,219	
Revenue Accounts Receivable	3,009,918	
Grants Receivable	31,716	
Unappropriated Grants	111,758	
Prepaid Taxes	133,930	
Interfunds	17,465	
Tax Overpayments	14,056	
Various Cash Liabilities and Reserves	9,535	
		38,615,647
		44,875,065
Decreased by Disbursements:		
Current Year Budget Appropriations	17,188,234	
Appropriation Reserves	396,235	
Various Cash Liabilities and Reserves	14,485	
Local District School Taxes	16,236,916	
County Taxes Payable	3,389,382	
Tax Overpayments	16,392	
Appropriated Grant Reserves	57,098	
Revenue Refunds	4,003	
Interfunds	132,073	
		37,434,818
Balance - December 31, 2019		$ 7,440,247

Exhibit A-5

BOROUGH OF FAIRVIEW, N.J.

Schedule of Amount Due To/(From) State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018			$ (18,795)
Increased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash	$ 42,000		
Deductions Disallowed	1,750		
		43,750	
			24,955
Decreased by:			
Senior Citizens' Deductions Per Tax Billing	$ 24,750		
Veterans' Deductions Per Tax Billing	19,500		
Deductions Allowed by Tax Collector	500		
			44,750
Balance - December 31, 2019			$ (19,795)

Exhibit A-6

BOROUGH OF FAIRVIEW, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 26,119
Increased by:		
Transfer from 2019 Taxes	2,912	
		2,912
Balance - December 31, 2019		$ 29,031

Exhibit A-7

BOROUGH OF FAIRVIEW, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2019

Year	Balance, Dec. 31, 2018	Levy	Added Taxes	Collected 2018	Collected 2019	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2019
2018	583,999				578,720			5,279	
	583,999				578,720			5,279	
2019		35,072,092	87,446	141,103	34,400,499	43,000	2,912	88,967	483,057
	$ 583,999	35,072,092	87,446	141,103	34,979,219	43,000	2,912	94,246	483,057

Analysis of Tax Levy

Tax yield:		
General Purpose Tax		$ 35,072,092
Added Tax (R.S. 54:4-63.1 et seq.)		87,446
		$ 35,159,538
Tax Levy:		
Local District School Tax	$ 16,201,812	
County Tax	3,244,594	
County Open Space Preservation	138,916	
County Added and Omitted Taxes	8,418	
		19,593,740
Local Tax for Municipal Purposes	15,480,553	
Additional Taxes	85,245	
		15,565,798
		$ 35,159,538

Exhibit A-8

BOROUGH OF FAIRVIEW, N.J.

Schedule of Property Acquired for Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$ 92,400
Balance - December 31, 2019	$ 92,400

Exhibit A-9

BOROUGH OF FAIRVIEW, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2019

	Balance Dec. 31, 2018	Accrued	Collected	Balance Dec. 31, 2019
Clerk:				
Licenses:				
Alcoholic beverages	$	51,165	51,165	
Other		29,362	29,362	
Fees and Permits		90,369	90,369	
Municipal Court :				
Fines and Costs	24,969	343,632	345,065	23,536
Uniform Construction Code:				
Fees and Permits - Building		409,584	409,584	
Energy Receipts Taxes		942,844	942,844	
Consolidated Municipal Property Tax				
Relief Aid		87,434	87,434	
Interest and Costs on Taxes		108,958	108,958	
Annual Service Charges in Lieu of Property Taxation				
Senior Citizens Housing Project		49,939	49,939	
Parking Meters		50,976	50,976	
Alcohol Education Rehabilitation		6,250	6,250	
Municipal Alliance on Alcoholism and Drug Abuse		9,876	9,876	
Clean Communities Grant		18,554	18,554	
Summer Food Program		15,898	15,898	
Drunk Driving Enforcement Fund		3,932	3,932	
Impaired Driving Countermeasure		14,062	14,062	
Distracted Driving Incentive		6,600	6,600	
Click it or Ticket		5,500	5,500	
Recycling Grant		3,000	3,000	
General Capital Fund Balance		100,000	100,000	
Uniform Fire Safety Act		9,217	9,217	
Third Party Ambulance Fees		206,727	206,727	
Commercial Sewer User Fees	7,546	202,568	210,114	
Payments in Lieu of Taxes				
on State Exempt Property		30,158	30,158	
Police Administrative/Outside Duty		334,419	334,419	
	$ 32,515	3,131,024	3,140,003	23,536

Cash	$ 3,009,918
Interest on Investments	46,413
Grants Receivable	83,672
	3,140,003

Exhibit A-10

BOROUGH OF FAIRVIEW, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2019

Fund	Due from/(to) Balance Dec. 31, 2018	Increased	Decreased	Due from/(to) Balance Dec. 31, 2019
State and Federal Grant Fund	$ (468,560)	57,098	141,074	(552,536)
Dog License Trust	1,852	2,345		4,197
Other Trust Fund:				
Unemployment Compensation Trust			1,056	(1,056)
Other Trust	14,250	37,155		51,405
Payroll Agency	11		11	
Library Trust	83		83	
General Capital Fund	131	14,853	16,043	(1,059)
Payroll Trust		32,455		32,455
Payroll Agency		99,618		99,618
Public Assistance II	8	284	272	20
	$ (452,225)	243,808	158,539	(366,956)
Interest on Investments		41,111		
Cash Receipts			17,465	
Cash Disbursements		132,073		
Grant Fund		57,098	141,074	
Forfeited Lien Premiums		12,800		
Statutory Excess		726		
		$ 243,808	158,539	

Exhibit A-11

BOROUGH OF FAIRVIEW, N.J.

Schedule of Deferred Charges - N.J.S.A. 40A:4-46
Emergency Authorizations

Current Fund

Year ended December 31, 2019

Date Authorized	Purpose	Net Amount Authorized	Balance Dec. 31, 2018	Reduced in 2019	Balance Dec. 31, 2019
Sept. 2018	DPW - Other	72,000	72,000	72,000	
			72,000	72,000	

Exhibit A-12

BOROUGH OF FAIRVIEW, N.J.

Schedule of Deferred Charges - N.J.S.A. 40A:4-53
Special Emergency Authorizations

Current Fund

Year ended December 31, 2019

Date Authorized	Purpose	Net Amount Authorized	1/5 of net Amount Authorized	Balance Dec. 31, 2018	Added in 2019	Reduced in 2019	Balance Dec. 31, 2019
June. 2019	Reassessment	150,000	30,000		150,000		150,000
				$	150,000		150,000

Exhibit A-13

BOROUGH OF FAIRVIEW, N.J.

Schedule of 2017 Appropriation Reserves

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Balance after Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
Administrative and Executive	$ 6,308	6,308		6,308
Financial Administration	2,702	2,702		2,702
Collection of Taxes	5,371	5,371		5,371
Assessment of Taxes	3,681	3,681		3,681
Legal Services	4,155	4,155		4,155
Planning Board	996	996		996
Zoning Board of Adjustment	14	14		14
Rent Leveling Board	16	16		16
Police	80,839	80,839		80,839
Special Police	18	18		18
Emergency Response Unit	15,194	15,194		15,194
Fire-Stipend	1,260	1,260		1,260
Uniform Fire Safety	1,975	1,975		1,975
Public Buildings and Grounds	15,000	15,000		15,000
Road Repairs and Maintenance	47,599	47,999	400	47,599
Sewer System	1,500	1,500		1,500
Board of Health	1,705	1,705		1,705
Administration of Public Assistance	296	296		296
Parks and Playgrounds	1	1		1
Parking Meters	5,340	5,340		5,340
Recreation	1,548	1,548		1,548
Municipal Court	23,034	23,034		23,034
Public Defender	8	8		8
Construction Code Official	5,145	5,145		5,145
Salary and Wage Adjustment Program	25,000	25,000		25,000
Total Salaries and Wages Within "CAPS"	248,705	249,105	400	248,705
Other Expenses Within "CAPS":				
Administrative and Executive	287	7,325	4,571	2,754
Financial Administration	1,629	27,245	25,609	1,636
Financial Administration - Single Audit	2,000	2,000		2,000
Assessment of Taxes	5,184	7,684	2,500	5,184
Collection of Taxes	100	175	75	100
Legal Services and Costs	32	3,492	3,461	31
Engineering Services and Costs	40	40		40
Planning Board	10,000	10,000		10,000
Zoning Board	200	200		200
Rent Leveling Board	400	400		400
Fire	699	25,201	23,369	1,832

Exhibit A-13

BOROUGH OF FAIRVIEW, N.J.

Schedule of 2017 Appropriation Reserves

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Balance after Transfers	Paid or Charged	Balance Lapsed
Fire Hydrant Service	12,618	12,618		12,618
Police	18,248	34,595	25,719	8,876
Special Police	855	4,554	3,698	856
Emergency Response Unit	22,354	24,698	7,095	17,603
Emergency Management Services	1,438	3,188	3,117	71
Third Party Ambulance	24,000	24,000	20,125	3,875
Other Insurance	134,250	134,250	134,250	
Group Insurance	658,021	697,518	9,558	687,960
Municipal Prosecutor	50	50		50
Uniform Fire Safety		115	115	
Fleet Maintenance	868	98,186	33,984	64,202
Sanitation	32,000	32,000		32,000
Sanitary Landfill - Contractual	48,039	48,040	2	48,038
Public Buildings and Grounds	109,085	109,085	17,223	91,862
Sewer System	7,552	14,853	7,301	7,552
Board of Health	36,394	36,394	21	36,373
Public Assistance	3,642	3,682	40	3,642
Redevelopement	25,000	25,000		25,000
Parks and Playgrounds	97	2,189	2,092	97
Parking Meters	4,915	12,000	7,085	4,915
Recreation	37	2,460	2,423	37
Municipal Court	9,996	13,813	3,728	10,085
Public Defender	500	500		500
Celebration of Public Events	2,000	2,000		2,000
Senior Citizens	5,108	5,108		5,108
Construction Code Official	247	3,306	3,060	246
Code Enforcement	5,000	5,000	300	4,700
Occupational Safety and Health Act (NJS40A:40-45.3)				
Other Expenses				
Hepatitis B	3,750	3,750		3,750
Street Lighting	54,406	65,674	11,269	54,405
Telephone	7,086	15,390	9,210	6,180
Water	852	2,094	1,242	852
Natural Gas and Electricity	1,826	8,558	6,732	1,826
Fuel Oil	5,786	10,884	3,246	7,638
Heating Oil	2,000	2,000		2,000
Gasoline	21,654	32,357	11,668	20,689
Total Other expenses Within "CAPS"	1,280,245	1,573,671	383,888	1,189,783
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees Retirement System	1	1		1
Unemployment Compensation Insurance	6,000	6,000		6,000
Social Security (O.A.S.I.)	5,523	5,523		5,523
Total Deferred Charges and Statutory Expenditures Within "CAPS"	11,524	11,524		11,524

Exhibit A-13

BOROUGH OF FAIRVIEW, N.J.

Schedule of 2017 Appropriation Reserves

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Balance after Transfers	Paid or Charged	Balance Lapsed
Total Reserves Within "CAPS"	1,540,474	1,834,300	384,288	1,450,012
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	103,723	115,671	115,671	
Sewer Service Charges - Contractual	25	25		25
Total Other Expenses Excluded from "CAPS"	103,748	115,696	115,671	25
Total Reserves Excluded from "CAPS"	103,748	115,696	115,671	25
Total Reserves	$ 1,644,222	1,949,996	499,959	1,450,037

Appropriation reserves	1,644,222	
Encumbrances	305,774	
	$ 1,949,996	
Balance of Appropriation Due to Library		103,724
Cash Disbursements		396,235
		$ 499,959

Exhibit A-14

BOROUGH OF FAIRVIEW, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	305,774
Increased by:		
Transfer from Current Appropriations		166,898
		472,672
Decreased by:		
Transferred to Appropriation Reserves		305,774
Balance - December 31, 2019	$	166,898

Exhibit A-15

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	141,103
Increased by:		
Receipts - Prepaid 2018 Taxes		133,930
		275,033
Decreased by:		
Applied to 2019 Taxes		141,103
Balance - December 31, 2019	$	133,930

Exhibit A-16

BOROUGH OF FAIRVIEW, N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 41,150
Increased by:		
Levy		16,201,812
		16,242,962
Decreased by:		
Cash Disbursed		16,236,916
Balance - December 31, 2019		$ 6,046

Exhibit A-17

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 5,872
Increased by:		
General County Levy	$ 3,244,594	
County Open Space Preservation Levy	138,916	
Added and Omitted Taxes	8,418	
		3,391,928
		3,397,800
Decreased by:		
Cash Disbursed		3,389,382
Balance - December 31, 2019		$ 8,418

Exhibit A-18

BOROUGH OF FAIRVIEW, N.J.

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 15,500
Increased by:		
Cash Receipts		$ 14,056
		29,556
Decreased by:		
Cash Disbursements	16,392	
Cancelled to Operations	85	
		16,477
Balance - December 31, 2019		$ 13,079

Exhibit A-19

Schedule of Prepaid Payroll

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$ 140,547
Decreased by:	
Applied to Current Year Appropriations	$ 140,547
Balance - December 31, 2019	$ 0

Exhibit A-20

BOROUGH OF FAIRVIEW, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2019

Liabilities and Reserves		Balance, Dec. 31, 2018	Increased	Decreased	Balance, Dec. 31, 2019
Reserve for:					
Revaluation	$	23,179			23,179
Reassessment			150,000	14,300	135,700
Tax Map		7,344			7,344
Disability		18,684			18,684
Due to Library		222,720	103,724		326,444
Accounts Payable		131,939			131,939
DMV Inspection Fines		3,393			3,393
Due to State of New Jersey -					
DCA Fees		1,683			1,683
Marriage/Domestic Partnership Fees		1,950	9,535	185	11,300
	$	410,892	263,259	14,485	659,666

Transferred from Appropriation Reserves	103,724	
2019 Budget Appropriation	150,000	
Cash	9,535	14,485
	$ 263,259	14,485

Exhibit A-21

BOROUGH OF FAIRVIEW, N.J.

Schedule of Grants Receivable

Current Fund

Year Ended December 31, 2019

Grant	Balance, Dec. 31, 2018	Budget Revenue	Received	Balance, Dec. 31, 2019
Municipal Alliance on Alcoholism and Drug Abuse	$ 74,888	9,876	10,415	74,349
Bilingual Calendar	24			24
Domestic Violence Grant	1,000			1,000
Clean Communities Grant		18,554	18,554	
Bullet Proof Vest Partnership (DOJ)	1,152			1,152
COPS Hiring Recovery Program (ARRA)	18,606			18,606
Distracted Driving Incentive		6,600	6,600	
Community Development Block Grants:				
Planning Grant	30,000			30,000
Fire Department Air Refill Station	10,050			10,050
Morris Street Improvements	21,998			21,998
Smart Futures Planning Grant	55,000			55,000
Click it or Ticket		5,500	5,500	
Recycling Grant		3,000		3,000
Drunk Driving Enforcement Fund		3,932	3,932	
Impaired Driving		14,062	14,062	
Summer Food	5,403	15,898	21,301	
Alcohol Education Rehabilitation		6,250	6,250	
	$ 218,121	83,672	86,614	215,179

Adopted Budget	64,774
Added by N.J.S.A. 40A4:87	18,898
	$ 83,672

Cash	31,716
Unappropriated Grant Reserves	54,898
	$ 86,614

Exhibit A-22

BOROUGH OF FAIRVIEW, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

Grant	Balance, Dec. 31, 2018	Transferred from 2019 Budget Appropriations	Expenditures	Balance, Dec. 31, 2019
COPS More	$ 25			25
Municipal Alliance	9,507			9,507
Alcohol Education and Rehabilitation Fund	40,942			40,942
SLA HEOP Grant	1,247			1,247
Recycling Tonnage Grant	76,167			76,167
Alcohol Enforcement Grant	49,279			49,279
Municipal Stormwater Regulation	10,207			10,207
Smart Growth	70,000			70,000
Domestic Violence	1,000			1,000
Bullet Proofvest Partnership Program	1,017			1,017
Summer Food Program	16,366			16,366
Edward Byrne Memorial Justice Assistance Grant - Local Solicitation (ARRA)	19,955			19,955
Community Development Block Grants -				
Morris Street Improvements	21,998			21,998
Fire Department Refill System	10,050			10,050
Clean Communities	64,010		17,994	46,016
Click it Or Ticket	19,941			19,941
Drunk Driving Enforcement Fund	18,356			18,356
Body Armor	4,572		4,572	
Municipal Alliance	12,987	9,876	1,689	21,174
Drunk Driving Enforcement Fund	3,954			3,954
Clean Communities	22,815		19,000	3,815
Alcohol enforcement Project	30,047			30,047
Summer Food	10,232	15,898	10,098	16,032
Alcohol Education Rehabilitation	2,416			2,416
Occupent Protection	3,999			3,999
Body Armor	13,018		1,346	11,672
Recycling Tonnage Grant	25,846		2,331	23,515
Drunk Driving Enforcement Fund	5,702	3,932		9,634
Click it Or Ticket	20,926	5,500		26,426
Clean Communities	19,295	18,554	108	37,741
Recycling Grant		3,000		3,000
Distracted Driving Incentive		6,600		6,600
Municpal Alliance	4,858			4,858
Impared Driving Countermeasures	14,610	14,062		28,672
Federal Body Armor	1,214			1,214
Alcohol Education and Rehabilitation Fund	2,825	6,250		9,075
	$ 629,383	83,672	57,138	655,917
Adopted Budget		64,774		
Appropriations by 40a:4-87		18,898		
		83,672		
Encumbrances			40	
Cash			57,098	
			57,138	

Exhibit A-23

BOROUGH OF FAIRVIEW, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

Grant		Balance, Dec. 31, 2018	Received	Transferred to 2019 Budget Appropriations	Balance, Dec. 31, 2019
Alcohol Enforcement Grant	$	6,600	5,698	6,600	5,698
Click it or Ticket		5,500	25,416	5,500	25,416
Drunk Driving Enforcement Fund		3,932		3,932	
Alcohol Education and Rehabilitation		6,250		6,250	
Body Armor Grant			6,170		6,170
Summer Food Program			10,312		10,312
BCUA Recycling			2,776		2,776
Impaired Driving Countermeasure		14,062		14,062	
Clean Communities		18,554	20,704	18,554	20,704
Recycling Tonnage Grant			40,682		40,682
	$	54,898	111,758	54,898	111,758

Exhibit B-1

BOROUGH OF FAIRVIEW, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2019

	Animal License Fund	Other Trust	Unemployment Insurance	Community Development	Library Trust Fund
Balance - December 31, 2018	$ 6,356	1,881,041	86	2	389,656
Increased by Receipts:					
Dog License Fees - Borough Share	1,576				
Dog License Fees - State Share	196				
Prepaid Licenses	250				
Due to Current Fund	1,619	24,354			
Due from Library Trust Fund					
Budget Appropriation			29,200		
Library Receipts	-				15,049
Community Development Deposits					
Other Trust Funds		5,432,470			
Total Receipts	3,641	5,456,824	29,200		15,049
	9,997	7,337,865	29,286	2	404,705
Decreased by Disbursements:					
Reserve for Dog Expenditures	2,042				
State Share - Dog Licenses	170				
Due to Current		11	1,056		83
Due to Animal License Trust Fund					
Unemployment - Employer Share			26,805		
Library Expenditures					11,401
Other Trust Funds		5,371,857			
Total Disbursements	2,212	5,371,868	27,861		11,484
Balance - December 31, 2019	$ 7,785	1,965,997	1,425	2	393,221

Exhibit B-2

BOROUGH OF FAIRVIEW, N.J.

Schedule of Due from BCCLS

Library Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$ 248
Balance - December 31, 2019	$ 248

Exhibit B-3

BOROUGH OF FAIRVIEW, N.J.

Reserve for Animal Control Trust Expenditures

Trust Funds

Year Ended December 31, 2019

Balance - December 31, 2018		$ 4,306
Increased by:		
Prior Year Prepaids Realized	$ 171	
License Fees	1,576	
		1,747
		6,053
Decreased by:		
Expenditures under R.S. 4:19-15:11	2,042	
Due to Current - Statutory Excess	726	
		2,768
Balance - December 31, 2019		$ 3,285

License fees collected	
Year	
2017	1,698
2018	1,587
	$ 3,285

Exhibit B-4

BOROUGH OF FAIRVIEW, N.J.

Schedule of Due to State Department of Health

Dog License Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	27
Increased by:		
State Fees Collected		196
		223
Decreased by:		
Paid to State		170
Balance - December 31, 2019	$	53

Exhibit B-5

BOROUGH OF FAIRVIEW, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2019

	Due from/(to) Balance Dec. 31, 2018	Increased	Decreased	Due from/(to) Balance Dec. 31, 2019
Current Fund:				
Animal License Trust	$ (1,852)		2,345	(4,197)
Library Trust Fund	(83)	83		
Other Trust Fund:				
Unemployment Compensation Trust		1,056		1,056
Payroll Agency Account	(11)	11		
Other Trust	(14,251)		24,354	(38,605)
Unemployment - Payroll Agency	962			962
Payroll Agency - Unemployment	(962)			(962)
Capital Fund:				
Other Trust Fund:				
DEA Confiscated Funds	(250,000)			(250,000)
	$ (266,197)	1,150	26,699	(291,746)
Due from				
Due to	(266,197)	1,150	26,699	(291,746)
	$ (266,197)	1,150	26,699	(291,746)
	Cash Receipts		25,973	
	Cash Disbursements	1,150		
	Statutory Excess		726	
	$	1,150	26,699	

Exhibit B-6

BOROUGH OF FAIRVIEW, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2019

	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
Payroll Deductions Payable	$ 44,031	5,131,581	4,809,015	366,597
Reserve for:				
Affordable Housing	9,423	24		9,447
Unemployment Compensation Insurance	1,047	29,200	26,805	3,442
Recycling Scrap Material	20,896	6,011		26,907
P.O.A.A.	82,503	3,847		86,350
Recreation	63,022	30,685	11,253	82,454
C.O.A.H.				
Alpine	8,756	21		8,777
Harrington Park	4,248	8		4,256
Closter	399,579	1,003		400,582
Tax Sale Premiums	358,900	18,100	54,600	322,400
Tax Title Lien Redemptions	67,362	11,107	62,892	15,577
Fire Penalties	1,355	11,562	12,917	
Fire Penalties-Inspections		30,334	5,960	24,374
Fairview Memorial 911 Trust	5,929		2,690	3,239
Street Openings	3,800			3,800
Escrow Deposits:				
Planning Board	39,006			39,006
Engineering/Legal	180,682	83,238	104,901	159,019
Police Department Bequest	1,000			1,000
DEA Confiscated Funds	181,386	73,341	254,727	
Nutrition	33,765			33,765
Uniform Fire Safety Fees	46,955		46,955	
Uniform Fire Safety		26,318	5,947	20,371
Underground Storage Tank	10,000			10,000
Miscellaneous	10,175	6,346		16,521
Donations:				
Sara Liz Almonzar	18,995			18,995
Bullet Proof Vests				
Veteran Memorial				
Snow Removal	24,050			24,050
	$ 1,616,865	5,462,726	5,398,662	1,680,929
Cash Receipts		5,461,670		
Interfunds		1,056		
Cash Disbursements			5,398,662	
		$ 5,462,726	5,398,662	

Exhibit B-7

BOROUGH OF FAIRVIEW, N.J.

Schedule of Reserve for Library Trust Expenditures

Library Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 389,821
Increased by:		
State Aid - Library	$ 6,062	
Interest Earned - Due to Current Fund		
Library Fines	8,987	
		15,049
		404,870
Decreased by:		
Cash Disbursments	11,401	
		11,401
Balance - December 31, 2019		$ 393,469

Exhibit B-8

BOROUGH OF FAIRVIEW, N.J.

Schedule of Reserve for Expenditures

Community Development Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$ 2
Balance - December 31, 2019	$ 2

Exhibit C-2

BOROUGH OF FAIRVIEW, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 2,408,340
Increased by Receipts:		
Capital Improvement Fund	$ 50,000	
Interfunds	14,853	
Bond Anticipation Notes	1,269,000	
Premium on Sale of Notes	87,534	
Reserve for Payment of Notes	527,449	
Miscelaneous'	359	
Grants Receivable	72,196	
		2,021,391
		4,429,731
Decreased by Disbursements:		
Interest on Investments Paid to Current Fund	16,403	
Reserve for Payment of Debt	3,000	
Contracts Payable	226,489	
Current Fund Budget Revenue	100,000	
Improvement Authorizations	1,851,338	
		2,197,230
Balance - December 31, 2019		$ 2,232,501

Exhibit C-3

BOROUGH OF FAIRVIEW, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2019

Grant Receivables		$	(1,341,989)
Reserve for Park Improvements			31,000
Reserve for payment of Debt			845,437
Contracts Payable			423,364
Interfunds			(251,059)
Capital Improvement Fund			162,292
Reserve for Grants Receivable			247,000
Fund Balance			264,827
Improvement Authorizations:			
Ordinance Number	Improvement Description		
89-16	Ambulance Corp. Renovations		(3,909)
91-21	Sanitary/Storm Sewers - 9th St., Phase 10		(4,474)
94-08	Barrier Free Improvements - Municipal Bldg		(2,947)
94-17/94-23	Sewer Imps. - Delano Pl., Shaler Ave, 9th St.		(39,364)
94-20	Acquisition of a Senior Citizen Bus		(179)
00-19	Environmental Remediation Public Works Yard		(1,755)
2010-23/13-07/16-11	New Municipal Complex Project		(1,577)
2012-12	Various Public Improvements		15,867
2013-4	Various Public Improvements		266,971
2013-20	Acquisition of a Sport Utility Vehicle		3,495
2014-7	Various Public Improvements		159,279
2015-13	Various Public Improvements		10,002
2016-07	Various Public Improvements		6,110
2017-11	Various Public Improvements		53,340
2018-03	Police and DPW Radio Communications Upgrade Project		26,202
2018-12	Acquisition of a Roll-Off Truck		11,130
2019-4	Various Public Improvements		1,143,438
2019-17	Improvements to Sedore & Greeley Aves		210,000
		$	2,232,501

Exhibit C-4

BOROUGH OF FAIRVIEW, N.J.

Schedule of Grant Receivables

General Capital Fund

Year Ended December 31, 2019

	Balance, Dec. 31, 2018	Grant Awards	Decreased by: Cash Receipts	Balance, Dec. 31, 2019
State of New Jersey - Department of Transportation				
Ord. 2016-07: Improvements to Cliff Street, Section 4	$ 155,500			155,500
Ord. 2017-11: Improvements to Day Avenue	165,627			165,627
Ord. 2019-4:Improvements to Fairview Ave.		235,000		235,000
Ord. 2019-4: Improvements to DeSoto Pl		192,050		192,050
Ord. 2019-17: Improvements to Sedore/Greeley Aves.		210,000		210,000
	321,127	637,050		958,177
County of Bergen:				
Community Development Block Grant				
Ord. 2016-07: Handicapped Ramps on Fairview Ave	106,000			106,000
Ord. 2016-07: Improvements to Cliff Street, Section 4	8			8
Ord. 2017-11: ADA Ramp Improvements - Anderson Avenue	170,000			170,000
Ord. 2019-4: Columbus Park Improvements		100,000		100,000
	276,008	100,000		376,008
County of Bergen:				
Open Space				
Ord. 2019-4: English Neiborhood Park Improvements	$	80,000	72,196	7,804
	$ 597,135	817,050	72,196	1,341,989

Exhibit C-5

BOROUGH OF FAIRVIEW, N.J.

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 8,934,000
Increased by:		
Transferred from Deferred Charges - Unfunded		9,675,000
		18,609,000
Decreased by:		
2019 Budget Appropriations		
Serial Bonds	$ 725,000	
Capital Leases Payable	48,000	
		773,000
Balance - December 31, 2019		$ 17,836,000

Exhibit C-6

BOROUGH OF FAIRVIEW, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	Increased by: 2019 Authorizations	Cancelled	Decreased by:	Balance Dec. 31, 2019	Analysis of Balance - Dec. 31, 2019: Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
	General improvements:								
89-16	Ambulance Corp. Renovations	$ 3,909				3,909		3,909	
91-21	Sanitary/Storm Sewers - 9th St., Phase 10	4,474				4,474		4,474	
94-08	Barrier Free Improvements - Municipal Bldg	2,947				2,947		2,947	
94-17/94-23	Sewer Imps. - Delano Pl., Shaler Ave, 9th St.	39,364				39,364		39,364	
94-20	Acquisition of a Senior Citizen Bus	179				179		179	
00-19	Environmental Remediation Public Works Yard	1,755				1,755		1,755	
09-24	Various Public Improvements								
23/13-07/16-11/2019-	New Municipal Complex Project	9,322,500	476,000		6,808,173	2,990,327	2,988,750	1,577	
2012-04	Refunding Bond Ordinance								
2013-04	Various Public Improvements	1,123,000			1,123,000				
2014-07	Various Public Improvements	846,327			846,327				
2015-13	Various Public Improvements	144,750				144,750	144,750		
2016-07	Various Public Improvements	1,321,000			900,500	420,500	420,500		
2017-11	Various Public Improvements	357,000				357,000	357,000		
2018-03	Police and DPW Radio Communications Upgrade Project	500,000				500,000	500,000		
2019-4	Various Public Improvements		793,000			793,000	793,000		
2019-17	Improvements to Sedore & Greeley Aves		30,000			30,000			30,000
		$ 13,667,205	1,299,000		9,678,000	5,288,205	5,204,000	54,205	30,000

Issuance of Bonds	9,675,000
Reserve for Notes	3,000
	9,678,000

Improvement Authorizations Unfunded $ 30,000

Less: Unexpended Proceeds of Bond Anticipation Notes:

Less: Unexpended Proceeds of Bond Anticipation Notes:

Ordinance No.	
2019-04	793,000
2016-07	6,110
2015-13	10,002
2017-11	53,340
2018-03	26,202
	888,654

$ 30,000

Exhibit C-7

BOROUGH OF FAIRVIEW, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2019

Purpose	Date of Issue	Amount Issued	Maturities of Bonds Outstanding, December 31, 2019 Date	Amount	Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
2010 General Improvement Bonds	February 15, 2010	5,230,000	2/15/20	460,000	3.25%	4,085,000		450,000	3,635,000
			2/15/21	470,000	3.35%				
			2/15/22	480,000	4.00%				
			2/15/23	490,000	4.00%				
			2/15/24	550,000	4.00%				
			2/15/25	575,000	4.00%				
			2/15/26	610,000	4.00%				
2014 General Improvement Bonds	Feb. 15, 2014	5,607,000	2/15/20	295,000	2.00%	4,632,000		275,000	4,357,000
			2/15/21	325,000	2.00%				
			2/15/22	350,000	2.13%				
			2/15/23	375,000	2.250%				
			2/15/24	400,000	2.50%				
			2/15/25	425,000	3.00%				
			2/15/26	425,000	3.00%				
			2/15/27	425,000	3.00%				
			2/15/28	437,000	3.00%				
			2/15/29	450,000	3.00%				
			2/15/30	450,000	3.50%				
2019 General Improvement Bonds	Feb. 1, 2019	9,675,000	2/1/20	360,000	3.00%		9,675,000		9,675,000
			2/1/21	375,000	3.00%				
			2/1/22	430,000	3.00%				
			2/1/23	445,000	3.00%				
			2/1/24	450,000	3.00%				
			2/1/25	460,000	3.00%				
			2/1/26	475,000	3.00%				
			2/1/27	485,000	3.00%				
			2/1/28	495,000	3.00%				
			2/1/29	505,000	3.00%				
			2/1/30	600,000	3.00%				
			2/1/31	625,000	3.00%				
			2/1/32	640,000	3.00%				
			2/1/33	650,000	3.00%				
			2/1/34	660,000	3.00%				
			2/1/35	670,000	3.00%				
			2/1/36	680,000	3.25%				
			2/1/37	670,000	3.50%				
						$ 8,717,000	9,675,000	725,000	17,667,000

Exhibit C-8

BOROUGH OF FAIRVIEW, N.J.

Schedule of Capital Leases Payable

General Capital Fund

Year Ended December 31, 2019

Purpose	Date of issue	Original issue	Maturities outstanding at December 31, 2019 Date	Amount	Interest rate	Balance, Dec. 31, 2018	Decreased	Balance, Dec. 31, 2019
Refunding of Unfunded Pension Obligation	May 1, 2012	416,000	Mar. 15, 2020	55,000	2.659	217,000	48,000	169,000
			Mar. 15, 2021	59,000	2.959			
			Mar. 15, 2022	27,000	3.109			
			Mar. 15, 2023	28,000	3.259			
						$ 217,000	48,000	169,000
					Paid via budget appropriation		48,000	
							$ 48,000	

Exhibit C-9

BOROUGH OF FAIRVIEW, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
4-2013	Various Public Improvements	Jul. 17, 2013	Feb. 2, 2018	Feb. 1, 2019		$ 1,123,000		1,123,000	
7-2014	Various Public Improvements	Feb. 4, 2015	Feb. 2, 2018	Feb. 1, 2019		846,327		846,327	
23-2010	New Municipal Complex Project	Sept. 23, 2016	Feb. 2, 2018	Feb. 1, 2019		6,808,173		6,808,173	
7-2016	Various Public Improvements	Sept. 23, 2016	Feb. 2, 2018	Feb. 1, 2019		900,500		900,500	
2013-07	Amend 23-2010: Municipal Complex Project	Aug. 30, 2018	Aug. 30, 2019	Aug. 28, 2020	3.00%	908,827	908,827	908,827	908,827
2015-13	Various Public Improvements	Aug. 30, 2018	Aug. 30, 2019	Aug. 28, 2020	3.00%	144,750	144,750	144,750	144,750
2016-07	Various Public Improvements	Aug. 30, 2018	Aug. 30, 2019	Aug. 28, 2020	3.00%	420,500	420,500	420,500	420,500
2016-11	Amend 2010-23: Municipal Complex Project	Aug. 30, 2018	Aug. 30, 2019	Aug. 28, 2020	3.00%	1,603,923	1,603,923	1,603,923	1,603,923
2017-11	Various Public Improvements	Aug. 30, 2018	Aug. 30, 2019	Aug. 28, 2020	3.00%	357,000	357,000	357,000	357,000
2018-03	Police and DPW Radio Communications Upgrade Project	Aug. 30, 2018	Aug. 30, 2019	Aug. 28, 2020	3.00%	500,000	500,000	500,000	500,000
2019-2	New Municipal Complex Project	Aug. 30, 2019	Aug. 30, 2019	Aug. 28, 2020	3.00%		476,000		476,000
2019-4	Various Public Improvements	Aug. 30, 2019	Aug. 30, 2019	Aug. 28, 2020	3.00%		793,000		793,000
						$ 13,613,000	5,204,000	13,613,000	5,204,000
						Cash	1,269,000		
						Bonds Issued		9,675,000	
						Paydown on Notes-Reserve for Notes		3,000	
						Renewed	3,935,000	3,935,000	
							$ 5,204,000	13,613,000	

Exhibit C-10

BOROUGH OF FAIRVIEW, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2018 Funded	Balance Dec. 31, 2018 Unfunded	2019 Authorizations	Paid or Charged	Balance Dec. 31, 2019 Funded	Balance Dec. 31, 2019 Unfunded
	General Improvements:							
2010-23/2013-7/2016-11/2019-2	New Municipal Complex Project	10,690,000		571,772	500,000	1,071,772		
2012-12	Various Public Improvements	1,542,000	112,717			96,850	15,867	
2013-04	Various Public Improvements	1,300,000		466,023		199,052	266,971	
2013-20	Acquisition of a Sport Utility Vehicle	25,000	3,495				3,495	
2014-07	Various Public Improvements	1,237,000		212,223		52,944	159,279	
2015-13	Various Public Improvements	152,000		10,002				10,002
2016-07	Various Public Improvements	1,732,000		7,942		1,832		6,110
2017-11	Various Public Improvements	711,000	102,326	357,000		405,986		53,340
2018-03	Police and DPW Radio Communications Upgrade Project	750,000		27,036		834		26,202
2018-12	Acquisition of a Roll-Off Truck	160,000	160,000			148,870	11,130	
2019-4	Various Public Improvements	1,440,000			1,440,000	296,562	350,438	793,000
2019-17	Improvements to Sedore & Greeley Aves	240,000			240,000		210,000	30,000
			$ 378,538	1,651,998	2,180,000	2,274,702	1,017,180	918,654

Grants Appropriated	817,050
Capital Improvement Fund	63,950
Deferred Charges Unfunded	1,299,000
	$ 2,180,000

Cash	1,851,338
Contracts Payable	423,364
	$ 2,274,702

Capital Surplus	
Grants Receivable	
Deferred Charges - Unfunded	
	$

Exhibit C-11

BOROUGH OF FAIRVIEW, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	176,242
Increased by:		
Budget Appropriation		50,000
		226,242
Decreased by:		
Appropriated to Finance Improvement Authorizations		63,950
Balance - December 31, 2019	$	162,292

Exhibit C-12

BOROUGH OF FAIRVIEW, N.J.

Schedule of Interfunds Due from/(to) Current Fund

General Capital Fund

Year Ended December 31, 2019

	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
Current Fund	$ (131)	16,043	14,853	1,059
Other Trust Fund:				
DEA Confiscated Funds	250,000			250,000
	$ 250,000	16,043	14,853	250,000
Cash Disbursments		16,403		
Interest on Investments			14,853	
		$ 16,403	14,853	

Exhibit C-13

BOROUGH OF FAIRVIEW, N.J.

Schedule of Contracts Payable

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	226,489
Increased by:		
Charged to Improvement Authorizations		423,364
		649,853
Decreased by:		
Payments		226,489
Balance - December 31, 2019	$	423,364

Exhibit C-14

Schedule of Reserve for Park Improvements - Statewide Livable Communities Grant

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	31,000
Balance - December 31, 2019	$	31,000

Exhibit C-15

BOROUGH OF FAIRVIEW, N.J.

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018		$ 317,988
Increased by:		
Cash Receipts	$ 527,449	
		527,449
Balance - December 31, 2019		$ 845,437

Analysis of Balance	
Columbus Park Improvements	$ 73,179
English Neighborhood Park Improvements	32,500
Veterans Park, Ord. 2014-07	22,934
9th Street	110,000
Columbus Park Improvements-Ord. 2016-7	52,474
ADA Imps. To Anderson/Fairview Aves-Ord. 2016-7	314,709
New Municipal Complex Ord. 2010-23	160,266
Cliff Street Improvements	79,375
	$ 845,437

Exhibit C-16

BOROUGH OF FAIRVIEW, NJ.

Schedule of Reserve for Payment of Notes

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	$	250,000
Decreased by:		
Utilized to paydown note		3,000
Balance - December 31, 2019	$	247,000

Exhibit C-17

BOROUGH OF FAIRVIEW, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance Dec. 31, 2018	Increased	Decreased	Balance Dec. 31, 2019
	General Improvements:				
1989-16	Renovations to Ambulance Corp. Bldg	$ 3,909			3,909
1991-21	Sanitary/Storm Sewers - 9th Street	4,474			4,474
1994-08	Barrier Free Imps. - Municipal Bldg.	2,947			2,947
94-17/94-23	Sewer Imps. - Delano Pl., Shaler Ave and 9th St.	39,364			39,364
1994-20	Acquisition of a Senior Bus	179			179
2000-19	Environmental Remediation and Reconstruction of Public Works Yard	1,755			1,755
2016-11	Amend 2010-23: Municipal Complex Project	1,577			1,577
2019-2	Amend 2010-23: Municipal Complex Project		476,000	476,000	
2019-4	Various Public Improvements		793,000	793,000	
2019-17	Improvements to Sedore & Greeley Aves		30,000		30,000
		$ 54,205	1,299,000	1,269,000	84,205
	Current Year Authorizations		1,299,000		
	Bond Anticipation Notes Issued			1,269,000	
				1,269,000	

Exhibit E-1

BOROUGH OF FAIRVIEW, N.J.

Schedule of Cash-Treasurer

Public Assistance Trust Fund

Year Ended December 31, 2019

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Balance - December 31, 2018	$ 61,265	91	61,174
Increased by Receipts:			
State Aid	243,900		243,900
Supplemental Security Income Refund of Assistance	30,262		30,262
Prior Year Voided Checks	759	759	
Interest Earned	274		274
	275,195	759	274,436
	336,460	850	335,610
Decreased by Disbursements:			
Public Assistance - 2019	204,624		204,624
Interest Paid to Current Fund	272		272
	204,896		204,896
Balance - December 31, 2019	$ 131,564	850	130,714

Exhibit E-2

BOROUGH OF FAIRVIEW, N.J.

Schedule of Public Assistance Cash and Reconciliation
Per N.J.S.A. 40A:5-5

Public Assistance Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2019		$ 131,564
Increased by:		
State Aid	$ 120,500	
Supplemental Security Income	17,505	
Interest Earned	72	
		138,077
		269,641
Decreased by:		
Public Assistance - 2020	60,270	
Interest Due Current	68	
		60,338
Balance - March 31, 2020		$ 209,303

Reconciliation -March 31, 2020	PATF I Account	PATF II Account	Total
Balance on Deposit per Bank Statement:			
Bank of New Jersey	$ 850	221,258	222,108
Less: Outstanding Checks		12,805	12,805
Balance - March 31, 2020	$ 850	208,453	209,303

Exhibit E-3

BOROUGH OF FAIRVIEW, N.J.

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018			$ 61,265
Increased by:			
State Aid	$ 243,900		
Supplemental Security Income	30,262		
Other	759		
Interest Earned	274		
		275,195	
		336,460	
Decreased by:			
Public Assistance - 2018	204,624		
Interest paid to Current Fund	272		
		204,896	
Balance - December 31, 2019			$ 131,564

Reconciliation - December 31, 2019	PATF I Account	PATF II Account	Total
Balance on Deposit per Bank Statement:			
Bank of New Jersey	$ 850	145,366	146,216
Less: Outstanding Checks		14,652	14,652
Balance - December 31, 2019	$ 850	130,714	131,564

Exhibit E-4

BOROUGH OF FAIRVIEW, N.J.

Schedule of Interfunds

Public Assistance Trust Fund

Year Ended December 31, 2019

	Due from/(to) Balance Dec. 31, 2018	Increased	Decreased	Due from/(to) Balance Dec. 31, 2019
Current Fund	(18)	272	274	(20)
	$ (18)	272	274	(20)
Cash Disbursements		272		
Interest on Investments			274	
		$ 272	274	

Exhibit E-5

BOROUGH OF FAIRVIEW, N.J.

Schedule of Reserve for Public Assistance Expenditures

Public Assistance Trust Fund

Year Ended December 31, 2019

	Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Balance - December 31, 2018	$ 61,247	15,381	45,866
Increased by:			
State Aid	243,900		243,900
Refund of Assistance	30,262		30,262
Other	759	759	
	274,921	759	274,162
	336,168	16,140	320,028
Decreased by:			
Public Assistance - 2019	204,624		204,624
	204,624		204,624
Balance - December 31, 2019	$ 131,544	16,140	115,404

Exhibit E-6

BOROUGH OF FAIRVIEW, N.J.

Schedule of Revenues - Cash Basis

Public Assistance Trust Fund

Year Ended December 31, 2019

		Total	P.A.T.F. Account #1	P.A.T.F. Account #2
State Aid Payments	$	243,900		243,900
Supplemental Security Income:				
Other		759	759	
Refund of Assistance		30,262		30,262
Total Revenues (P.A.T.F.)		274,921	759	274,162
Total Receipts	$	274,921	759	274,162

Exhibit E-7

BOROUGH OF FAIRVIEW, N.J.

Schedule of Expenditures - Cash Basis

Public Assistance Trust Fund

Year Ended December 31, 2019

		Total	P.A.T.F. Account #1	P.A.T.F. Account #2
Reported:				
Current Year Assistance (State Matching):				
Maintenance Payments	$	74,647		74,647
Temporary Rental Assistance		107,292		107,292
Emergency Assistance		21,313		21,313
Work Related/Transient Assistance		1,062		1,062
Transportation		240		240
Miscellaneous				
Total Payments Reported		204,554		204,554
Total Disbursements (P.A.T.F.)	$	204,554		204,554

BOROUGH OF FAIRVIEW

LETTER ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Fairview in the County of Bergen as of and for the year ended December 31, 2019 and the related notes to the financial statements, and have issued our report thereon dated [DATE], which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Fairview in the accompany comments and recommendations section of this report.

Compliance and Other Matters

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

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Fairview in the accompanying comments and recommendations section of this report.

Purpose of this Report

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

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

[DATE]

BOROUGH OF FAIRVIEW

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, be resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is $17,500 and with a qualified purchasing agent the threshold may be up to $36,000. On July 1, 2015, the threshold with a qualified purchasing agent was increased to $40,000.

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

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

Custodial/Maintenance Services	Emergency Sewer Contract
Day Avenue & 2017 Road Improvement Projects	2019 Road Improvement Program
Recyclable Materials	Purchase of Motorcycles
Solid Waste Collection	Fairview Ave. & DeSoto Place Project

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 7, 2019 adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "WHEREAS, the penalty for nonpayment of taxes becoming delinquent on and after February 1, shall be at the rate of eight per centum (8%) per year for the first $1,500 of delinquency and eighteen per centum (18%) per year on amounts over $1,500; and

WHEREAS, Section 54:4-67 of the Revised Statutes has been amended to allow the Tax Collector to collect no interest if payment of any installment is made within ten (10) days after the date upon which the same became payable, provided it meets with the approval of the Mayor and Council;

BE IT RESOLVED, that the Tax Collector is granted permission to withhold interest charged for a period of ten (10) days after the date upon which the installment became payable, provided it is received within the period.

Delinquent Taxes and Tax Title Liens

The last tax sale was held October 24, 2019 and was complete.

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

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

Year	Number of Liens
2019	2
2018	2
2017	0

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 taxpaying basis.

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.

The result of the test, which was made for the year ending December 31, 2019, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

BOROUGH OF FAIRVIEW
COMMENTS
DECEMBER 31, 2019

Finance/Treasurer:

1. *1099s were not issued to all individuals and/or organizations that were compensated in excess of $600 in violation of IRS regulations.
2. *A detailed list of accounts payable balances that agrees to the general ledger balance could not be provided at the time of audit.
3. There were multiple instances in which a 1099 form did not properly record the compensation amount for services provided during the year.
4. Bank statements for various Escrow sub-accounts were not available at the time of the audit.
5. There were several instances where entries of various departments' Escrow accounts were improperly categorized in the accounting system.

Clerk/Administration:

1. Petty Cash funds approved by the Borough resolutions do not agree to actual Petty Cash funds maintained by departments.

Departments:

1. *A monthly cash book that summarizes collections is not being maintained by the Recreation Department.

Municipal Court:

1. A review of the December monthly management report indicated the following:
    a. There is an excessive amount of tickets assigned over 180 days.
    b. There is an excessive amount of tickets eligible for failure to appear notices over 14 days.

BOROUGH OF FAIRVIEW
RECOMMENDATIONS
DECEMBER 31, 2019

Finance/Treasurer:

1. *That all vendors and/or individuals compensated in excess of $600 be issued a 1099 in accordance with IRS regulations.
2. *That a detailed list of accounts payable be provided at the time of audit.
3. All 1099 forms are properly recording the appropriate compensation amounts.
4. All requested information be available at the time of audit.
5. Each item of revenue should be properly categorized by department within the Escrow account ledger.

Clerk/Administration:

1. Authorizing resolutions should agree to the actual petty cash funds maintained by the various departments.

Departments:

1. *A cash receipts journal should be created and maintained for the Recreation Department which records all cash flows throughout the year.

Municipal Court:

1. Policies be implemented to address the excessive amount of tickets that need follow up.

BOROUGH OF FAIRVIEW

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an "*".

Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,

Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

[DATE]