Report of Audit

on the

Financial Statements

of the

Borough of Fanwood

in the

County of Union
New Jersey

for the

Year Ended
December 31, 2025

BOROUGH OF FANWOOD

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BOROUGH OF FANWOOD

PART I

INDEPENDENT AUDITOR'S REPORT ON
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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2025 AND 2024

SUPLEE, CLOONEY & COMPANY LLC
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Fanwood (the "Borough"), as of and for the years ended December 31, 2025 and 2024, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2025 and 2024, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2025 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough as of December 31, 2025 and 2024, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2025.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026 on our consideration of the Borough'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's 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 Borough's internal control over financial reporting and compliance.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Warren M. Koretsky
REGISTERED MUNICIPAL ACCOUNTANT NO. 419

June 24, 2026

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Fanwood, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated June 24, 2026. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Fanwood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough of Fanwood'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. However, we noted other matters involving internal control that we have reported to the Borough of Fanwood in the General Comments and Recommendations of this report.

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Fanwood'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 Fanwood's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Suplee, Clooney & Company

CERTIFIED PUBLIC ACCOUNTANTS

Warren N. Korenby

REGISTERED MUNICIPAL ACCOUNTANT NO. 419

June 24, 2026

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CURRENT FUND

BOROUGH OF FANWOOD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.		BALANCE DECEMBER 31, 2025		BALANCE DECEMBER 31, 2024
ASSETS					
Cash	A-4	$	3,969,095.03	$	2,407,026.82
Cash - Change Funds	A-6		350.00		350.00
Due from State of New Jersey-Senior Citizens Deductions	A-8		13,365.69		12,512.96
State Aid Receivable	A-5		1,035,442.60		628,927.60
		$	5,018,253.32	$	3,048,817.38
Receivables With Full Reserves:					
Delinquent Property Taxes Receivable	A-9	$	394,172.36	$	378,144.52
Tax Title Liens Receivable	A-10		33,118.45		32,481.97
Property Acquired for Taxes-Assessed Valuation	A-11		12,279.00		12,279.00
Revenue Accounts Receivable	A-12		5,952.07		2,500.86
Interfunds Receivable	A-23		60,564.66		468,295.54
Prepaid Regional School Tax	A-21		87,073.77		87,070.27
Due from County of Union - P.I.L.O.T.	A-31		2,659.64		
	A	$	595,819.95	$	980,772.16
Deferred Charges:					
Emergency Appropriation 40A:4-53	A-19	$	91,760.00	$	171,680.00
		$	91,760.00	$	171,680.00
		$	5,705,833.27	$	4,201,269.54

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

BOROUGH OF FANWOOD

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Appropriation Reserves	A-3:A-13	$ 269,912.06	$ 273,768.08
Encumbrances Payable	A-24	1,036,634.35	352,141.34
Prepaid Taxes	A-17	326,895.03	126,043.42
Tax Overpayments	A-18	48,694.51	14,268.26
Interfunds Payable	A-23	9,105.06	37,352.84
County Taxes Payable	A-20	1,614.02	1,614.02
Municipal Open Space Taxes Payable	A-32	2,330.63	1,780.26
Emergency Notes Payable	A-33	81,760.00	151,680.00
Reserve for:			
Due State of New Jersey:			
Marriage License Fees	A-16	1,250.00	625.00
State Training Fees	A-25	1,689.54	2,603.54
Burial Permits	A-27	35.00	35.00
Tax Appeals	A-28	9,754.11	12,410.15
Library	A-29	172,807.12	87,419.75
Sale of Municipal Assets	A-14	47,000.00	
Grants - Appropriated	A-22	833,126.47	609,998.54
Grants - Unappropriated	A-15	21,588.95	21,588.95
Fire Fines and Penalties	A-26	25.00	25.00
Snow Removal	A-30	2,567.92	3,072.91
P.I.L.O.T. Fees Due Union County	A-31		3,265.24
DCA Lead Fees Due State	A-34	40.00	
Severance Pay	A-35	22,922.00	
		$ 2,889,751.77	$ 1,699,692.30
Reserve for Receivables and Other Assets	A	595,819.95	980,772.16
Fund Balance	A-1	2,220,261.55	1,520,805.08
		$ 5,705,833.27	$ 4,201,269.54

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

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
REVENUE AND OTHER INCOME			
Fund Balance Utilized	A-2	$ 740,000.00	$ 600,000.00
Miscellaneous Revenue Anticipated	A-2	4,058,685.46	3,062,889.64
Receipts From Delinquent Taxes	A-2	378,144.52	239,520.91
Receipts From Current Taxes	A-2	39,546,314.62	37,235,396.60
Non-Budget Revenue	A-2	21,213.11	454,864.76
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	60,579.98	89,806.82
Interfunds Returned		407,730.88	
TOTAL INCOME		$ 45,212,668.57	$ 41,682,478.73
EXPENDITURES			
Budget Appropriations:			
Operations Within "CAPS":			
Operating	A-3	$ 7,336,816.49	$ 6,814,112.04
Deferred Charges and Statutory Expenditures	A-3	1,106,704.82	1,123,088.89
Operations Excluded From "CAPS":			
Other Operations	A-3	2,532,921.67	1,123,251.94
Capital Improvement Fund	A-3	39,100.00	69,100.00
Deferred Charges	A-3	79,920.00	92,920.00
Municipal Debt Service	A-3	1,952,988.12	1,862,903.61
Regional School Tax	A-21	24,193,022.50	23,102,800.00
County Taxes	A-20	6,369,026.06	5,995,174.17
County Share of Added Taxes	A-20	27,445.27	27,416.96
Municipal Open Space Tax	A-32	128,016.67	127,989.12
Interfunds Advanced		0.00	399,303.97
Refund of Prior Year Revenue	A-4	4,587.36	3,137.00
County PILOT Prepaid		2,659.64	
Cancellation of Grant Receivables	A-5	0.00	35,866.22
Prepaid School Tax		3.50	2.00
TOTAL EXPENDITURES		$ 43,773,212.10	$ 40,777,065.92
Excess in Revenue		$ 1,439,456.47	$ 905,412.81
Regulatory Excess to Fund Balance		$ 1,439,456.47	$ 905,412.81
Fund Balance			
Balance, January 1	A	1,520,805.08	1,215,392.27
		$ 2,960,261.55	$ 2,120,805.08
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	740,000.00	600,000.00
Balance, December 31	A	$ 2,220,261.55	$ 1,520,805.08

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

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	BUDGET	SPECIAL N.J.S. 40A: 4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Appropriated	A-1	$ 740,000.00		$ 740,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	$ 7,500.00	$	$ 7,500.00	$ 0.00
Other	A-12	6,000.00		9,230.00	3,230.00
Fees and Permits:					0.00
Other	A-2	89,000.00		85,900.00	(3,100.00)
Municipal Court Fines	A-12	54,000.00		84,530.14	30,530.14
Interest and Costs on Taxes	A-12	65,000.00		82,576.19	17,576.19
Parking Meters & Permits	A-12	295,000.00		290,000.00	(5,000.00)
Interest on Investments	A-12	247,718.00		182,079.96	(65,638.04)
Energy Receipts Tax	A-12	764,294.54		764,294.54	0.00
Recycling Tonnage Grant	A-5	7,993.46		7,993.46	0.00
Union County Heart Grant	A-5	2,500.00	0.00	2,500.00	0.00
Infrastructure Muncipal Aid Grant	A-5	40,000.00	0.00	40,000.00	0.00
Clean Communities Program	A-5		17,811.52	17,811.52	0.00
NJ DCA ARP Firefighters Grant	A-5	350,000.00		350,000.00	0.00
American Rescue Plan Act	A-5	1,000,000.00		1,000,000.00	0.00
Community Energy Plan Grant	A-5	0.00	20,000.00	20,000.00	0.00
National Law Enforcement & Firefighters Childrens Foundation	A-5		15,000.00	15,000.00	0.00
Union County Kids Recreation Trust Grant	A-5	0.00	2,800.00	2,800.00	0.00
Uniform Constuction Code Fees	A-12	233,076.48		223,936.00	(9,140.48)
Shared Services - Garwood DPW	A-12	37,263.75		50,388.02	13,124.27
Uniform Fire Safety Act	A-12	8,500.00		8,728.57	228.57
Verizon TV	A-12	64,721.13		64,721.13	0.00
Bulk Waste Pick Up	A-12	33,000.00		36,945.00	3,945.00
Cable T.V. Franchise Fee	A-12	27,155.51		27,155.51	0.00
Communications Tower Rental	A-12	105,000.00		111,309.67	6,309.67
Borough of Garwood - Shared Service - Municipal Court	A-12	40,000.00		30,000.00	(10,000.00)
Sale of Municipal Assets	A-14	47,000.00		47,000.00	0.00
P.I.L.O.T. Elite Phase I	A-12	83,432.29		80,554.56	(2,877.73)
P.I.L.O.T. Fanwood Crossing 2	A-12	88,848.33		64,815.33	(24,033.00)
P.I.L.O.T. Fanwood Crossing 3	A-12	47,966.05		45,752.97	(2,213.08)
P.I.L.O.T. Station Square	A-12	171,429.00		164,918.29	(6,510.71)
Reserve for Debt Service	A-12	43,945.00		43,945.00	0.00
General Capital Fund Surplus	A-12	65,317.54		65,317.54	0.00
Indirect Costs - UCC	A-12	30,982.07		30,982.07	0.00
	A-1	$ 4,056,643.15	$ 55,611.52	$ 4,058,685.46	$ (53,569.21)
Receipts From Delinquent Taxes	A-1	$ 250,000.00	$	$ 378,144.52	$ 128,144.52
Property Tax for Support of Municipal Budget Appropriation:					
Local Tax for Municipal Purposes	A-2:A-9	$ 7,772,117.88	$	$ 7,928,919.78	$ 156,801.90
Minimum Library Tax	A-2:A-9	588,674.84		588,674.84	0.00
		$ 8,360,792.72	$ 0.00	$ 8,517,594.62	$ 156,801.90
Budget Totals		$ 13,407,435.87	$ 55,611.52	$ 13,694,424.60	$ 231,377.21
Non-Budget Revenue	A-1:A-2	$	$	$ 21,213.11	$ 21,213.11
		$ 13,407,435.87	$ 55,611.52	$ 13,715,637.71	$ 252,590.32
	REF.	A-3	A-3		

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

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	
Allocation of Current Tax Collections:		
Collected	A-1:A-9	$ 39,546,314.62
Allocated to:		
Schools and County Taxes	A-20:A-21	$ 31,300,703.33
Support of Municipal Budget Appropriations		$ 8,245,611.29
Add: Appropriation Reserve for Uncollected Taxes	A-3	400,000.00
Amount for Support of Municipal Budget Appropriations	A-2	$ 8,645,611.29
Other Licenses:		
Health Officer	A-12	$ 9,230.00
Other Fees and Permits:		
Health Officer	A-12	$ 880.00
Police Department	A-12	23,585.00
Zoning	A-12	9,760.00
Fire Inspection	A-12	51,675.00
	A-2	$ 85,900.00
Parking Meters	A-12	$ 290,000.00
Miscellaneous Revenue Not Anticipated:		
Senior Citizens - Administrative Fee		$ 527.95
UC Tonnage Rebate		10,563.90
Mayor Weddings		150.00
Returned Check Fees		160.00
Insurance Dividends		1,950.59
Lead Inspection Fees		1,700.00
Reimbursements		852.65
Electronic Recycling		2,012.96
Miscellaneous		3,295.06
	A-4	$ 21,213.11

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

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive:	$ 165,000.00	$ 169,150.00	$ 168,611.48	$ 538.52	
Salaries and Wages	100,000.00	100,000.00	97,956.03	2,043.97	
Other Expenses					
Office of the Mayor:	25,625.00	25,625.00	24,836.80	788.20	
Salaries and Wages	1,530.00	1,530.00	1,401.54	128.46	
Other Expenses					
Municipal Clerk:	75,500.00	75,500.00	75,027.04	472.96	
Salaries and Wages	55,000.00	47,000.00	43,022.38	3,977.62	
Other Expenses					
Financial Administration:	109,307.05	109,307.05	109,307.04	0.01	
Salaries and Wages	74,000.00	79,000.00	78,645.16	354.84	
Other Expenses	38,300.00	38,300.00	38,300.00		
Audit					
Assessment of Taxes:	23,389.48	23,389.48	23,388.96	0.52	
Salaries and Wages	7,700.00	7,700.00	6,869.46	830.54	
Other Expenses	5,000.00	5,000.00	5,000.00		
Reserve for Tax Appeal					
Revaluation					
Collection of Taxes:	85,040.00	85,040.00	85,039.09	0.91	
Salaries and Wages	9,250.00	13,250.00	13,229.38	20.62	
Other Expenses					
Legal Services and Costs:	125,000.00	158,000.00	155,638.62	2,361.38	
Salaries and Wages					
Other Expenses	28,905.00	28,905.00	28,904.16	0.84	
Municipal Prosecutor:					
Salaries and Wages	4,000.00				
Public Defender:					
Salaries and Wages					
Other Expenses	100.00	100.00		100.00	
Engineering Services and Costs:	30,000.00	29,949.34	24,667.18	5,282.16	
Salaries and Wages					
Other Expenses	3,000.00	1,000.00	1,000.00		
Architect:					
Other Expenses	25,625.00	25,625.00	24,344.93	1,280.07	
Planning Board:	17,688.04	15,337.96	13,729.26	1,608.70	
Salaries and Wages					
Other Expenses	50,698.55	50,698.55	50,687.76	10.79	
Zoning Officer	2,500.00	2,500.00	2,288.94	211.06	
Salaries and Wages					
Other Expenses	4,000.00				
Credit Card Fees:					
Other Expenses	4,766.25	2,183.50	2,183.50		
Environmental Commission:	3,700.00	2,200.00	1,673.28	526.72	
Salaries and Wages					
Other Expenses					
Shade Tree Commission:					
Other Expenses					

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

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
OPERATIONS WITHIN "CAPS" (CONTINUED)					
GENERAL GOVERNMENT (CONTINUED)					
Insurance:					
State Unemployment Compensation	$ 25,000.00	$ 22,000.00	$ 20,850.17	$ 1,149.83	$
Group Insurance for Employees	1,281,043.00	1,319,043.00	1,317,825.81	1,217.19	
Other Insurance Premiums	286,322.92	286,322.92	286,252.13	70.79	
Workmen's Compensation	153,596.00	112,596.00	111,974.72	621.28	
Health Benefit Waiver	35,000.00	34,000.00	31,277.62	2,722.38	
Municipal Court:					
Salaries and Wages	111,035.00	121,035.00	118,149.12	2,885.88	
Other Expenses	11,100.00	11,100.00	9,601.49	1,498.51	
PUBLIC SAFETY					
Fire:					
Other Expenses:					
Fire Hydrants	118,812.00	118,812.00	118,811.88	0.12	
Miscellaneous	52,000.00	52,000.00	51,226.72	773.28	
Fire Prevention Bureau:					
Salaries and Wages	24,690.20	24,690.20	24,065.84	624.36	
Other Expenses	6,460.00	11,510.66	4,844.00	6,666.66	
Police:					
Salaries and Wages	2,058,000.00	2,061,000.00	2,048,905.55	12,094.45	
Other Expenses	86,150.00	86,150.00	83,354.53	2,795.47	
School Crossing Guards:					
Salaries and Wages	73,800.00	73,800.00	73,166.71	633.29	
Dispatchers:					
Other Expenses	98,008.00	98,008.00	98,007.08	0.92	
Traffic Signal Maintenance:					
Other Expenses	5,000.00				
Emergency Management Services:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	3,000.00				
Sanitation:					
Solid Waste Management Act:					
Salaries and Wages	100.00	100.00	100.00		
Other Expenses	265,000.00	265,000.00	258,338.44	6,661.56	
Road Repair and Maintenance:					
Salaries and Wages	685,487.00	691,487.00	691,487.00		
Other Expenses	129,600.00	132,600.00	117,601.00	14,999.00	
HEALTH AND WELFARE					
Board of Health:					
Salaries and Wages	14,883.00	14,883.00	14,481.67	401.33	
Other Expenses	1,895.00	895.00	525.94	369.06	
Dog Regulation:					
Other Expenses	17,515.00	17,515.00	17,340.00	175.00	

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

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
OPERATIONS WITHIN "CAPS" (CONTINUED)					
HEALTH AND WELFARE (CONTINUED)					
Snow Removal:					
Other Expenses	$ 10,000.00	$ 10,000.00	$ 10,000.00	$	
New Jersey Public Employees Occupational and Safety Health Act:					
Other Expenses	250.00	250.00		250.00	
Right to Know Act:					
Other Expenses	500.00				
RECREATION AND COMMUNITY SERVICES					
Celebration of Public Events:					
Other Expenses	16,000.00	21,000.00	20,715.17	284.83	
Senior Citizen:					
Salaries and Wages	4,000.00	4,000.08	4,000.08		
Other Expenses	3,000.00	3,000.00	3,000.00		
Communications:					
Salaries and Wages	13,325.00	13,325.00	12,451.98	873.02	
Other Expenses	111,000.00	96,418.00	96,103.00	315.00	
Rescue Squad:					
Other Expenses	3,000.00				
UNIFORM CONSTRUCTION CODE					
Construction Official:					
Salaries and Wages	65,000.00	65,000.00	64,789.27	210.73	
Other Expenses	10,000.00	8,000.00	7,531.66	468.34	
Sub Code Officials:					
Plumbing Inspector:					
Salaries and Wages	17,060.00	17,060.00	17,058.48	1.52	
Electrical Inspector:					
Salaries and Wages	17,060.00	17,060.00	17,058.48	1.52	
UNCLASSIFIED					
Utilities-Other	220,000.00	220,000.00	210,241.35	9,758.65	
Prior Years Bills	70,000.00	57,364.75	55,538.66	1,826.09	
Downtown Revitalization	11,500.00	16,500.00	15,571.93	928.07	
Postage	15,000.00	5,000.00	5,000.00		
Salary Adjustment	1,000.00	1,000.00	560.99	439.01	
New Jersey Transit - Contractual	125,000.00	125,000.00	114,780.13	10,219.87	
Street Lighting					
TOTAL OPERATIONS WITHIN "CAPS"	$ 7,335,816.49	$ 7,335,816.49	$ 7,233,340.59	$ 102,475.90	$
CONTINGENT	$ 1,000.00	$ 1,000.00	$	$ 1,000.00	$
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	$ 7,336,816.49	$ 7,336,816.49	$ 7,233,340.59	$ 103,475.90	$

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

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL - WITHIN "CAPS"					
Statutory Expenditures					
Contribution to:					
Public Employees Retirement System	$ 254,388.00	$ 254,388.00	$ 254,388.00	$	
Social Security System	210,000.00	210,000.00	205,991.26	4,008.74	
Defined Contribution Retirement Program	15,000.00	15,000.00	10,157.04	4,842.96	
Public Employees Retirement System-Retroactive	1,845.82	1,845.82	1,845.82		
Police and Firemen's Retirement System of NJ	625,471.00	625,471.00	625,471.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL-WITHIN "CAPS"	$ 1,106,704.82	$ 1,106,704.82	$ 1,097,853.12	$ 8,851.70	$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	$ 8,443,521.31	$ 8,443,521.31	$ 8,331,193.71	$ 112,327.60	$
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (N.J.S.A. 40:54)	588,675.00	588,675.00	503,695.81	84,979.19	
Length of Service Award Program (L.O.S.A.P.)	26,000.00	26,000.00	18,870.94		7,129.06
Insurance:					
Group Insurance for Employees	112,394.00	112,394.00	111,996.73	397.27	
Liability Insurance	75,111.00	75,111.00	75,111.00		
Workmans Compensation	32,404.00	32,404.00	10,196.00	22,208.00	
Statutory Expenditures:					
Interlocal Agreements:					
Borough of Garwood:					
Muncipal Court	40,000.00	40,000.00	40,000.00		
Road Repair and Maintenance:					
Salaries and Wages	37,263.75	37,263.75	37,263.75		
Shared Service Westfield -Gas & Diesel	50,000.00	50,000.00		50,000.00	
Shared Service Westfield - Board of Health Services	55,098.00	55,098.00	55,098.00		
Shared Service Rahway - Construction Official	66,000.00	66,000.00	66,000.00		
STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES					
Clean Communities Program (N.J.S.A. 40A:4-87 + $17,811.52)		17,811.52	17,811.52		
Recycling Tonnage Grant	7,993.46	7,993.46	7,993.46		
Infrastructure Municipal Aid	40,000.00	40,000.00	40,000.00		
Federal Highway Safety Pedestrian Grant (N.J.S.A 40A:4-87 + $20,000.00)		20,000.00	20,000.00		
NJ DCA Grant - LaGrande Park Improvements	350,000.00	350,000.00	350,000.00		
NJ DCA Grant - Capital Improvements	1,000,000.00	1,000,000.00	1,000,000.00		
Matching Funds for Grants	1,000.00	1,000.00	1,000.00		
Heart Grant - Music Series	2,500.00	2,500.00	2,500.00		
UC Kids Recreation Trust Grant (N.J.S.A. 40A:4-87 + $2,800.00)		2,800.00	2,800.00		
Union County Historic Preservation (N.J.S.A. 40A:4-87 + $15,000.00)		15,000.00	15,000.00		
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	$ 2,484,439.21	$ 2,540,050.73	$ 2,375,337.21	$ 157,584.46	$ 7,129.06
CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"					
Capital Improvement Fund	$ 39,100.00	$ 39,100.00	$ 39,100.00	$	$
TOTAL CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"	$ 39,100.00	$ 39,100.00	$ 39,100.00	$	$

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

BOROUGH OF FANWOOD

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"					
Payment of Bond Principal	$ 1,155,000.00	$ 1,155,000.00	$ 1,155,000.00	$	
Payment of Bond Anticipation and Capital Notes	57,866.00	57,866.00	57,866.00		
Interest on Bonds	296,520.00	296,520.00	296,520.00		
Interest on Notes	372,042.25	372,042.25	365,575.02		6,467.23
Loan Repayments for Principal and Interest (Enviro. Infrastructure Loan)	79,027.10	79,027.10	78,027.10		1,000.00
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	$ 1,960,455.35	$ 1,960,455.35	$ 1,952,988.12	$	$ 7,467.23
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL					
Deferred Charges:					
Emergency Authorizations	$ 28,000.00	$ 28,000.00	$ 28,000.00	$	
Special Emergency Authorizations - 5 years (40A:4-53)	19,920.00	19,920.00	19,920.00		
Special Emergency Authorizations - 5 years (40A:4-53)	22,000.00	22,000.00	22,000.00		
Special Emergency Authorizations - 5 years (40A:4-53)	10,000.00	10,000.00	10,000.00		
Special Emergency Authorizations - 5 years (40A:4-53)					
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	$ 79,920.00	$ 79,920.00	$ 79,920.00	$	$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	4,563,914.56	4,619,526.08	4,447,345.33	157,584.46	14,596.29
SUB-TOTAL GENERAL APPROPRIATIONS	$ 13,007,435.87	$ 13,063,047.39	$ 12,778,539.04	$ 269,912.06	$ 14,596.29
RESERVE FOR UNCOLLECTED TAXES	400,000.00	400,000.00	400,000.00		
TOTAL GENERAL APPROPRIATIONS	$ 13,407,435.87	$ 13,463,047.39	$ 13,178,539.04	$ 269,912.06	$ 14,596.29
REF.	A-2		A-1	A:A-1	

Budget	A-3	$ 13,407,435.87
Appropriation by 40A:4-87	A-2	55,611.52
		$ 13,463,047.39

State and Federal Programs	A-22	$ 1,457,104.98
Reserve for Uncollected Taxes	A-2	400,000.00
Encumbrances Payable	A-24	158,719.47
Deferred Charges	A-19	79,920.00
Cash Disbursements	A-4	11,382,202.64
		13,477,947.09
Less: Refunds	A-4	299,408.05
		$ 13,178,539.04

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

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TRUST FUND

"B"

BOROUGH OF FANWOOD

TRUST FUND

BALANCE SHEETS-REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Assessment Trust Fund:			
Assessment Liens	B-3	$ 318.56	$ 318.56
		$ 318.56	$ 318.56
Animal Control Trust Fund:			
Cash	B-1	$ 1,332.39	$ 766.65
Due Current Fund	B-4	-	0.33
		$ 1,332.39	$ 766.98
Other Trust Funds:			
Cash	B-1	$ 1,365,829.18	$ 1,378,965.94
Due County of Union - Community Development Block Grant	B-2	8,385.27	8,385.27
Due Current Fund	B-4	0.00	37,352.51
		$ 1,374,214.45	$ 1,424,703.72
		$ 1,375,865.40	$ 1,425,789.26
LIABILITIES, RESERVES AND FUND BALANCE			
Assessment Trust Fund:			
Due Current Fund	B-4	$ 318.56	$ 318.56
		$ 318.56	$ 318.56
Animal Control Trust Fund:			
Due Current Fund	B-4	$ 1.21	$ 0.00
Due State of New Jersey	B-22	349.00	349.00
Reserve for Animal Control Fund Expenditures	B-8	982.18	417.98
		$ 1,332.39	$ 766.98
Other Trust Funds:			
Due Current Fund	B-4	$ 30,451.13	$
Reserve For:			
Unemployment Compensation Insurance	B-6	6,435.68	1.81
Community Development Block Grant	B-7	13,151.20	13,151.20
Builders Escrow	B-9	42,492.61	54,363.86
Zoning Escrow Trust	B-10	47,493.81	64,584.66
Redevelopers Escrow	B-11	6,307.29	6,234.13
Recreation Trust	B-12	168,092.06	128,400.49
Law Enforcement Trust	B-13	4,223.39	4,110.02
Developers Housing Escrow	B-14	549,357.76	484,043.18
Library Fund	B-15	11,527.66	164,749.97
Tax Sale Premiums and Redemptions	B-16	250,306.70	262,890.52
Cell Tower Deposits	B-17	14,228.59	14,228.59
Payroll Deductions	B-18	41,405.87	35,266.62
Police Off-Duty Pay	B-19	4,337.97	4,337.97
Municipal Open Space	B-20	39,234.70	45,336.47
Green Acres	B-21	1.02	1.19
Miscellaneous Trust Deposits	B-5	145,167.01	143,003.04
		$ 1,374,214.45	$ 1,424,703.72
		$ 1,375,865.40	$ 1,425,789.26

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

GENERAL CAPITAL FUND

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

BALANCE SHEETS-REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Cash	C-2	$ 815,726.49	$ 1,844,350.94
Grants Receivable	C-13	1,384,628.18	680,349.18
Due Scotch Plains-Fanwood Board of Education	C-5	6,000.00	6,000.00
Due Current Fund	C-4	9,105.06	
Due Sewer Utility Capital Fund	C-16	9,746.00	123,132.00
Deferred Charges to Future Taxation:			
Funded	C-6	10,506,562.03	11,733,795.37
Unfunded	C-7	12,556,654.28	11,770,800.28
		$ 25,288,422.04	$ 26,158,427.77
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-11	$ 9,973,000.00	$ 11,128,000.00
Bond Anticipation Note	C-12	9,654,824.00	9,828,883.00
NJEIT Loan Payable	C-15	533,562.03	605,795.37
Due Current Fund	C-4		435,338.88
Due Sewer Utility Operating Fund	C-17	53,691.00	9,746.00
Improvement Authorizations-Funded	C-9	1,308,150.37	971,511.51
Improvement Authorizations-Unfunded	C-9	1,658,261.14	859,833.41
Contracts Payable	C-10	2,000,903.61	2,205,481.28
Capital Improvement Fund	C-8	7,268.78	4,575.78
Reserve for Debt Service	C-14		43,945.00
Fund Balance	C-1	98,761.11	65,317.54
		$ 25,288,422.04	$ 26,158,427.77

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

"C-1"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

	REF.		
Balance, December 31, 2024	C	$	65,317.54
Increased by:			
Premium on Sale of Bonds and Notes	C-2		98,761.11
		$	164,078.65
Decreased by:			
Anticipated as Revenue in 2025 Budget	C-2		65,317.54
Balance, December 31, 2025	C	$	98,761.11

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

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SEWER UTILITY FUND

BOROUGH OF FANWOOD

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
ASSETS			
Operating Fund:			
Cash	D-5	$ 319,764.07	$ 59,311.40
Due General Capital Fund	D-8	53,691.00	9,746.00
Due Sewer Capital Fund	D-8	1,851.89	
		375,306.96	69,057.40
Receivables with Full Reserves:			
User Accounts Receivable	D-7	52,380.10	86,001.91
Sewer Utility Liens	D-10	2,346.32	2,346.32
		54,726.42	88,348.23
Deferred Charges:			
Operating Deficit	D-1		95,164.19
Overexpenditure of Appropriation	D-18		17,448.23
Total Operating Fund		$ 430,033.38	$ 270,018.05
Capital Fund:			
Cash	D-5	$ 208,921.33	$ 338,921.20
Fixed Capital Authorized and Uncompleted	D-15	1,140,794.00	893,794.00
Due Sewer Operating Fund	D-9		9,535.60
Total Capital Fund		$ 1,349,715.33	$ 1,242,250.80
		$ 1,779,748.71	$ 1,512,268.85
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-13	$ 16,891.87	$ 103,998.24
Encumbrances Payable	D-21	48,746.88	
Accrued Interest on Bonds	D-20	28,009.34	17,448.74
Overpayments	D-11	1,304.92	1,548.21
Due Current Fund	D-8	29,793.76	32,638.10
Due Sewer Capital Fund	D-8		9,535.60
		124,746.77	165,168.89
Reserve for Receivables	D	54,726.42	88,348.23
Fund Balance	D-1	250,560.19	16,500.93
Total Operating Fund		$ 430,033.38	$ 270,018.05
Capital Fund:			
Capital Improvement Fund	D-12	$ 30,122.00	$ 43,122.00
Due General Capital Fund	D-9	9,746.00	123,132.00
Due Sewer Operating	D-9	1,851.89	
Bond Anticipation Notes	D-17	781,106.00	790,852.00
Encumbrances Payable	D-14	143,601.61	143,601.61
Reserve for Amoritizations	D-19	13,500.00	13,500.00
Improvement Authorizations:			
Unfunded	D-16	367,853.73	126,109.09
Fund Balance	D-2	1,934.10	1,934.10
Total Capital Fund		$ 1,349,715.33	$ 1,242,250.80
		$ 1,779,748.71	$ 1,512,268.85

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

"D-1"

BOROUGH OF FANWOOD

SEWER UTILITY FUND

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

	REF.	YEAR ENDED DECEMBER 31, 2025	YEAR ENDED DECEMBER 31, 2024
REVENUE AND OTHER INCOME REALIZED			
Sewer Use Charges	D-3:D-5	$ 962,426.81	$ 657,739.30
Non-Budget Revenue	D-3:D-5	10,184.17	17,983.46
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-13	103,998.24	17,237.05
Total Income		$ 1,076,609.22	$ 692,959.81
EXPENDITURES			
Operating	D-4	$ 676,019.72	$ 757,339.00
Capital Improvements	D-4		100.00
Debt Service	D-4	53,917.82	30,684.49
Deferred Charges and Statutory Expenditures	D-4	112,612.42	
Total Expenditures		$ 842,549.96	$ 788,123.49
Excess in Revenue		$ 234,059.26	$
Operating Deficit to be Raised in Budget of Succeeding Year	D		(95,164.19)
Fund Balance			
Balance, January 1	D	16,500.93	156,817.88
		$ 250,560.19	$ 156,817.88
Decreased by:			
Payment to Current Fund as Anticipated Revenue		$	$ 140,316.95
		$	$ 140,316.95
Balance, December 31	D	$ 250,560.19	$ 16,500.93

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

"D-2"

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	
Balance, December 31, 2025 and December 31, 2024	D	$ 1,934.10

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

"D-3"

BOROUGH OF FANWOOD

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	REF.	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Sewer Use Charges	D-1:D-5	$ 842,549.96	$ 962,426.81	$ 119,876.85
Miscellaneous Revenue Not Anticipated	D-1:D-5		10,184.17	10,184.17
		$ 842,549.96	$ 972,610.98	$ 130,061.02
	REF.	D-4		

ANALYSIS OF REALIZED REVENUE

Consumer Accounts Receivable:		
Sewer Use Charges	D-5	$ 962,426.81

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

BOROUGH OF FANWOOD

SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

		APPROPRIATIONS		EXPENDED	
		BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:					
Salaries and Wages		$ 75,000.00	$ 75,000.00	$ 74,999.96	$ 0.04
Other Expenses		601,019.72	601,019.72	584,127.89	16,891.83
Total Operating		$ 676,019.72	$ 676,019.72	$ 659,127.85	$ 16,891.87
Debt Service:					
Payment of Bond Anticipation Notes & Capital Notes		$ 9,746.00	$ 9,746.00	$ 9,746.00	$
Interest on Notes		44,171.82	44,171.82	44,171.82	
Total Debt Service		$ 53,917.82	$ 53,917.82	$ 53,917.82	$
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Overexpenditure of Appropriations		$ 17,448.23	$ 17,448.23	$ 17,448.23	$
Deficit in Operations In Prior Years		95,164.19	95,164.19	95,164.19	
Total Deferred Charges and Statutory Expenditures		$ 112,612.42	$ 112,612.42	$ 112,612.42	$
		$ 842,549.96	$ 842,549.96	$ 825,658.09	$ 16,891.87
	REF.		D-3		D

Accrued Interest on Bonds, Notes and Loans	D-20	$ 10,560.60
Disbursements	D-5	653,738.19
Deferred Charges	D-18	112,612.42
Encumbrances Payable	D-21	48,746.88
		$ 825,658.09

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

BOROUGH OF FANWOOD

GENERAL FIXED ASSET ACCOUNT GROUP

BALANCE SHEETS-REGULATORY BASIS

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Fixed Assets:		
Buildings	$ 4,178,500.00	$ 4,178,500.00
Land	18,461,200.00	18,461,200.00
Machinery and Equipment	7,615,579.84	6,915,628.27
	$ 30,255,279.84	$ 29,555,328.27
Reserve:		
Investments in General Fixed Assets	$ 30,255,279.84	$ 29,555,328.27

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; of the Borough is obligated for the debt of the organization. Except as noted below, the financial statements of the Borough of Fanwood include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Fanwood, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Fanwood do not include the operations of the regional school district, inasmuch as its activities are administered by a separate board.

B. Description of Funds

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

The accounting policies of the Borough of Fanwood conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Fanwood are organized on the basis of funds and an account group which is different from the fund structure required by GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups:

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

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

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

Sewer Utility Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipality owned Sewer utility

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

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

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

Fixed Capital - Sewer Utility - Accounting for utility fund "fixed capital" remains uncharged under N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization account in the utility capital fund represents charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions - Under GAAP, municipalities are required to record their distributive shares of net pension liability, deferred outflows of resources, and deferred inflows of resources in the statement of Net Position and total pension related expense in the Statements of Revenues, Expenses, and Changes in Net Position and Notes to the Financial Statements in accordance with GASB 68.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68, however, local units are permitted to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2025 was not available, therefore the information dated June 30, 2024 is disclosed.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) - Under GAAP, municipalities required to record their distributive shares of OPEB liability, deferred outflows of resources, and deferred inflows of resources in the statement of Net Position and total OPEB related expense in the Statements of Revenues, Expenses, and Changes in Net Position and Notes to the Financial Statements in accordance with GASB 75.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish, and budget reserve funds subject to N.J.S.A. 40A:4-39 for the future payment of compensated absences.

Under GAAP, the Borough would be required to record a liability for compensated absences, including salary related payments, as those benefits are earned and meet the recognition criteria established by GASB 101. However, under the accounting practices prescribed by the State of New Jersey, compensated absences are recorded only when due and payable. Accordingly, the Borough has not recorded a liability for compensated absences in accordance with GASB 101.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Leases - Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right –to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

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

The Borough of Fanwood had the following cash and cash equivalents at December 31, 2025:

		Reconciling Items			
Fund Type	Bank Balance	Additions	Deletions	Petty Cash / Change Funds	Reconciled Balance
Current Fund	$ 3,850,081.77	$ 172,174.33	$ 53,161.07	$ 350.00	$ 3,969,445.03
Animal Control Trust Fund	653.53	788.86	110.00		1,332.39
Trust Other Fund	1,330,989.35	3,215.79	7,610.66		1,326,594.48
Municipal Open Space Trust Fund	39,234.70				39,234.70
General Capital Fund	829,156.97	70.00	13,500.48		815,726.49
Sewer Utility Operating Fund	330,186.19	384.85	10,806.97		319,764.07
Sewer Utility Capital Fund	222,897.61		13,976.28		208,921.33
Total December 31, 2025	$ 6,603,200.12	$ 176,633.83	$ 99,165.46	$ 350.00	$ 6,681,018.49

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2025, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, $720,940.26 was covered by Federal Depository Insurance and $5,592,702.88 was covered under the provisions of NJGUDPA. $289,556.98 is invested in the New Jersey Cash Management fund (cash equivalents) and is uninsured.

B. Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

8. Agreements for the repurchase of fully collateralized securities if:

   a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

   b. the custody of collateral is transferred to a third party;

   c. the maturity of the agreement is not more than 30 days;

   d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and

   e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2025, the Borough has $289,556.98 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds. A summary of bond and note transactions for the year ended December 31, 2025 are detailed on Exhibits "C-11", "C-12" and "D-17".

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

	YEAR 2025	YEAR 2024	YEAR 2023
Issued:			
General:			
Bonds, Notes and Loans	$ 20,161,386.03	$ 21,562,678.37	$ 20,890,028.71
Bonds and Notes Guaranteed by the Borough			2,000,000.00
Sewer Utility:			
Bonds and Notes	781,106.00	790,852.00	647,304.00
	$ 20,942,492.03	$ 22,353,530.37	$ 23,537,332.71
Less: Bonds Issued by Another Public Entity			2,000,000.00
Less: Cash on Hand to Pay Notes	24,096.00	24,194.00	197,500.00
Less: Reserve to Pay Bonds and Notes		43,945.00	43,945.00
Net Debt Issued	$ 20,918,396.03	$ 22,285,391.37	$ 21,295,887.71
Authorized But Not Issued			
General:			
Bonds and Notes	$ 2,925,926.28	$ 1,966,111.28	$ 2,525,560.28
Bonds and Notes Guaranteed by the Borough			6,000,000.00
Assessment Trust:			
Bonds and Notes	318.56	318.56	318.56
Sewer Utiltiy:			
Bonds and Notes	326,696.00	79,696.00	232,990.00
	$ 3,252,940.84	$ 2,046,125.84	$ 8,758,868.84
Less: Bonds Authorized by Another Public Entity			6,000,000.00
Net Authorized But Not Issued	$ 3,252,940.84	$ 2,046,125.84	$ 2,758,868.84
Net Bonds and Notes Issued and Authorized But Not Issued	$ 24,171,336.87	$ 24,331,517.21	$ 24,054,756.55

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 as amended and indicates a statutory net debt of 1.314%.

	GROSS DEBT	DEDUCTIONS	NET DEBT
Regional School District Debt	$ 4,512,498.10	$ 4,512,498.10	$ -0-
Sewer Utility Debt	1,107,802.00	1,107,802.00	-0-
General Debt	23,087,630.87	24,096.00	23,063,534.87
	$ 28,707,930.97	$ 5,644,396.10	$ 23,063,534.87

NET DEBT $23,063,534.87 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, AS AMENDED, $1,755,085,805.67 EQUALS 1.314%.

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

Equalized Valuation Basis* - December 31, 2025	$1,755,085,805.67
3-1/2 of Equalized Valuation Basis	61,428,003.20
Net Debt	23,063,534.87
Remaining Borrowing Power	$38,364,468.33

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

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER N.J.S.A. 40A:2-45

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year		$ 972,610.98
Deductions:		
Operating and Maintenance Cost	$ 676,019.72	
Debt Service	53,917.82	
Total Deductions		729,937.54
Excess in Revenues (Self-Liquidating)		$ 242,673.44

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BOND ANTICIPATION NOTES

	Interest Rate	Issue and Maturity Dates	Amount
General Capital Fund	4.00%	02/27/25 to 02/26/26	$ 9,654,824.00
Sewer Capital Fund	4.00%	02/27/25 to 02/26/26	$ 781,106.00

EMERGENCY NOTES PAYABLE

	Interest Rate	Issue and Maturity Dates	Amount
Emergency Note	4.00%	02/27/25 to 02/26/26	$ 81,760.00

LONG-TERM DEBT – ISSUED

General Serial Bonds:	OUTSTANDING BALANCE DECEMBER 31, 2025
$6,240,000.00 2016 Bonds due in annual remaining installments of $250,000.00 to $500,000 through September 2033 at interest rates between 2.000% and 3.000%.	$3,600,000.00
$4,600,000.00 2013 Bonds due in annual remaining installments of $170,000.00 to $240,000.00 through August 2036 at interest rates between 3.250% and 4.500%.	$2,585,000.00
$5,348,000.00 2021 Bonds due in annual remaining installments of $250,000.00 to $500,000.00 through April 2036 at interest rates between 1.000% and 4.000%.	$3,788,000.00
	$9,973,000.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Environmental Infrastructure Loans:	OUTSTANDING BALANCE DECEMBER 31, 2025
$350,000.00 2014 Loan due in annual remaining installments of $15,000.00 to $25,000.00 through August 2033 at interest rates between 3.00% and 5.00%.	$170,000.00
$1,027,255.50 2004 Interest Free Loan due in annual remaining installments between $52,233.34 to $50,161.99 through August 2032	$363,562.03
	$533,562.03

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2025, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	$ 2,925,926.28
Assessment Trust Fund	$ 318.56
Sewer Capital Fund	$ 326,696.00

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2025

	GENERAL CAPITAL		
YEAR	PRINCIPAL	INTEREST	TOTAL
2026	$ 1,125,000.00	$ 262,845.02	$ 1,387,845.02
2027	895,000.00	232,120.02	1,127,120.02
2028	905,000.00	205,645.02	1,110,645.02
2029	920,000.00	178,520.02	1,098,520.02
2030	940,000.00	153,829.39	1,093,829.39
2031-2035	4,448,000.00	414,568.76	4,862,568.76
2036	740,000.00	15,800.00	755,800.00
	$ 9,973,000.00	$ 1,463,328.23	$11,436,328.23

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR ENVIRONMENTAL INFRASTRUCTURE LOAN DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2025

CALENDAR YEAR	TOTAL	TRUST LOAN PRINCIPAL	TRUST LOAN INTEREST	FUND LOAN PRINCIPAL
2026	$ 77,427.10	$ 20,000.00	$ 5,193.76	$ 52,233.34
2027	76,827.10	20,000.00	4,593.76	52,233.34
2028	76,227.10	20,000.00	3,993.76	52,233.34
2029	75,627.10	20,000.00	3,393.76	52,233.34
2030	75,027.10	20,000.00	2,793.76	52,233.34
2031-2033	176,995.35	70,000.00	4,600.02	102,395.33
	$ 558,130.85	$ 170,000.00	$ 24,568.82	$ 363,562.03

NOTE 4: FUND BALANCES APPROPRIATED

Fund Balance at December 31, 2025, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2026, was as follows:

Current Fund	$ 700,000.00
Sewer Utility Fund	$ -0-

NOTE 5: PROPERTY TAXES

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

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

	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Prepaid Taxes	$326,895.03	$126,043.42

NOTE 6: PENSION PLANS

Substantially, all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrprts.shtml.

Plan Descriptions

Public Employees' Retirement System *(PERS)* - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest alter four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP. Employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of base salary. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. PFRS members contributed at a rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to $879,859.00 for 2025, $891,323.00 for 2024, and $816,456.00 for 2023.

All contributions were equal to the required contributions for each of the three years, respectively. Certain Township employees are also covered by Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB 68

As discussed in Note 1, as of the date of this report the information for the period ended June 30, 2025, for PERS and PFRS was not available, therefore the information dated June 30, 2024 is disclosed.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of $2,458,154.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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 employers, actuarially determined. At June 30, 2024, the Borough's proportion was 0.0180905634 percent, which was a decrease of 0.0032611148 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension benefit of $6,993.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2024 billing was $285,371.00.

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 49,241.00	$ 6,544.00
Changes of assumptions	3,054.00	27,968.00
Net difference between projected and actual earnings on pension plan investments		113,978.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	182,142.00	477,127.00
	$ 234,437.00	$ 625,617.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended June 30,	Amount
2025	($163,364.00)
2026	21,759.00
2027	(105,458.00)
2028	(85,818.00)
2029	(58,299.00)
	($391,180.00)

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% Based on Years of Service
Investment Rate of Return	7.00%

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.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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 is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2024 asset are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasury's	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Borough's proportionate share of net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of 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, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Borough's proportionate share of the pension liability	$3,266,282.00	$2,458,154.00	$1,770,441.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The amounts contributed by the State on behalf of the Borough 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. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Borough as of June 30, 2024 was 0.0181741431% which was a decrease of 0.0032586011 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2024 and June 30, 2023 was $7,925.00 and $9,645.00, respectively.

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 report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions

Police and Firemen's Retirement System (PFRS)

At June 30, 2024, the State reported a net pension liability of $4,458,557.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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 employers, actuarially determined.

At June 30, 2024, the Borough's proportion was 0.0431754600 percent, which was an increase of 0.0011951800 percent from its proportion measured as of June 30, 2023.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

For the year ended June 30, 2024, the State recognized an actuarially determined pension benefit of $67,321.00 The pension expense recognized in the Borough's financial statements based on the April 1, 2024, billing was $558,842.00.

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 280,886.00	$ 152,636.00
Changes of assumptions	7,048.00	130,940.00
Net difference between projected and actual earnings on pension plan investments		34,896.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	188,301.00	859,867.00
	$ 476,235.00	$ 1,178,339.00

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Amount
2025	$ (350,275.20)
2026	114,525.80
2027	(196,769.20)
2028	(163,316.20)
2029	(108,510.20)
Thereafter	2,241.00
	$ (702,104.00)

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	All future years 3.25-16.25% Based on years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pubs-2010 Safety Employee amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pubs-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount weighted mortality table for males and 100% for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

Assets Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2024. 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 nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the 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, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Borough's proportionate share of the PFRS pension liability	$6,370,286.00	$4,458,557.00	$2,866,506.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough 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. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Borough as of June 30, 2024 was 0.0431753600% which was an increase of 0.0011952800 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the years ended June 30, 2024 and June 30, 2023 was $101,121.00 and $97,740.00, respectively.

At June 30, 2024 and 2023, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is $878,995.00 and $854,663.00, respectively.

At June 30, 2024, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	$4,458,557.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	878,995.00
	$5,337,552.00

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 report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 http://www.state.nj.us/treasury/pensions.

NOTE 7: LITIGATION

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

NOTE 8: SCHOOL TAXES

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

	REGIONAL SCHOOL TAX	
	BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Balance of Tax	$12,365,042.23	$11,653,836.23
Deferred	12,452,116.00	11,740,906.50
Tax Payable(Prepaid)	($87,073.77)	($87,070.27)

NOTE 9: TERMINATION BENEFITS

Under existing contracts and policies of the Borough, employees, upon attaining retirement, accumulate benefits which may be taken as time off or paid in a lump sum. The accumulated cost of such unpaid termination compensation is not required to be reported in the financial statements as presented. The Borough has estimated its liability to be $103,805.20. The Borough annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2025.

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2025, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

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

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

Year	Borough Contributions and Interest	Employee Contributions	Amount Reimbursed	Ending Balance
2025	$ 105.12	$ 6,492.25	$ 163.50	$ 6,435.68
2024	96.88	8,699.50	15,239.12	1.81
2023	208.04	6,187.20	8,373.85	6,444.55

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2025:

Fund	Interfund Receivable	Interfund Payable
Current Fund	$60,564.66	$9,105.06
Assessment Trust Fund		$318.56
Animal Control Fund		1.21
Trust Other Fund		30,451.13
General Capital Fund	18,851.06	53,691.00
Sewer Utility Operating Fund	55,542.89	29,793.76
Sewer Utility Capital Fund		11,597.89
	$134,958.61	$134,958.61

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

NOTE 13: DEFERRED COMPENSATION PLAN

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

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

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

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

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

Under this program, each volunteer that performs the minimum amount of service will have an annual contribution deposited into a tax deferred income account that will earn interest for the volunteer. New Jersey statutes establish a minimum contribution of $100 and a maximum contribution of $1,150 per year, subject to annual increases as certified by the Division of Local Government Services. The cost will be budgeted annually in the budget of the Borough and amounted to $26,000.00 in 2025.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by State regulations.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

Plan Description

The Borough's defined benefit OPEB plan, Borough of Fanwood Postretirement Healthcare Plan (the Plan), provides OPEB for all eligible employees of the Borough in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Borough. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical and prescription, benefits provided that they have meet the eligibility requirement contained in the Borough' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	46
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active Employees	24
	70

Contributions

The contribution requirements of the Borough and Plan members are established and maybe be amended by the Borough's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical and prescription drug coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Borough's plan document, ranging from 3.5% to 35%.

Net OPEB Liability

The Borough's total net OPEB liability of $25,194,039 was measured as of July 1, 2024 and was determined by an actuarial valuation as of December 31 2025.

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.83%
Salary Increases	2.50%

Healthcare cost trend rates: Medical 7.5 percent decreasing by 0.50 percent per annum, leveling at 4.5 percent per annum in 2032. Drug 12.75 percent in 2025, leveling at 4.5 percent per annum in 2034. Medicare Advantage: 4.5 percent per annum. Dental and Vision: 3.5 percent per annum.

Mortality rates were based on the December 31, 2023 PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021.

Demographic assumptions were selected based on on those used by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2024 report from Cherion. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of Local Finance Notice 2007-15.

Health care (economic) assumptions were selected based on those used by the State health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2024 report from Aon Consultants.

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met. The discount rates used for determining the Total OPEB liabilities at December 31, 2024, based on the Bond Buyers 20 Index, is 4.83%.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/24	$23,452,813
Changes for the year:	
Service cost	300,135
Interest Cost	951,689
Differences between expected and actual experience	1,901,273
Changes in assumptions or other inputs	(557,413)
Benefit payments including employee refunds	(854,458)
Net change in OPEB Liability	1,741,226
Balance at 12/31/25	$25,194,039

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates.

The following presents the total OPEB liability of the Borough, as well as what the Borough's total 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 discount rate:

	December 31, 2025		
	1.00% Decrease (3.83%)	At Discount Rate (4.83%)	1.00% Increase (5.83%)
Net OPEB Liability	$28,052,340	$25,194,039	$22,840,910

NOTE 15: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2025		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Net OPEB Liability	$23,061,629	$25,194,039	$27,786,950

At December 31, 2025, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Subtotals Based on Prior Year Valuations		($145,910)
Differences between expected and Actual experience	$5,076,768	
Change of Assumptions	5,876,623	(2,825,600)
	$10,953,391	($2,971,510)

The Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Borough's actuarially calculated OPEB (benefit)/expense as follows:

Year Ended December31,	Amount
2026	$40,352
2027	1,237,280
2028	1,111,771
2029	1,111,771
2030	1,111,771
Total Thereafter	2,568,936
	$7,181,881

NOTE 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2025, the following deferred charges are shown:

	BALANCE DECEMBER 31, 2025	2026 BUDGET APPROPRIATION	BALANCE TO SUCCEEDING YEARS
Current Fund:			
Emergency Appropriations-40A:4-53	$ 91,760.00	$ 51,920.00	$ 39,840.00
	$ 91,760.00	$ 51,920.00	$ 39,840.00

NOTE 17: TAX APPEALS

There are several tax appeals filed requesting a reduction of assessments for the prior year. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has made provision in the amount of $9,754.11 for these appeals in the event tax reductions are granted.

NOTE 18: TAX ABATEMENTS

The Borough negotiates property tax abatement agreements on an individual basis. The Borough has a tax abatement agreement with four entities as of December 31, 2025:

Purpose of Agreement	Taxes if billed at full 2025 Tax Rate	Received for Payments in Lieu of Taxes & Land Tax	Taxes Abated
Fanwood Crossing II - Construction of low and moderate income housing project	$ 221,410.80	$ 68,226.66	$ 153,184.14
Fanwood Crossing III - Construction of low and moderate income housing project	107,568.24	48,161.02	59,407.22
250 South Ave - Construction of low and moderate income housing project	173,518.80	84,794.27	88,724.53
Station Square at Fanwood LLC - Constuction of low and moderate income housing project	226,322.34	173,598.20	52,724.14
Total	$ 728,820.18	$ 374,780.15	$ 354,040.03

NOTE 18: TAX ABATEMENTS (CONTINUED)

The full amount to be raised by taxes for support of each Government's budget is levied on properties not subject to such agreements, therefore there is no aggregate reduction of tax revenue to the Governments as a result of the abatement.

These agreements were negotiated under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-l et seq (the Law), which authorizes municipalities to enter into financial agreements with Urban Renewal Entities. An Urban Renewal Entity is a limited-dividend entity or a nonprofit entity which undertakes redevelopment projects (both commercial and residential), relocation projects for residents displaced by the redevelopment area, and low and moderate income housing projects in return for tax exemptions, or payments in lieu of taxes referred to as "annual service charges".

The Law allows annual service charges to be calculated as a percentage of either gross revenue from each unit of the project or from total project cost, if the project is not undertaken in units. In the case of low and moderate income housing projects, the annual service charge shall not exceed 15% of annual gross revenue or 2% of total project cost. For all other projects, the annual service charge shall not be less than 10% of annual gross revenue or 2% of total project cost. The Borough's abatements are categorized as low and moderate income housing projects. There are a total of five stages in the abatement period. The final four phases require the Urban Renewal Entity to remit the greater of the agreed upon annual service charge or 20%, 40%, 60% and 80%, respectively, of the amount of taxes otherwise due on the value of the land and improvements.

The Law only allows for taxes on improvements to be abated. Taxes on land are billed quarterly to the Urban Renewal Entity and are credited against the annual service charges due. To administer the billing, the land value and improvement value of the abated property are separate line items in the tax assessment and collection records. The land value is billed quarterly at the total property tax rate. The improvement value is classified as exempt property (Class 15F), generating no bill.

Under the Law, abatements may provide for an exemption period of less than 30 years from the completion of the entire project or less than 35 years from the execution of the financial agreement. Further, Urban Renewal Entity profits are restricted and any excess profits are payable to the municipality as an additional annual service charge.

The Law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement. However, in the event of default, the Borough has the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1 and/or may terminate the agreement. The Borough has not made any commitments as part of the agreements other than reduce taxes. The Borough is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 19: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2025:

	Balance December 31, 2024	Additions	Balance December 31, 2025
Land	$ 18,461,200.00	$	$ 18,461,200.00
Buildings	4,178,500.00		4,178,500.00
Machinery and Equipment	6,915,628.27	699,951.57	7,615,579.84
	$ 29,555,328.27	$ 699,951.57	$ 30,255,279.84

NOTE 20: LEASES

The Borough, as lessor, has entered into the following leases:

- Cell Tower – Verizon Wireless. The current lease term expires 9/27/27 with three successive five-year extensions available and includes annual increases of 3.00%. Payments in 2025 totaled $54,339.05.

- Cell Tower – T-Mobile. The current lease term expires 8/29/29 with no successive extensions available and includes annual increases of 3.00%. Payments in 2025 totaled $56,970.62.

NOTE 21: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through June 24, 2026 which is the date the financial statements were available to be issued.

Issuance of Debt:

The Borough issued $10,699,000.00 in General Obligation Bonds, Sewer Utility Bonds, and Special Emergency Bonds at interest rates between 1.00% to 4.00% dated February 25, 2026.

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BOROUGH OF FANWOOD

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2025

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	REF.	CURRENT FUND	
Balance, December 31, 2024	A		$ 2,407,026.82
Increased by Receipts:			
Taxes Receivable	A-9	$ 39,756,897.46	
Prepaid Taxes	A-17	326,895.03	
Tax Overpayments	A-18	105,137.63	
Revenue Accounts Receivable	A-12	2,555,580.48	
Miscellaneous Revenue Not Anticipated	A-2	21,213.11	
Interfunds Receivable	A-23	1,100,122.18	
Appropriations Refunds	A-3	299,408.05	
Grants Receivable	A-5	1,049,589.98	
State of New Jersey-Senior Citizens and Veterans Deductions-Chapter 20, P.L.1971	A-8	26,397.27	
Petty Cash	A-7	400.00	
Emergency Note Payable	A-33	81,760.00	
Reserve for Sale of Municipal Assets	A-14	94,000.00	
P.I.L.O.T. Revenue to County	A-31	18,739.01	
Due to State of New Jersey:			
State Training Fees	A-25	12,429.00	
DCA Lead Fees	A-34	40.00	
Marriage License Fees	A-16	625.00	
			45,449,234.20
			$ 47,856,261.02
Decreased by Disbursements:			
Appropriations	A-3	$ 11,382,202.64	
Appropriation Reserves	A-13	248,340.75	
County Taxes	A-20	6,396,471.33	
Regional School Taxes	A-21	24,193,026.00	
Municipal Open Space Taxes	A-32	127,466.30	
Interfunds Payable	A-23	720,639.08	
Petty Cash	A-7	400.00	
Reserve for Tax Appeals	A-28	2,656.04	
Reserve for Snow Removal	A-30	1,646.42	
County P.I.L.O.T.	A-31	24,663.89	
Tax Overpayments	A-18	56,443.12	
Refund of Prior Year Revenue	A-1	4,587.36	
Emergency Note Payable	A-33	151,680.00	
Reserve for Grants Appropriated	A-22	563,600.06	
Due to State of New Jersey:			
State Training Fees	A-25	13,343.00	
			43,887,165.99
Balance, December 31, 2025	A		$ 3,969,095.03

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

PROGRAM	BALANCE DECEMBER 31, 2024	2025 ANTICIPATED REVENUE	RECEIVED	BALANCE DECEMBER 31, 2025
Clean Communities Grant	$	$ 17,811.52	$ 17,811.52	$
NJ Council for the Humanities	3,000.00			3,000.00
Smart Future Historic Preservation Grant	7,054.70			7,054.70
Bulletproof Vest Program	1,179.73			1,179.73
Union County Kids Recreation Grant-09	688.98			688.98
Union County Kids Recreation Grant-11	9,922.06			9,922.06
Union County Kids Recreation Grant	50,000.00			50,000.00
Union County Kids Recreation Grant-16	30,325.39			30,325.39
Union County Kids Recreation Trust Grant -18	40,000.00			40,000.00
Union County Level the Playing Field Grant	10,000.00			10,000.00
Municipal Alliance	10,894.56			10,894.56
TDR Grant 06	20,000.00			20,000.00
NJDEP Stormwater Assistance Grant	10,000.00			10,000.00
Local Domestic Preparedness Equip Grant	21,500.00			21,500.00
Union County Greening Grant	967.25			967.25
NJ Clean Energy Direct Install Program	23,514.58			23,514.58
NJ Forest Service Community - Forestry Program	455.00			455.00
Infrastructure Municipal Aid		40,000.00		40,000.00
Pedestrian Safety, Education & Enforcement Grant		20,000.00	8,785.00	11,215.00
Recycling Tonnage Grant		7,993.46	7,993.46	
PSE&G Reliability Grant	27,000.00			27,000.00
Community Energy Plan Grant	10,000.00			10,000.00
Union County Heart Grant	1,850.00	2,500.00	2,500.00	1,850.00
Union County Heart Grant	937.50			937.50
Local Recreation Improvement Grant	82,000.00			82,000.00
Preserve Union County-Carriage House	7,947.02			7,947.02
Historic Preservation Grant	150,500.00	15,000.00		165,500.00
Sustainable NJ	2,000.00			2,000.00
Green Acres Program	62,802.58			62,802.58
Greening Union County	2,388.25			2,388.25
CDBG Forest Road Generator	40,000.00			40,000.00
UC Kids Recreation Trust		2,800.00		2,800.00
DCA Legislature - LaGrande Tennis Courts		350,000.00	262,500.00	87,500.00
DCA Legislature - Capital Improvements		1,000,000.00	750,000.00	250,000.00
National Law Enforcement & Firefighters Childrens Foundation	2,000.00			2,000.00
	$ 628,927.60	$ 1,456,104.98	$ 1,049,589.98	$ 1,035,442.60
REF.	A	A-2	A-4	A

"A-6"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

	REF.	
Balance, December 31, 2025 and December 31, 2024	A	$ 350.00
OFFICE		
Municipal Court		$ 100.00
Board of Health		50.00
Collector		200.00
		$ 350.00

"A-7"

SCHEDULE OF PETTY CASH

OFFICE	RECEIEVED FROM TREASURER	RETURNED TO TREASURER
Treasurer	$ 400.00	$ 400.00
REF.	A-4	A-4

BOROUGH OF FANWOOD

CURRENT FUND

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

	REF.		
Balance, December 31, 2024 (Due From)	A		$ 12,512.96
Increased by:			
Senior Citizens and Veterans Deductions:			
Allowed by Collector		$ 250.00	
Per Tax Billings		27,000.00	
			27,250.00
			$ 39,762.96
Decreased by:			
Senior Citizens and Veterans Deductions:			
Received in Cash From State	A-4	26,397.27	
			26,397.27
Balance, December 31, 2025 (Due From)	A		$ 13,365.69

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

Senior Citizens and Veterans Deductions:			
Per Tax Billings		$ 27,000.00	
Allowed by Collector		250.00	
	A-9		$ 27,250.00

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2024	2025 LEVY	COLLECTIONS BY CASH 2024	COLLECTIONS BY CASH 2025	TRANSFERRED TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2025
2024	$ 378,144.52	$	$	$ 378,144.52	$	$	$
2025		39,955,191.43	126,043.42	39,420,271.20	636.48	14,067.97	394,172.36
	$ 378,144.52	$ 39,955,191.43	$ 126,043.42	$ 39,798,415.72	$ 636.48	$ 14,067.97	$ 394,172.36
REF.	A		A-2:A-17	A-2	A-10		A

	REF.	
Collector	A-4	$ 39,756,897.46
Overpayments Applied	A-18	14,268.26
State of New Jersey	A-8	27,250.00
		$ 39,798,415.72

ANALYSIS OF 2025 PROPERTY TAX LEVY

TAX YIELD			
General Purpose Tax			$ 39,769,486.63
Added and Omitted Tax (54:4-63.1 et.seq.)			185,704.80
			$ 39,955,191.43
TAX LEVY			
Regional District School Tax:			
Levy (Abstract)	A-21		$ 24,904,232.00
County Tax (Abstract)	A-20	$ 6,369,026.06	
Due County for Added Taxes - (54:4-63.1 et.seq.)	A-20	27,445.27	
Total County Tax			6,396,471.33
Local Tax for Municipal Purposes (Abstract)	A-2	$ 7,772,117.88	
Municipal Open Space	A-32	127,466.30	
Minimum Library Tax	A-2	588,674.84	
Add: Additional Taxes Levied		166,229.08	
			8,654,488.10
TOTAL			$ 39,955,191.43

"A-10"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	REF.		
Balance, December 31, 2024	A	$	32,481.97
Increased by: Transfers From Taxes Receivable	A-9		636.48
Balance, December 31, 2025	A	$	33,118.45

"A-11"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATION

Balance, December 31, 2025 and December 31, 2024	A	$	12,279.00

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	REF.	BALANCE DECEMBER 31, 2024	ACCRUED IN 2025	COLLECTED	BALANCE DECEMBER 31, 2025
Clerk:					
Licenses:					
Alcoholic Beverage	A-2	$	$ 7,500.00	$ 7,500.00	$
Health Officer:			0.00		
Licenses	A-2		9,230.00	9,230.00	
Fees and Permits	A-2		880.00	880.00	
Municipal Court:			0.00		
Fines and Costs	A-2	2,500.86	87,981.35	84,530.14	5,952.07
Police Department:			0.00		
Fees and Permits	A-2		23,585.00	23,585.00	
Zoning Fees and Permits	A-2		9,760.00	9,760.00	
Fire Inspection Fees	A-2		51,675.00	51,675.00	
Interest and Cost on Taxes	A-2		82,576.19	82,576.19	
Parking Meters	A-2		290,000.00	290,000.00	
Interest on Investments	A-2		182,079.96	182,079.96	
Energy Receipts Tax	A-2		764,294.54	764,294.54	
Capital Fund Balance	A-2		65,317.54	65,317.54	
Uniform Fire Safety Act	A-2		8,728.57	8,728.57	
Shared Services - Garwood DPW Director	A-2		50,388.02	50,388.02	
Shared Services - Garwood - Municipal Court	A-2		30,000.00	30,000.00	
T Mobile Rental Fee	A-2		111,309.67	111,309.67	
Bulk Waste Pick Up	A-2		36,945.00	36,945.00	
Uniform Construction Code	A-2		223,936.00	223,936.00	
Verizon TV	A-2		64,721.13	64,721.13	
Reserve for Debt Service	A-2		43,945.00	43,945.00	
Cable T.V.-Gross Revenue Franchise Fee	A-2		27,155.51	27,155.51	
P.I.L.O.T. Elite Phase I	A-2		80,554.56	80,554.56	
Pilot - Fanwood Crossing 2	A-2		64,815.33	64,815.33	
Pilot - Fanwood Crossing 3	A-2		45,752.97	45,752.97	
Pilot - Station Square	A-2		164,918.29	164,918.29	
Indirect Costs - UCC	A-2		30,982.07	30,982.07	
		$ 2,500.86	$ 2,559,031.69	$ 2,555,580.48	$ 5,952.07
	REF.	A		A-4	A

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF 2024 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
SALARIES AND WAGES:				
Administrative and Executive	$ 2,398.50	$ 0.50	$	0.50
Office of the Mayor	407.32	407.32	0.00	407.32
Municipal Clerk	0.38	0.38	0.00	0.38
Assessment of Taxes	0.61	0.61	0.00	0.61
Collection of Taxes	2.26	2.26	0.00	2.26
Environmental Commission	2.09	2.09	0.00	2.09
Planning Board	442.22	442.22	0.00	442.22
Engineering	0.06	0.06	0.00	0.06
Police	16,128.92	16,128.92	16,128.92	0.00
Fire Prevention Bureau	1,515.22	1,515.22	780.00	735.22
Road Repair and Maintenance	3,333.34	0.34	0.00	0.34
Board of Health	338.50	338.50	0.00	338.50
Sanitation:			0.00	0.00
Solid Waste Management Act	100.00	100.00	0.00	100.00
Communications	821.51	821.51	0.00	821.51
Municipal Court	822.75	822.75	0.00	822.75
Zoning Officer	10.57	10.57	0.00	10.57
School Crossing Guards	1,793.07	1,793.07	1,793.07	0.00
		0.00	0.00	0.00
OTHER EXPENSES:			0.00	
Administrative and Executive	316.55	4,316.55	1,785.39	2,531.16
Office of The Mayor	128.55	128.55	0.00	128.55
Municipal Clerk	2,823.33	8,023.11	5,608.08	2,415.03
Financial Administration	4,358.24	18,358.24	18,316.02	42.22
Audit	0.00	1,150.00	0.00	1,150.00
Assessment of Taxes	1,864.68	1,864.68	0.00	1,864.68
Legal Services and Costs	6,406.50	16,115.17	9,235.93	6,879.24
Engineering Services and Costs	1,456.00	13,039.50	4,653.66	8,385.84
Planning Board	0.00	1,802.00	0.00	1,802.00
Environmental Commission	0.00	105.28	105.28	0.00
Insurance:			0.00	
Group Insurance	14,439.16	2,941.16	2,597.60	343.56
Fire:			0.00	
Fire Hydrants	10,017.30	19,918.29	9,900.99	10,017.30
Miscellaneous	10,507.80	13,325.68	11,392.12	1,933.56
Fire Prevention Bureau	5,879.05	1,390.05	1,390.05	0.00
Police	14,774.06	18,866.19	18,195.10	671.09
Dispatchers	0.64	0.64	0.00	0.64
Traffic Signal Maintenance	5,000.00	5,000.00	5,000.00	0.00
Sanitation:			0.00	
Solid Waste Management Act	389.39	35,655.24	35,655.24	0.00
Road Repair and Maintenance	7,559.58	22,544.83	20,286.53	2,258.30

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF 2024 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Salary Adjustment	$ 100.00	$ 100.00	$ 0.00	$ 100.00
Street Lighting	7,260.46	7,260.46	7,260.46	0.00
Board of Health	389.75	389.75	0.00	389.75
Senior Citizens	1,442.11	1,442.11	0.00	1,442.11
Snow Removal	335.58	5,335.58	5,335.58	0.00
NJ Public Employees Occupational & Safety Health Act	250.00	250.00	0.00	250.00
Right to Know Act	95.00	95.00	0.00	95.00
Celebration of Public Events	6,301.22	5,025.80	5,025.58	0.22
Utilities- Other	133.83	22,053.13	21,755.73	297.40
Gasoline and Diesel Fuel - Shared Service Westfield	25,505.89	25,505.89	20,165.87	5,340.02
Downtown Revitalization	8,243.69	3,657.69	3,657.50	0.19
Postage	2,589.23	0.23	0.00	0.23
Communications - Comm Assessment	1,000.90	8,437.40	7,196.90	1,240.50
N.J. Transit Contractual	3.77	3.77	0.00	3.77
Social Security System	6,313.54	0.54		0.54
Defined Contribution Retirement Program	1,223.87	1,223.87	220.38	1,003.49
Municipal Court	2,215.26	2,215.26	147.90	2,067.36
Maintenance of Free Public Library (N.J.S.A. 40:54)	92,083.93	116,201.67	116,201.67	0.00
Length of Service Award Program	4,241.90	4,241.90	0.00	4,241.90
Capital Improvement Fund	0.00	8,000.00	8,000.00	0.00
	$ 273,768.08	$ 418,371.53	$ 357,791.55	$ 60,579.98
REF.	A			A-1

Appropriation Reserves	A-13	$ 273,768.08
Transferred from Accounts Payable	A-24	144,603.45
		$ 418,371.53

Cash Disbursements	A-4	$ 248,340.75
Transferred to Reserve for Library	A-29	85,387.37
Transferred to Reserve for Snow Removal	A-30	1,141.43
Transferred to Reserve for Severance Pay	A-35	22,922.00
		$ 357,791.55

"A-14"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF
MUNICIPAL ASSETS

	REF.	
Increased by:		
Cash Receipts	A-4	$ 94,000.00
Decreased by:		
Anticipated Revenue	A-2	47,000.00
Balance, December 31, 2025	A	$ 47,000.00

"A-15"

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Balance, December 31, 2025 and December 31, 2024	A	$ 21,588.95

ANALYSIS OF BALANCE

Body Armor Replacement Fund	$ 1,587.80
ARPA Funds	20,000.15
Recycling Tonnage Grant	1.00
	$ 21,588.95

"A-16"

BOROUGH OF FANWOOD

CURRENT FUND

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

	REF.		
Balance, December 31, 2024	A	$	625.00
Increased by:			
Receipts	A-4		625.00
Balance, December 31, 2025	A	$	1,250.00

"A-17"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2024	A	$	126,043.42
Increased by:			
Collection of 2024 Taxes	A-4		326,895.03
		$	452,938.45
Decreased by:			
Applied to Taxes Receivable	A-9		126,043.42
Balance, December 31, 2025	A	$	326,895.03

"A-18"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	REF.		
Balance, December 31, 2024	A		$ 14,268.26
Increased by:			
Overpayments in 2025	A-4		105,137.63
			$ 119,405.89
Decreased by:			
Applied to Taxes Receivable	A-9	$ 14,268.26	
Refunded	A-4	56,443.12	
			70,711.38
Balance, December 31, 2025	A		$ 48,694.51

"A-19"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2024	A	$ 171,680.00
Decreased by:		
Raised in Budget	A-3	79,920.00
Balance, December 31, 2025	A	$ 91,760.00

"A-20"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	REF.		
Balance, December 31, 2024	A		$ 1,614.02
Increased by:			
2025 Levy	A-1:A-9	$ 6,369,026.06	
Added Taxes - 54:63.1 et.seq.	A-1:A-9	27,445.27	
			6,396,471.33
			$ 6,398,085.35
Decreased by:			
Payments	A-4		6,396,471.33
Balance, December 31, 2025	A		$ 1,614.02

"A-21"

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX

Balance, December 31, 2024			
School Tax Deferred		$ 11,740,906.50	
School Tax Prepaid	A	(87,070.27)	
			$ 11,653,836.23
Increased by:			
Levy	A-9		24,904,232.00
			$ 36,558,068.23
Decreased by:			
Payments in 2025	A-4		24,193,026.00
Balance, December 31, 2025			
School Tax Deferred		$ 12,452,116.00	
School Tax Prepaid	A	(87,073.77)	
			$ 12,365,042.23
2025 Liability for Regional School District Tax:			
School Tax Paid 2025			$ 24,193,026.00
Less: School Tax (Prepaid) December 31, 2024			87,070.27
			$ 24,280,096.27
Less: School Tax (Prepaid) December 31, 2025			(87,073.77)
	A-1		$ 24,193,022.50

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

PROGRAM		BALANCE DECEMBER 31, 2024	TRANSFERRED FROM ACCOUNTS PAYABLE	2025 APPROPRIATIONS	EXPENDED	BALANCE DECEMBER 31, 2025
Drunk Driving Enforcement Fund		$ 9,531.94	$	$	$	9,531.94
Clean Communities Program		12,673.29	3,100.00	17,811.52	18,027.93	15,556.88
Amercan Rescue Plan Act			3,682.38		3,682.38	
Recycling Enhancement Grant		7,993.32				7,993.32
Recycling Tonnage Grant		2,730.26		7,993.46	6,304.92	4,418.80
Improvements to Carriage House		106.99				106.99
PSE&G Reliability Project		25,713.00				25,713.00
Bulletproof Vest Program		1,179.73				1,179.73
Pedestrian Safety, Education & Enforcement Grant				20,000.00	8,785.00	11,215.00
CDBG Forest Road Generator		28,425.00				28,425.00
CDBG Senior Programs		1,166.87				1,166.87
Rahway River Rain Garden		1,173.10				1,173.10
Sustainable NJ		217.67				217.67
Sustainable NJ - Roots to Rivers		29.20				29.20
Union County Kids Recreation		92,257.06	66,000.00	2,800.00	92,258.87	68,798.19
Comcast Grant		30,776.70				30,776.70
Preserve Union County - Carriage House		80,000.00				80,000.00
Municipal Alliance - Local Match		225.19				225.19
Municipal Alliance		17,381.06				17,381.06
Body Armor Replacement Fund		6,639.42			1,251.78	5,387.64
Recycling Tonnage Grant		292.10				292.10
Community Energy Plan Grant		10,000.00				10,000.00
NJ Lead Assistance Grant		250.00				250.00
Elizabethtown Gas Game On Grant		524.44				524.44
2016 Infrastructure and Municipal Aid Grant		2,464.23			550.00	1,914.23
2017 Infrastructure and Municipal Aid Grant		65,000.00		40,000.00		105,000.00
Union County History Grant		1,200.00				1,200.00
Drive Sober or Get Pulled Over		300.00				300.00
Over the Limit Under Arrest		4,400.00				4,400.00
Preserve Union County		10.67				10.67
Historic Preservation Grant		239.04	128,966.45	15,000.00	128,966.45	15,239.04
Union County Heart Grant		4,805.62		2,500.00	3,118.50	4,187.12
NJDEP Stormwater Assistance Program		4,528.00	25.50		25.50	4,528.00
PSEG Tree Planting Grant		3,276.00				3,276.00
Greening Union County		5,051.03				5,051.03
Greening Union County - NJ Forestry		3,000.00				3,000.00
NJ Clean Energy Direct Install Program		21,435.56				21,435.56
NJ Council for the Humanities		3,000.00				3,000.00
NJ Forest Service Community - Forestry Program		455.00				455.00
Local Recreation Improvement Grant		143,000.00			143,000.00	
Green Acres Program		1,616.19				1,616.19
Matching Funds for Grants		14,039.94		1,000.00		15,039.94
National Law Enforcement & Firefighters Childrens Foundation		890.92				890.92
DCA Legislature - LaGrande Tennis Courts				350,000.00	295,143.00	54,857.00
DCA Legislature - Capital Improvements				1,000,000.00	734,637.05	265,362.95
Sustainable Communities Outreach & Education		2,000.00				2,000.00
		$ 609,998.54	$ 201,774.33	$ 1,457,104.98	$ 1,435,751.38	$ 833,126.47
	REF	A	A-24	A-3		A

Cash Disbursements	A-4	$ 563,600.06
Encumbrances Payable	A-24	872,151.32
		$ 1,435,751.38

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	ASSESSMENT TRUST FUND	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND	SEWER OPERATING FUND
Balance, December 31, 2024:							
Due From	A	$ 468,295.54	$ 318.56			$ 435,338.88	$ 32,638.10
Due To	A	$ 37,352.84		$ 0.33	$ 37,352.51		
Cash Receipts	A-4	1,100,122.18			22,599.20	1,044,884.88	32,638.10
		1,100,122.18			22,599.20	1,044,884.88	32,638.10
Cash Disbursements	A-4	720,639.08		1.54	90,402.84	600,440.94	29,793.76
Balance, December 31, 2025:							
Due From	A	$ 60,564.66	$ 318.56	$ 1.21	$ 30,451.13		$ 29,793.76
Due To	A	$ 9,105.06				$ 9,105.06	

"A-24"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	REF.		
Balance, December 31, 2024	A		$ 352,141.34
Increased by:			
Federal and State Grants Appropriated	A-22	$ 872,151.32	
2025 Appropriations	A-3	158,719.47	
			1,030,870.79
			$ 1,383,012.13
Decreased by:			
Transferred to Appropriation Reserves	A-13	$ 144,603.45	
Transferred to Federal and State Grants Appropriated	A-22	201,774.33	
			346,377.78
Balance, December 31, 2025	A		$ 1,036,634.35

"A-25"

SCHEDULE OF STATE TRAINING FEES -
DUE STATE OF NEW JERSEY

Balance, December 31, 2024	A		$ 2,603.54
Increased by:			
Receipts	A-4		12,429.00
			$ 15,032.54
Decreased by:			
Disbursements	A-4		13,343.00
Balance, December 31, 2025	A		$ 1,689.54

"A-26"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR FIRE FINES AND PENALTIES

	REF.	
Balance, December 31, 2025 and December 31, 2024	A	$ 25.00

"A-27"

SCHEDULE OF BURIAL PERMITS
DUE STATE OF NEW JERSEY

Balance, December 31, 2025 and December 31, 2024	A	$ 35.00

"A-28"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	REF.		
Balance, December 31, 2024	A	$	12,410.15
Decreased by: Cash Disbursements	A-4		2,656.04
Balance, December 31, 2025	A	$	9,754.11

"A-29"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY

	REF.		
Balance, December 31, 2024	A	$	87,419.75
Increased by:			
Transferred from Appropriation Reserves	A-13		85,387.37
Balance, December 31, 2025	A	$	172,807.12

"A-30"

SCHEDULE OF RESERVE FOR SNOW REMOVAL

Balance, December 31, 2024	A	$	3,072.91
Increased by:			
Transferred from Appropriation Reserves	A-13		1,141.43
		$	4,214.34
Decreased by:			
Cash Disbursements	A-4		1,646.42
Balance, December 31, 2025	A	$	2,567.92

"A-31"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF P.I.L.O.T. REVENUE DUE COUNTY

Balance, December 31, 2023 (Due To)	A	$	3,265.24
Increased by:			
P.I.L.O.T. Revenue to County	A-4		18,739.01
			22,004.25
Decreased by:			
Cash Disbursements	A-4		24,663.89
Balance, December 31, 2024 (Due From)	A	$	2,659.64

"A-32"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Balance, December 31, 2024	A		$ 1,780.26
Increased by:			
Levy Calendar Year 2025	A-1:A-9	$ 127,466.30	
Added 2025 Municipal Open Space Taxes	A-1:A-9	550.37	
			$ 128,016.67
			129,796.93
Decreased by:			
Cash Disbursements	A-4		127,466.30
Balance, December 31, 2025	A		$ 2,330.63

"A-33"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF EMERGENCY NOTES PAYABLE

	REF.		
Balance, December 31, 2024	A	$	151,680.00
Increased by: Cash Receipts	A-4		81,760.00
		$	233,440.00
Decreased by: Cash Disbursements	A-4		151,680.00
Balance, December 31, 2025	A	$	81,760.00

"A-34"

BOROUGH OF FANWOOD

CURRENT FUND

SCHEDULE OF RESERVE FOR DCA LEAD FEES DUE STATE

Increased by:		
Receipts	A-4	$ 40.00
Balance, December 31, 2025	A	$ 40.00

"A-35"

SCHEDULE OF RESERVE FOR SEVERANCE PAY

Increased by:		
Transferred from Appropriation Reserve	A-13	$ 22,922.00
Balance, December 31, 2025	A	$ 22,922.00

"B-1"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF CASH - TREASURER

	REF.	ANIMAL CONTROL	OTHER
Balance, December 31, 2024	B	$ 766.65	$ 1,378,965.94
Increased by:			
Animal Control Fees	B-8	$ 3,337.20	$
Due State of New Jersey	B-22	430.80	
Due Current Fund	B-4	51.06	118,632.44
Miscellaneous Trust Deposits	B-5		36,270.56
Unemployment Compensation Insurance	B-6		6,597.37
Builders Escrow	B-9		12,587.56
Redevelopment Escrow	B-11		75.38
Tax Sale Premiums and Redemptions	B-16		516,382.11
Zoning Escrow	B-10		26,487.20
Recreation Commission	B-12		604,591.34
Law Enforcement Trust Fund	B-13		113.37
Developers Housing Escrow	B-14		111,885.08
Police Off-Duty Pay	B-19		73,799.24
Payroll Deductions	B-18		2,345,273.91
Library	B-15		12,207.18
Green Acres	B-21		30,261.69
Municipal Open Space	B-20		128,848.35
		$ 3,819.06	$ 4,024,012.78
		$ 4,585.71	$ 5,402,978.72
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-8	$ 2,773.00	$
Due Current Fund	B-4	49.52	50,828.80
Due State of New Jersey	B-22	430.80	
Miscellaneous Trust Deposits	B-5		34,106.59
Unemployment Compensation Insurance	B-6		163.50
Builders Escrow	B-9		24,458.81
Tax Sale Premiums and Redemptions	B-16		528,965.93
Zoning Escrow	B-10		43,578.05
Redevelopment Escrow	B-11		2.22
Recreation Commission	B-12		564,899.77
Developers Housing Escrow(COAH)	B-14		46,570.50
Police Off-Duty Pay	B-19		73,799.24
Payroll Deductions	B-18		2,339,134.66
Municipal Open Space	B-20		134,950.12
Library Fund	B-15		165,429.49
Green Acres	B-21		30,261.86
		$ 3,253.32	$ 4,037,149.54
Balance, December 31, 2025	B	$ 1,332.39	$ 1,365,829.18

"B-2"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

PROGRAM		BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Handyman		$ 285.00	$ 285.00
Senior Citizen Program		8,100.27	8,100.27
		$ 8,385.27	$ 8,385.27
	REF.	B	B

"B-3"

BOROUGH OF FANWOOD

TRUST FUND

ANALYSIS OF ASSESSMENT CASH

	BALANCE DECEMBER 31, 2025
Cash Deficit	$ (318.56)
Due Current Fund	318.56
	$ -0-
REF.	B

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	REF.	ASSESSMENT FUND	ANIMAL CONTROL FUND	TRUST OTHER FUNDS
Balance, December 31, 2024				
(Due From)	B	$	$ 0.33	$ 37,352.51
(Due To)	B	$ 318.56	$	$
Cash Receipts	B-1		51.06	118,632.44
Cash Disbursements	B-1		49.52	50,828.80
Balance, December 31, 2025				
(Due To)	B	$ 318.56	$ 1.21	$ 30,451.13

"B-5"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	REF.		
Balance, December 31, 2024	B	$	143,003.04
Increased by: Cash Receipts	B-1		36,270.56
		$	179,273.60
Decreased by: Cash Disbursements	B-1		34,106.59
Balance, December 31, 2025	B	$	145,167.01

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

"B-6"

SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

Balance, December 31, 2024	B	$	1.81
Increased by: Receipts	B-1		6,597.37
		$	6,599.18
Decreased by: Disbursements	B-1		163.50
Balance, December 31, 2025	B	$	6,435.68

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT

PROGRAM		BALANCE DECEMBER 31, 2025	BALANCE DECEMBER 31, 2024
Handyman Program		$ 60.00	$ 60.00
Senior Citizen Program		10,750.00	10,750.00
Senior Citizen Program		1,664.72	1,664.72
Senior Citizen Program		676.48	676.48
		$ 13,151.20	$ 13,151.20
	REF.	B	B

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	REF.		
Balance, December 31, 2024	B		$ 417.98
Increased by:			
Dog License Fees	B-1	$ 2,977.20	
Other Fees	B-1	360.00	
			$ 3,337.20
			$ 3,755.18
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursements	B-1		2,773.00
Balance, December 31, 2025	B		$ 982.18

LICENSE FEES COLLECTED

YEAR	AMOUNT
2024	$ 4,438.00
2023	4,124.60
	$ 8,562.60

"B-9"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR BUILDERS ESCROW

	REF.		
Balance, December 31, 2024	B	$	54,363.86
Increased by:			
Cash Receipts	B-1		12,587.56
		$	66,951.42
Decreased by:			
Cash Disbursements	B-1		24,458.81
Balance, December 31, 2025	B	$	42,492.61

"B-10"

SCHEDULE OF RESERVE FOR ZONING ESCROW

Balance, December 31, 2024	B	$	64,584.66
Increased by:			
Cash Receipts	B-1		26,487.20
		$	91,071.86
Decreased by:			
Cash Disbursements	B-1		43,578.05
Balance, December 31, 2025	B	$	47,493.81

"B-11"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR REDEVELOPMENT ESCROW

	REF.		
Balance, December 31, 2024	B	$	6,234.13
Increased by: Cash Receipts	B-1		75.38
		$	6,309.51
Decreased by: Cash Disbursements	B-1		2.22
Balance, December 31, 2025	B	$	6,307.29

"B-12"

SCHEDULE OF RESERVE FOR RECREATION COMMISSION

Balance, December 31, 2024	B	$	128,400.49
Increased by: Cash Receipts	B-1		604,591.34
		$	732,991.83
Decreased by: Cash Disbursements	B-1		564,899.77
Balance, December 31, 2025	B	$	168,092.06

"B-13"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUNDS

Balance, December 31, 2024	B	$	4,110.02
Increased by: Cash Receipts	B-1		113.37
Balance, December 31, 2025	B	$	4,223.39

"B-14"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPERS HOUSING ESCROW(COAH)

	REF.		
Balance, December 31, 2024	B	$	484,043.18
Increased by:			
Cash Receipts	B-1		111,885.08
		$	595,928.26
Decreased by:			
Cash Disbursements	B-1		46,570.50
Balance, December 31, 2025	B	$	549,357.76

"B-15"

SCHEDULE OF RESERVE FOR LIBRARY

Balance, December 31, 2024	B	$	164,749.97
Increased by:			
Cash Receipts	B-1		12,207.18
		$	176,957.15
Decreased by:			
Cash Disbursements	B-1		165,429.49
Balance, December 31, 2025	B	$	11,527.66

"B-16"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF TAX SALE PREMIUMS AND REDEMPTIONS

	REF.		
Balance, December 31, 2024	B	$	262,890.52
Increased by:			
Cash Receipts	B-1		516,382.11
		$	779,272.63
Decreased by:			
Cash Disbursements	B-1		528,965.93
Balance, December 31, 2025	B	$	250,306.70

"B-17"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR CELL TOWER DEPOSITS

	REF.		
Balance, December 31, 2025 and December 31, 2024	B	$	14,228.59

"B-18"

SCHEDULE OF PAYROLL DEDUCTIONS

Balance, December 31, 2024	B	$	35,266.62
Increased by:			
Cash Receipts	B-1		2,345,273.91
		$	2,380,540.53
Decreased by:			
Cash Disbursements	B-1		2,339,134.66
Balance, December 31, 2025	B	$	41,405.87

"B-19"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR POLICE OFF-DUTY PAY

	REF.		
Balance, December 31, 2024	B	$	4,337.97
Increased by: Cash Receipts	B-1		73,799.24
		$	78,137.21
Decreased by: Cash Disbursements	B-1		73,799.24
Balance, December 31, 2025	B	$	4,337.97

"B-20"

SCHEDULE OF RESERVE FOR MUNICIPAL OPEN SPACE

Balance, December 31, 2024	B	$	45,336.47
Increased by: Cash Receipts	B-1		128,848.35
		$	174,184.82
Decreased by: Cash Disbursements	B-1		134,950.12
Balance, December 31, 2025	B	$	39,234.70

"B-21"

BOROUGH OF FANWOOD

TRUST FUND

SCHEDULE OF RESERVE FOR GREEN ACRES

Balance, December 31, 2024	B	$	1.19
Increased by:			
Cash Receipts	B-1		30,261.69
		$	30,262.88
Decreased by:			
Cash Disbursements	B-1		30,261.86
Balance, December 31, 2025	B	$	1.02

"B-22"

BOROUGH OF FANWOOD

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

	REF.		
Balance, December 31, 2024	B	$	349.00
Increased by:			
Cash Receipts	B-1		430.80
		$	779.80
Decreased by:			
Cash Disbursement	B-1		430.80
Balance, December 31, 2025	B	$	349.00

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	REF.			
Balance, December 31, 2024	C		$	1,844,350.94
Increased by Receipts:				
Capital Improvement Fund	C-8	$ 47,100.00		
Bond Anticipation Note	C-12	9,654,824.00		
Grants Receivable	C-13	30,250.00		
Due Current Fund	C-4	632,242.44		
Due Sewer Utility Capital Fund	C-16	904,238.00		
Due Sewer Utility Operating Fund	C-17	53,691.00		
Premium on Sale of Notes	C-1	98,761.11		
				11,421,106.55
			$	13,265,457.49
Decreased by Disbursements:				
Bond Anticipation Note	C-12	$ 9,771,017.00		
Reserve for Debt Service	C-14	43,945.00		
Contracts Payable	C-10	692,167.08		
Fund Balance Anticipated as Revenue	C-1	65,317.54		
Due Sewer Utility Operating Fund	C-17	9,746.00		
Due Sewer Utility Capital Fund	C-16	790,852.00		
Due Current Fund	C-4	1,076,686.38		
				12,449,731.00
Balance, December 31, 2025	C		$	815,726.49

"C-3"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

ANALYSIS OF CASH

		BALANCE DECEMBER 31, 2025
Capital Fund Balance	$	98,761.11
Contracts Payable		2,000,903.61
Capital Improvement Fund		7,268.78
Improvement Authorizations Funded Set Forth on "C-9"		1,308,150.37
Improvement Authorizations Expended Set Forth on "C-7"		(1,418,491.16)
Unexpended Proceeds of Bond Anticipation Notes Set Forth on "C-7"		150,728.02
Cash on Hand - Ordinance 21-04-S Set Forth on "C-7"		24,194.00
State Aid Receivable		(1,384,628.18)
Due from Scotch Plains - Fanwood Board of Education		(6,000.00)
Due Sewer Utility Capital Fund		(9,746.00)
Due Sewer Utility Operating Fund		53,691.00
Due Current Fund		(9,105.06)
	$	815,726.49
REF.		C

"C-4"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

	REF.		
Balance, December 31, 2024 (Due To)	C	$	435,338.88
Increased by:			
Cash Receipts	C-2		632,242.44
		$	196,903.56
Decreased by:			
Cash Disbursements	C-2		1,076,686.38
Balance, December 31, 2025 (Due From)	C	$	9,105.06

"C-5"

SCHEDULE OF DUE FROM SCOTCH PLAINS - FANWOOD BOARD OF EDUCATION

Balance, December 31, 2025 and December 31, 2024	C	$	6,000.00

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	REF.		
Balance, December 31, 2024	C		$ 11,733,795.37
Decreased by:			
Bonds Paid by Budget	C-11	$ 1,155,000.00	
Loan Paid by Budget	C-15	72,233.34	
			1,227,233.34
Balance, December 31, 2025	C		$ 10,506,562.03

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2024	2025 AUTHORIZATIONS	NOTES PAID BY BUDGET	BALANCE DECEMBER 31, 2025	ANALYSIS OF BALANCE DECEMBER 31, 2025 BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
07-11/09-09	Various Capital Improvements	$ 107,115.49	$	$	$ 107,115.49	$	$ 107,115.49	$
10-04	Various Capital Improvements	46,847.76			46,847.76		46,847.76	
11-08	Various Capital Improvements	239,598.98			239,598.98		235,825.84	3,773.14
15-08-S	Acquisition of Easement	2,517.23			2,517.23		2,517.23	
15-16-S	Improvements to Train Station	29,959.00			29,959.00		29,959.00	
16-04-S	Various Capital Improvements	74,750.00			74,750.00		13,564.65	61,185.35
17-13-S	Streetscape Improvements - South Ave.	99,500.00			99,500.00			99,500.00
17-14-S	Various Capital Improvements	29,213.21			29,213.21		29,213.21	
18-12-S	Various Capital Improvements	1,874.61			1,874.61		1,874.61	
19-09-S	Various Capital Acquisitions	2,500.00			2,500.00		2,500.00	
20-14-S / 20-21-S	Improvements to Forest Road Park	142,500.00			142,500.00		115,012.82	27,487.18
20-22-S / 22-10-S	Various Capital Improvements / Library Construction	6,187,245.00		23,452.00	6,163,793.00	5,769,490.00	292,573.55	101,729.45
21-04-S	Various Capital Improvements	744,586.00		34,414.00	710,172.00	710,074.00	98.00	
21-20-S	Improvements to Carriage House	356,250.00			356,250.00	201,416.00	136,435.88	18,398.12
22-04-S	Various Capital Improvements	893,284.00			893,284.00	530,000.00	224,582.10	138,701.90
23-07-S	Various Capital Improvements	1,279,650.00			1,279,650.00	1,279,650.00		
24-06-S	Various Capital Acquisitions / Improvements	393,409.00			393,409.00		180,371.02	213,037.98
24-07-S	Acquisition of Real Property located at 536 North Ave (DPW)	1,140,000.00			1,140,000.00	1,140,000.00		
25-08-S	Various Capital Acquisitions / Improvements		463,720.00		463,720.00			463,720.00
25-11-S	Preservation and Restoration of the Historic Train Station		380,000.00		380,000.00			380,000.00
		$ 11,770,800.28	$ 843,720.00	$ 57,866.00	$ 12,556,654.28	$ 9,630,630.00	$ 1,418,491.16	$ 1,507,533.12
	REF	C	C-9	C-12	C		C-3	

Unexpended Improvement Authorizations-Unfunded	C-9		$ 1,658,261.14
Less: Unexpended Proceeds of Bond Anticipation Notes	C-3		150,728.02
			$ 1,507,533.12
Bond Anticipation Notes Payable	C-12	$ 9,654,824.00	
Less: Cash on Hand-Ordinance 21-04-S	C-3	24,194.00	
		$ 9,630,630.00	

"C-8"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.		
Balance, December 31, 2024	C		$ 4,575.78
Increased by:			
2025 Appropriation	C-2	$ 39,100.00	
2024 Appropriation	C-2	8,000.00	
			47,100.00
			$ 51,675.78
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-9		44,407.00
Balance, December 31, 2025	C		$ 7,268.78

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2024 UNFUNDED	2025 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2025 FUNDED	BALANCE DECEMBER 31, 2025 UNFUNDED
General Improvements:									
06-13/06-10	Various Capital Improvements	05/09/06	1,912,468.00	$ 9,780.00	$	$	$ 2,500.00	$ 7,280.00	$
11-08	Various Capital Improvements	06/14/11	1,363,582.00		1,273.14		(2,500.00)		3,773.14
13-08-S	Site Remediation	05/21/13	350,000.00	8,765.95				8,765.95	
15-04-S	Various Capital Improvements	07/20/15	1,287,000.00	6,704.61				6,704.61	
16-01-S/18-11-S	Various Capital Improvements	03/07/16	965,000.00	233,589.80				233,589.80	
16-04-S	Various Capital Improvements	06/06/16	1,245,000.00		61,185.35				61,185.35
17-13-S	Streetscape Improvements - South Ave.	09/18/17	1,012,000.00	598,752.63	99,500.00			598,752.63	99,500.00
18-04-S	Improvements to Paterson Road	06/04/18	700,000.00	10,054.96				10,054.96	
19-01-S	Various Capital Improvements	03/04/19	1,492,000.00	103,863.56			281.01	103,582.55	
20-14-S / 20-21-S	Various Capital Improvements / Forest Rd. Park	09/21/20	190,000.00		27,487.18				27,487.18
20-22-S / 22-10-S	Various Capital Improvements / Construction New Library	12/21/20	7,200,000.00		138,080.48		36,351.03		101,729.45
21-04-S	Various Capital Improvements	03/15/21	1,221,000.00		69,884.44				69,884.44
21-20-S	Improvements to Carriage House	10/18/21	375,000.00		21,036.32		2,638.20		18,398.12
22-04-S	Various Capital Improvements	03/07/22	1,461,000.00		141,116.95		2,415.05		138,701.90
23-07-S	Various Capital Improvements	06/05/23	2,068,650.00		70,224.90		4,404.38		65,820.52
24-06-S	Various Capital Acquisitions / Improvements	07/08/24	465,000.00		215,021.59		1,983.61		213,037.98
24-07-S	Acquisition of Real Property at 536 Noth Ave. (DPW)	07/08/24	1,200,000.00		15,023.06				15,023.06
25-08-S	Various Capital Acqusitions / Improvements	06/16/25	1,222,656.00			1,222,656.00	439,041.13	319,894.87	463,720.00
25-11-S	Preservation and Restoration of the Historic Train Station	09/02/25	400,000.00			400,000.00	475.00	19,525.00	380,000.00
				$ 971,511.51	$ 859,833.41	$ 1,622,656.00	$ 487,589.41	$ 1,308,150.37	$ 1,658,261.14
			REF.	C	C		C-10	C;C-3	C;C-7

Capital Improvement Fund	C-8	$ 44,407.00
Grants Receivable	C-13	734,529.00
Deferred Unfunded	C-7	843,720.00
		$ 1,622,656.00

"C-10"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	REF.		
Balance, December 31, 2024	C	$	2,205,481.28
Increased by:			
Contracts Issued-Improvement Authorizations	C-9		487,589.41
		$	2,693,070.69
Decreased by:			
Cash Disbursements	C-2		692,167.08
Balance, December 31, 2025	C	$	2,000,903.61

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2025 DATE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2025 AMOUNT	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
GENERAL IMPROVEMENTS	7/15/16	$ 6,240,000.00	7/15/26	$ 410,000.00	2.000%			
			7/15/27	425,000.00	2.000%			
			7/15/28	425,000.00	2.000%			
			7/15/29	430,000.00	2.000%			
			7/15/30	435,000.00	2.000%			
			7/15/31	475,000.00	2.125%			
			7/15/32	500,000.00	2.250%			
			7/15/33	500,000.00	2.250%	$ 4,050,000.00	$ 450,000.00	$ 3,600,000.00
GENERAL IMPROVEMENTS	8/15/13	4,600,000.00	8/15/26	215,000.00	3.500%			
			8/15/27	220,000.00	3.625%			
			8/15/28	230,000.00	3.750%			
			8/15/29	240,000.00	4.000%			
			8/15/30	240,000.00	4.125%			
			8/15/31	240,000.00	4.250%			
			8/15/32	240,000.00	4.250%			
			8/15/33	240,000.00	4.375%			
			8/15/34	240,000.00	4.500%			
			8/15/35	240,000.00	4.500%			
			8/15/36	240,000.00	4.500%	2,790,000.00	205,000.00	2,585,000.00
GENERAL IMPROVEMENTS	4/12/21	5,348,000.00	4/1/26	500,000.00	4.000%			
			4/1/27	250,000.00	4.000%			
			4/1/28	250,000.00	4.000%			
			4/1/29	250,000.00	4.000%			
			4/1/30	265,000.00	1.125%			
			4/1/31	250,000.00	1.375%			
			4/1/32	250,000.00	1.375%			
			4/1/33	273,000.00	1.500%			
			4/1/34	500,000.00	1.625%			
			4/1/35	500,000.00	1.750%			
			4/1/36	500,000.00	2.000%	4,288,000.00	500,000.00	3,788,000.00
						$ 11,128,000.00	$ 1,155,000.00	$ 9,973,000.00
					REF.	C	C-6	C

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
General Improvements:									
21-20	Improvements to Carriage House	06/01/23	02/29/24	02/28/25	4.25%	$ 225,708.00	$	$ 225,708.00	$
21-04	Various Capital Improvements	06/01/23	02/29/24	02/28/25	4.25%	768,780.00		768,780.00	
22-04	Various Capital Acquisitions	06/01/23	02/29/24	02/28/25	4.25%	530,000.00		530,000.00	
20-22/22-10-23-16	New Library	06/01/23	02/29/24	02/28/25	4.25%	5,384,745.00		5,384,745.00	
23-07	Various Capital Improvements	02/29/24	02/29/24	02/28/25	4.25%	750,000.00		750,000.00	
20-22/22-10-23-16	New Library	08/22/24	08/22/24	02/28/25	3.50%	500,000.00		500,000.00	
23-07	Various Capital Improvements	08/22/24	08/22/24	02/28/25	3.50%	529,650.00		529,650.00	
24-07	Acquisition of Real Property	08/22/24	08/22/24	02/28/25	3.50%	1,140,000.00		1,140,000.00	
21-20	Improvements to Carriage House	06/01/23	02/27/25	02/26/26	4.00%		201,416.00		201,416.00
21-04	Various Capital Improvements	06/01/23	02/27/25	02/26/26	4.00%		734,268.00		734,268.00
20-22/22-10-23-16	New Library	06/01/23	02/27/25	02/26/26	4.00%		5,769,490.00		5,769,490.00
22-04	Various Capital Acquisitions	06/01/23	02/27/25	02/26/26	4.00%		530,000.00		530,000.00
23-07	Various Capital Improvements	02/29/24	02/27/25	02/26/26	4.00%		1,279,650.00		1,279,650.00
24-07	Acquisition of Real Property	08/22/24	02/27/25	02/26/26	4.00%		1,140,000.00		1,140,000.00
						$ 9,828,883.00	$ 9,654,824.00	$ 9,828,883.00	$ 9,654,824.00
					REF.	C	C-2		C:C-7
								$ 9,771,017.00	
Cash Disbursements					C-2				
Notes Paid by Budget					C-7			57,866.00	
								$ 9,828,883.00	

"C-13"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	REF.		
Balance, December 31, 2024	C	$	680,349.18
Increased by:			
Grants Authorized	C-9		734,529.00
		$	1,414,878.18
Decreased by:			
Cash Receipts	C-2		30,250.00
Balance, December 31, 2025	C	$	1,384,628.18

"C-14"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO PAY DEBT SERVICE

	REF.		
Balance, December 31, 2024	C	$	43,945.00
Decreased by:			
Cash Disbursements	C-2	$	43,945.00

"C-15"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF NJEIT LOAN PAYABLE

	REF.		
Balance, December 31, 2024	C	$	605,795.37
Decreased by:			
Loan Paid by Budget	C-6		72,233.34
Balance, December 31, 2025	C	$	533,562.03

"C-16"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DUE SEWER UTILITY CAPITAL

	REF.		
Balance, December 31, 2024 (Due From)	C	$	123,132.00
Increased by: Cash Receipts	C-2		904,238.00
Decreased by: Cash Disbursements	C-2		790,852.00
Balance, December 31, 2025 (Due From)	C	$	9,746.00

"C-17"

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF DUE SEWER UTILITY OPERATING FUND

	REF.		
Balance, December 31, 2024 (Due To)	C	$	9,746.00
Increased by:			
Cash Receipts	C-2	$	53,691.00
			63,437.00
Decreased by:			
Cash Disbursement	C-2		9,746.00
Balance, December 31, 2025 (Due To)	C	$	53,691.00

BOROUGH OF FANWOOD

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2025 CAPITAL FUND	TRUST FUND
General Improvements:			
07-11/09-09	Various Capital Improvements	$ 107,115.49	$
10-04	Various Capital Improvements	46,847.76	
11-08	Various Capital Improvements	239,598.98	
15-08-S	Acquisition of Easement	2,517.23	
15-16-S	Improvements to Train Station	29,959.00	
16-04-S	Various Capital Improvements	74,750.00	
17-13-S	Streetscape Improvements - South Ave	99,500.00	
17-14-S	Various Capital Improvements	29,213.21	
18-12-S	Various Capital Improvements	1,874.61	
19-09-S	Various Capital Acquisitions	2,500.00	
20-14-S / 20-21-S	Improvements to Forest Road Park	142,500.00	
20-22-S	Various Capital Improvement / Library Construction	394,303.00	
21-20-S	Improvements to Carriage House	154,834.00	
22-04-S	Various Capital Improvements	363,284.00	
24-06	Various Capital Improvements	393,409.00	
25-08	Various Capital Improvements	463,720.00	
25-11	Various Capital Improvements	380,000.00	
Local Improvements:			
87-06	Install Curbing on Cray Terrace		318.56
		$ 2,925,926.28	$ 318.56

	REF.	
Assessment Lien	B	$ 318.56
		$ 318.56

BOROUGH OF FANWOOD

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	REF.	OPERATING		CAPITAL	
Balance, December 31, 2024	D	$ 59,311.40		$ 338,921.20	
Increased by Receipts:					
Sewer Use Charges	D-3	962,426.81			
Miscellaneous Revenue Not Anticipated	D-3	10,184.17			
Due General Capital Fund	D-8:D-9	9,746.00		790,852.00	
Due Current Fund	D-8	29,793.76			
Due Sewer Capital Fund	D-8	7,459.05			
Due Sewer Operating Fund	D-9			18,846.54	
Sewer Overpayments	D-11	1,304.92			
Bond Anticipation Note	D-17			781,106.00	
			1,020,914.71		1,590,804.54
			$ 1,020,914.71		$ 1,590,804.54
Decreased by Disbursements:					
2025 Appropriations	D-4	$ 653,738.19		$	
Sewer Overpayments Applied	D-11	1,548.21			
Bond Anticipation Note	D-17			790,852.00	
Contracts Payable	D-14			18,255.36	
Due Sewer Operating Fund	D-9			7,459.05	
Due Sewer Capital Fund	D-8	18,846.54			
Due General Capital Fund	D-8:D-9	53,691.00		904,238.00	
Due Current Fund	D-8	32,638.10			
			760,462.04		1,720,804.41
Balance, December 31, 2025	D		$ 319,764.07		$ 208,921.33

"D-6"

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

ANALYSIS OF CAPITAL CASH

	BALANCE DECEMBER 31, 2025
Fund Balance	$ 1,934.10
Capital Improvement Fund	30,122.00
Due Sewer Operating Fund	1,851.89
Due General Capital Fund	9,746.00
Encumbrances Payable	143,601.61
Improvement Authorizations:	
Ord.19-02 Various Sewer Improvements	(45,390.00)
Ord. 20-06 Various Road Improvements	58,815.83
Ord. 21-03 Various Road Improvements	(901.23)
Ord. 22-03 Various Road Improvements	331.57
Ord. 23-08 Various Sewer Improvements	10,399.40
Ord. 25-09 Sewer Lining on Various Roads	(1,589.84)
	$ 208,921.33
REF.	D

"D-7"

BOROUGH OF FANWOOD

SEWER UTILITY OPERATING FUND

SCHEDULE OF USER ACCOUNTS RECEIVABLE

	REF.		
Balance, December 31, 2024	D	$	86,001.91
Increased by:			
Sewer Rents Levied - Net	D-3		928,805.00
		$	1,014,806.91
Decreased by:			
Collections	D-5		962,426.81
Balance, December 31, 2025	D	$	52,380.10

"D-8"

BOROUGH OF FANWOOD

SEWER UTILITY FUND

SCHEDULE OF INTERFUNDS - OPERATING FUND

	REF.	TOTAL	CURRENT FUND	SEWER CAPITAL FUND	GENERAL CAPITAL FUND
Balance, December 31, 2024:					
Due From	D	$ 9,746.00		$	$ 9,746.00
Due To	D	$ 42,173.70	$ 32,638.10	9,535.60	
Receipts	D-5	46,998.81	29,793.76	7,459.05	9,746.00
Disbursements	D-5	105,175.64	32,638.10	18,846.54	53,691.00
Balance, December 31, 2025:					
Due From	D	$ 55,542.89		$ 1,851.89	$ 53,691.00
Due To	D	$ 29,793.76	$ 29,793.76		

BOROUGH OF FANWOOD

SEWER UTILITY FUND

SCHEDULE OF INTERFUNDS - CAPITAL FUND

	REF.	TOTAL	CAPITAL FUND	SEWER OPERATING FUND
Balance, December 31, 2024:				
Due To	D	$ 123,132.00	$ 123,132.00	
Due From	D	$ 9,535.60		$ 9,535.60
Receipts	D-5	809,698.54	790,852.00	18,846.54
Disbursements	D-5	911,697.05	904,238.00	7,459.05
Balance, December 31, 2025:				
Due To	D	$ 11,597.89	$ 9,746.00	$ 1,851.89

"D-10"

BOROUGH OF FANWOOD

SEWER UTILITY OPERATING FUND

SCHEDULE OF SEWER LIENS

	REF.	
Balance, Decembeer 31, 2025 and December 31, 2024	D	$ 2,346.32

"D-11"

SCHEDULE OF SEWER OVERPAYMENTS

Balance, December 31, 2024	D	$ 1,548.21
Increased by:		
Overpayments in 2025	D-5	1,304.92
		$ 2,853.13
Decreased by:		
Applied to Taxes Receivable	D-5	1,548.21
Balance, December 31, 2025	D	$ 1,304.92

"D-12"

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	REF.		
Balance, December 31, 2024	D	$	43,122.00
Decreased by:			
Appropriation to Finance Improvement Authorization	D-16		13,000.00
Balance, December 31, 2025	D	$	30,122.00

"D-13"

BOROUGH OF FANWOOD

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2024 APPROPRIATION RESERVES

		BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:					
Salaries and Wages	$	5,000.00	$ 5,000.00	$	$ 5,000.00
Other Expenses - Miscellaneous		98,998.24	98,998.24		98,998.24
Operating Total	$	103,998.24	$ 103,998.24	$	$ 103,998.24
	$	103,998.24	$ 103,998.24	$	$ 103,998.24
REF.		D			D-1

"D-14"

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	REF.		
Balance, December 31, 2024	D	$	143,601.61
Increased by:			
Encumbrances Issued	D-16		18,255.36
		$	161,856.97
Decreased by:			
Cash Disbursed	D-5		18,255.36
Balance, December 31, 2025	D	$	143,601.61

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024	DEFERRED CHARGES TO FUTURE REVENUE	BALANCE DECEMBER 31, 2025
19-02	Various Sewer Improvements	3/4/19	$ 170,000.00	$ 170,000.00	$	$ 170,000.00
20-06	Various Sewer Improvements	3/16/20	150,000.00	150,000.00		150,000.00
21-03	Various Road Improvements	3/15/21	120,000.00	120,000.00		120,000.00
22-03	Various Road Improvements	3/7/22	300,500.00	300,500.00		300,500.00
23-08	Various Sewer Improvements	5/15/23	346,000.00	153,294.00		153,294.00
25-09	Sewer Lining on Various Roads	06/16/25	247,000.00		247,000.00	247,000.00
				$ 893,794.00	$ 247,000.00	$ 1,140,794.00
			REF.	D	D-16	D

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2024 FUNDED	BALANCE DECEMBER 31, 2024 UNFUNDED	2025 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2025 FUNDED	BALANCE DECEMBER 31, 2025 UNFUNDED
20-06	Various Road Improvements	3/16/20	$ 150,000.00	$	$ 93,231.78	$	$ 247.95	$	$ 92,983.83
21-03	Various Road Improvements	3/15/21	120,000.00		20,577.68		2,348.91		18,228.77
22-03	Various Road Improvements	3/7/22	300,500.00		1,328.30		496.73		831.57
23-08	Various Sewer Improvements	5/15/23	346,000.00		10,971.33		571.93		10,399.40
25-09	Sewer Lining on Various Roads	6/16/25	260,000.00			260,000.00	14,589.84		245,410.16
				$	$ 126,109.09	$ 260,000.00	$ 18,255.36	$	$ 367,853.73
			REF.	D	D			D	D
	Debt Authorized		D-15			$ 247,000.00			
	Capital Improvement Fund		D-12			13,000.00			
						247,000.00			
	Contracts Payable		D-14				$ 18,255.36		

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
General Improvements:									
19-13	Various Sewer Improvements	12/12/19	02/29/24	02/28/25	4.25%	$ 128,457.00	$	$ 128,457.00	$
20-06	Various Road Improvements	07/23/20	02/29/24	02/28/25	4.25%	111,666.00		111,666.00	
21-03	Various Road Improvements	09/29/21	02/29/24	02/28/25	4.25%	97,435.00		97,435.00	
22-03	Various Road Improvements	03/07/22	02/29/24	02/28/25	4.25%	300,000.00		300,000.00	
23-08	Various Sewer Improvements	02/29/24	02/29/24	02/28/25	4.25%	153,294.00		153,294.00	
19-13	Various Sewer Improvements	12/12/19	02/27/25	02/26/26	4.00%		124,610.00		124,610.00
20-06	Various Road Improvements	07/23/20	02/27/25	02/26/26	4.00%		108,332.00		108,332.00
21-03	Various Road Improvements	09/29/21	02/27/25	02/26/26	4.00%		94,870.00		94,870.00
22-03	Various Road Improvements	03/07/22	02/27/25	02/26/26	4.00%		300,000.00		300,000.00
23-08	Various Sewer Improvements	02/29/24	02/27/25	02/26/26	4.00%		153,294.00		153,294.00
						$ 790,852.00	$ 781,106.00	$ 790,852.00	$ 781,106.00
					REF.	D	D-5	D-5	D

"D-18"

BOROUGH OF FANWOOD

SEWER UTILITY OPERATING FUND

SCHEDULE OF DEFERRED CHARGES

DESCRIPTION		BALANCE DECEMBER 31, 2024	RAISED IN 2025 UTILITY BUDGET
Deficit in Operations		$ 95,164.19	$ 95,164.19
Overexpenditure of Appropriation		17,448.23	17,448.23
		$ 112,612.42	$ 112,612.42
	REF.	D	D-4

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2025
20-06	Various Sewer Improvements	$ 13,500.00	$ 13,500.00
		$ 13,500.00	$ 13,500.00
	REF.	D	D

"D-20"

BOROUGH OF FANWOOD

SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

	REF.		
Balance, December 31, 2024	D	$	17,448.74
Increased by:			
Charges to 2025 Appropriations	D-4	$	10,560.60
Balance, December 31, 2025	D	$	28,009.34

"D-21"

BOROUGH OF FANWOOD

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	REF.		
Increased by:			
Charges to 2025 Utility Appropriations	D-4	$	48,746.88
Balance, December 31, 2025	D	$	48,746.88

"D-22"

BOROUGH OF FANWOOD

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION		BALANCE DECEMBER 31, 2025
19-02/19-13	Various Sewer Improvements	$	37,696.00
20-06	Various Road Improvements		27,500.00
21-03	Various Road Improvements		14,000.00
22-03	Various Road Improvements		500.00
25-09	Sewer Lining on Various Roads		247,000.00
		$	326,696.00

PART II

BOROUGH OF FANWOOD

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

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

	YEAR 2025		YEAR 2024	
	AMOUNT	%	AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 740,000.00	1.64%	$ 600,000.00	1.44%
Miscellaneous From Other Than Local Property Tax Levies	4,548,209.43	10.06%	3,607,561.22	8.65%
Collection of Delinquent Taxes and Tax Title Liens	378,144.52	0.84%	239,520.91	0.57%
Collection of Current Tax Levy	39,546,314.62	87.47%	37,235,396.60	89.33%
Total Income	$ 45,212,668.57	100.00%	$ 41,682,478.73	100.00%
EXPENDITURES				
Budget Expenditures	$ 13,048,451.10	29.81%	$ 11,085,376.48	27.19%
County Taxes	6,396,471.33	14.61%	6,022,591.13	14.77%
Regional High School Taxes	24,193,022.50	55.27%	23,102,800.00	56.66%
Municipal Open Space Taxes	128,016.67	0.29%	127,989.12	0.31%
Miscellaneous	7,250.50	0.02%	438,309.19	1.07%
Total Expenditures	$ 43,773,212.10	100.00%	$ 40,777,065.92	100.00%
Excess in Revenue	$ 1,439,456.47		$ 905,412.81	
Regulatory Excess to Fund Balance	$ 1,439,456.47		$ 905,412.81	
Fund Balance, January 1	1,520,805.08		1,215,392.27	
	$ 2,960,261.55		$ 2,120,805.08	
Less: Utilization as Anticipated Revenue	740,000.00		600,000.00	
Fund Balance, December 31	$ 2,220,261.55		$ 1,520,805.08	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - SEWER UTILITY FUND

	YEAR 2025		YEAR 2024	
	AMOUNT	%	AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Sewer Use Charges	$ 962,426.81	89.39%	$ 657,739.30	94.92%
Non-Budget Revenue	10,184.17	0.95%	17,983.46	2.60%
Other Credits to Income:				
Unexpended Balance of Appropriation Reserves	103,998.24	9.66%	17,237.05	2.49%
Total Income	$ 1,076,609.22	100.00%	$ 692,959.81	100.00%
EXPENDITURES				
Budget Expenditures:				
Operating	$ 676,019.72	80.23%	$ 757,339.00	96.09%
Capital Improvements			100.00	0.01%
Debt Service	53,917.82	6.40%	30,684.49	3.89%
Deferred Charges and Statutory Expenditures	112,612.42	13.37%	-	
Total Expenditures	$ 842,549.96	100.00%	$ 788,123.49	100.00%
Regulatory Excess in Revenue	$ 234,059.26		$	
Operating Deficit to be Raised in Budget of Succeeding Year			(95,164.19)	
Fund Balance, January 1	16,500.93		156,817.88	
	$ 250,560.19		$ 156,817.88	
Decreased by:				
Payment to Current Fund as Anticipated Revenue			140,316.95	
Fund Balance, December 31	$ 250,560.19		$ 16,500.93	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2025	2024	2023
Tax Rate	3.120	2.937	2.844
Apportionment of Tax Rate:			
Municipal	0.610	0.573	0.532
Municipal Library	0.047	0.041	0.038
Municipal Open Space	0.010	0.010	0.010
County	0.499	0.470	0.473
Local School	1.954	1.843	1.791

ASSESSED VALUATIONS

2025	$1,274,663,033.00		
2024		$1,274,482,971.00	
2023			$1,269,133,426.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

		CURRENTLY	
		CASH	PERCENTAGE OF
YEAR	TAX LEVY	COLLECTION	COLLECTIONS
2025	$39,955,191.43	$39,546,314.62	98.98%
2024	$37,620,610.82	$37,235,396.50	98.98%
2023	$36,246,954.29	$35,986,231.33	99.28%

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
2025	$33,118.45	$394,172.36	$427,290.81	1.07%
2024	$32,481.97	$378,144.52	$410,626.49	0.75%
2023	$31,863.86	$239,539.87	$271,403.73	0.72%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

Year	Amount
2025	$12,279.00
2024	$12,279.00
2023	$12,279.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	YEAR	BALANCE DECEMBER 31	UTILILIZED IN BUDGET OF SUCCEEDING YEAR
Current Fund	2025	$ 2,220,261.55	$ 700,000.00
	2024	1,520,805.08	740,000.00
	2023	1,215,392.27	600,000.00
	2022	914,702.49	568,004.77
	2021	817,134.82	525,000.00

	YEAR	BALANCE DECEMBER 31	UTILILIZED IN BUDGET OF SUCCEEDING YEAR
Sewer Utility Fund	2025	$ 250,560.19	$ -0-
	2024	16,500.93	-0-
	2023	156,817.88	11,503.99
	2022	195,450.24	-0-
	2021	104,596.51	-0-

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	TITLE	AMOUNT
Colleen Mahr	Mayor	*
Patricia Walsh	Council President	*
Jeffrey Banks	Councilman	*
Anthony Carter	Councilman	*
Katherine Mitchell	Councilwoman	*
Erin McElroy Barker	Councilwoman	*
Gina Berry	Councilwoman	*
Courtney Agnello	Borough Clerk	*
Patricia Celardo	Chief Financial Officer	*
Paula Ferreira	Tax Collector / Utility Collector	*
Jesse Moehlman	Borough Administrator	*
Michael Ross	Tax Assessor	*
Russel Huegel	Borough Attorney	*
Daniel Antonelli	Prosecutor	*
Susan MacMullan	Magistrate	*
Catherine Frank	Court Administrator	*
Ann Margeotes	Deputy Court Administrator	*
Lt. Daniel Kranz	Chief Law Enforcement Officer	*
Frank Spallone	Construction Code Official	*

* - $1,000,000.00 Municipal Joint Insurance Fund Crime and Theft Policy

All Bonds were examined and properly executed.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 2025, the bid threshold in accordance with N.J.S.A. 40A:11-4 is $17,500.00 or up to $53,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Qualified Purchasing Agent and has elected to increase its bid threshold to $53,000.00

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed $53,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough 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:

Collection, Transport and Disposal of Recyclables

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

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

Bond Counsel	Engineering & Architectural Service
Borough Auditor	Borough Financial Advisor
Borough Attorney	Insurance Broker

In addition, there were no purchases made by utilizing state contracts during the year.

GENERAL COMMENTS (CONTINUED)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 6, 2025 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

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

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

GENERAL COMMENTS (CONTINUED)

TAX TITLE LIENS

The last tax sale was held on September 22, 2025 and was complete.

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

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

YEARS	NUMBER OF LIENS
2025	2
2024	2
2023	1

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

OTHER COMMENTS

Interfund Balances

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

Encumbrance System

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

General and General Capital Fund Ledgers

Several adjustments needed to be made to the Current Fund and General Capital Fund Ledgers to properly reflect account balances.

RECOMMENDATIONS

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

*That the Current Fund and General Capital Fund General Ledgers be accurately maintained.

*Prior Year Recommendations