

**BOROUGH OF WALDWICK**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**BOROUGH OF WALDWICK**

**BERGEN COUNTY**

**NEW JERSEY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

**BOROUGH OF WALDWICK  
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>
<b><u>PART I – Report on Audit of Financial Statements and Supplementary Schedules</u></b>	
<b>Independent Auditor’s Report</b>	1-3
<b>Financial Statements</b>	
A	Comparative Balance Sheets – Regulatory Basis - Current Fund 4
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund 5
A-2	Statement of Revenues – Regulatory Basis – Current Fund 6-7
A-3	Statement of Expenditures – Regulatory Basis – Current Fund 8-12
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds 13-14
B-1	Statement of Revenues – Regulatory Basis – Municipal Open Space Trust Fund 15
B-2	Statement of Appropriations – Regulatory Basis – Municipal Open Space Trust Fund 15
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund 16
C-1	Comparative Statements of Changes in Fund Balances – Regulatory Basis - General Capital Fund 17
D	Comparative Balance Sheets – Regulatory Basis - Water Utility Operating Fund and Water Utility Capital Fund 18-19
D-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Water Utility Operating Fund 20
D-2	Comparative Statements of Changes in Fund Balances – Regulatory Basis - Water Utility Capital Fund 21
D-3	Statement of Revenues – Regulatory Basis - Water Utility Operating Fund 21
D-4	Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund 22
E	Comparative Balance Sheets – Regulatory Basis - General Fixed Assets Account Group 23
	Notes to Financial Statements 24-65
<b>Supplementary Schedules</b>	
<b><u>Current Fund</u></b>	
A-4	Statement of Current Cash 66
A-5	Statement of Change Funds 67
A-6	Statement of Due from State of New Jersey Senior Citizens' and Veterans' Deductions 67
A-7	Statement of Taxes Receivable 68
A-8	Statement of Tax Title Liens Receivable 69
A-9	Statement of Grants Receivable 69
A-10	Statement of Revenue Accounts Receivable 70
A-11	Statement of Deferred Charges 70
A-12	Statement of 2024 Appropriation Reserves 71-72
A-13	Statement of Accounts Payable 73
A-14	Statement of Prepaid Taxes 73
A-15	Statement of Tax Overpayments 74
A-16	Statement of County Taxes Payable 74
A-17	Statement of Local District School Taxes Payable 74
A-18	Statement of Miscellaneous Reserves 75
A-19	Statement of Appropriated Reserves – Public and Private Programs 75
A-20	Statement of Unappropriated Reserves – Public and Private Programs 76
A-21	Statement of Due to State of New Jersey – Construction Code Fees Payable 76

**BOROUGH OF WALDWICK  
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<b>Supplementary Schedules (Continued)</b>		
<b><u>Trust Funds</u></b>		
B-3	Statement of Trust Cash	77
B-4	Statement of Due from/to State of New Jersey – Animal Control Fund	78
B-5	Statement of Reserve for Animal Control Expenditures – Animal Control Fund	78
B-6	Statement of Due from Current Fund – Park and Ride Contingency Fund	79
B-7	Statement of Reserve for Park and Ride Expenditures – Park and Ride Contingency Fund	79
B-8	Statement of Due from State of New Jersey – Unemployment Insurance Trust Fund	79
B-9	Statement of Reserve for Unemployment Insurance Claims - Unemployment Insurance Trust Fund	80
B-10	Statement of Reserve for Property Insurance Expenditures – Self Insurance Trust Fund	80
B-11	Statement of Due to Current Fund – Self Insurance Trust Fund	80
B-12	Statement of Due from Other Trust Fund – Unemployment Insurance Trust Fund	80
B-13	Statement of Due to/from Current Fund – Other Trust Fund	81
B-14	Statement of Developer’s Escrow and Other Reserves – Other Trust Fund	81
B-15	Statement of Reserve for Payroll Deductions – Other Trust Fund	82
B-16	Statement of Reserve for COAH Expenditures – Other Trust Fund	82
B-17	Statement of Due to General Capital Fund – Municipal Open Space Trust Fund	83
B-18	Statement of Reserve for Municipal Open Space Expenditures – Municipal Open Space Trust Fund	83
<b><u>General Capital Fund</u></b>		
C-2	Statement of General Capital Cash	84
C-3	Analysis of General Capital Cash	85
C-4	Statement of Due To Current Fund	86
C-5	Statement of Due from Municipal Open Space Trust	86
C-6	Statement of Deferred Charges to Future Taxation – Funded	87
C-7	Statement of Deferred Charges to Future Taxation – Unfunded	88
C-8	Statement of Grant Receivables	89
C-9	Statement of General Serial Bonds	90
C-10	Statement of New Jersey Environmental Infrastructure (NJEIT) Loan Payable	91
C-11	Statement of Bond Anticipation Notes	92
C-12	Statement of Improvement Authorizations	93
C-13	Statement of Accounts Payable	94
C-14	Statement of Reserve for Payment of Debt Service	94
C-15	Statement of Reserve for Pistol Range	94
C-16	Statement of Capital Improvement Fund	94
C-17	Statement of Bonds and Notes Authorized But Not Issued	95

**BOROUGH OF WALDWICK  
TABLE OF CONTENTS  
(Continued)**

**Exhibits**

**Page**

**Supplementary Schedules (Continued)**

**Water Utility Fund**

D-5	Statement of Water Utility Cash	96
D-6	Analysis of Water Utility Capital Cash	97
D-7	Statement of Due from Current Fund – Water Utility Operating Fund	97
D-8	Statement of Deferred Charges – Water Utility Operating Fund	98
D-9	Statement of Consumer Accounts Receivable – Water Utility Operating Fund	98
D-10	Statement of Due from Current Fund – Water Utility Capital Fund	99
D-11	Statement of Due from Water Operating Fund – Water Utility Capital Fund	99
D-12	Statement of NJ Environmental Infrastructure Loan Receivable – Water Utility Capital Fund	100
D-13	Statement of Fixed Capital – Water Utility Capital Fund	100
D-14	Statement of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	101
D-15	Statement of 2024 Appropriation Reserves – Water Utility Operating Fund	102
D-16	Statement of Accounts Payable – Water Utility Operating and Capital Funds	102
D-17	Statement of Prepaid Water Rents – Water Utility Operating Fund	103
D-18	Statement of Water Rent Overpayments – Water Utility Operating Fund	103
D-19	Statement of NJ Environmental Infrastructure Water Loan Payable – Water Utility Capital Fund	103
D-20	Statement of Improvement Authorizations – Water Utility Capital Fund	104
D-21	Statement of Capital Improvement Fund – Water Utility Capital Fund	105
D-22	Statement of Accrued Interest Payable on Bonds and Notes – Water Utility Operating Fund	105
D-23	Statement of Water Serial Bonds – Water Utility Capital Fund	106
D-24	Statement of Bond Anticipation Notes – Water Utility Capital Fund	107
D-25	Statement of Accrued Interest Payable on Loans - Water Utility Operating Fund	108
D-26	Statement of Reserve for Tax Map – Water Utility Operating Fund	108
D-27	Statement of Reserve for Amortization – Water Utility Capital Fund	108
D-28	Statement of Reserve for Water System Improvements – Water Utility Capital Fund	109
D-29	Statement of Reserve for Payment of Debt – Water Utility Capital Fund	109
D-30	Statement of Deferred Reserve for Amortization – Water Utility Capital Fund	110
D-31	Statement of Bonds and Notes Authorized But Not Issued – Water Utility Capital Fund	110

**Part II – Government Auditing Standards**

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 – Independent Auditor’s Report	111-112
Schedule of Expenditures of Federal Awards, Schedule A	113
Schedule of Expenditures of State Financial Assistance, Schedule B	114
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	115-116
Schedule of Findings and Questioned Costs	117-119
Schedule of Prior Year Audit Findings	120

**BOROUGH OF WALDWICK  
TABLE OF CONTENTS  
(Continued)**

	<u>Page</u>
<b><u>Part III – Supplementary Data and General Comments and Recommendations</u></b>	
Comparative Schedule of Tax Rate Information	121
Comparison of Tax Levies and Collection Currently	121
Delinquent Taxes and Tax Title Liens	122
Property Acquired by Tax Title Lien Liquidation	122
Comparison of Water Utility Levies	122
Officials in Office	123
Schedule of Findings of Noncompliance	124-125
Recommendations	126



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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Borough Council  
Borough of Waldwick  
Waldwick, New Jersey

### Report on the Audit of Financial Statements

#### *Opinions*

We have audited the financial statements of the Borough of Waldwick which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2025 and 2024, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2025, and the related notes to the financial statements.

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

In our opinion, the accompanying financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Waldwick as of December 31, 2025 and 2024, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2025 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Waldwick as of December 31, 2025 and 2024, or changes in financial position, or, where applicable, cash flows for the years then ended.

#### *Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Waldwick and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Waldwick on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. 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 and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Waldwick'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 Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement 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 of Waldwick'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 of Waldwick'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 an opinion on the financial statements of the Borough of Waldwick as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Waldwick. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.


### ***Other Information***


Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with Government Auditing Standards, we have also issued our report dated May 14, 2026 on our consideration of the Borough of Waldwick'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 of Waldwick'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 the Borough of Waldwick's internal control over financial reporting and compliance.

  
LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR000411

Fair Lawn, New Jersey  
May 14, 2026

**BOROUGH OF WALDWICK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2025 AND 2024**

<b>ASSETS</b>	<u>Reference</u>	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	A-4	\$ 7,100,154	\$ 8,016,248
Cash - Change Funds	A-5	1,600	1,200
Grants Receivable	A-9	263,796	154,719
Due from State of NJ Senior Citizens' & Veterans' Deductions	A-6	<u>49,694</u>	<u>49,444</u>
		<u>7,415,244</u>	<u>8,221,611</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-7	366,088	305,339
Tax Title Liens Receivable	A-8	4,826	
Property Acquired for Taxes - Assessed Valuation	A	35,510	35,510
Revenue Accounts Receivable	A-10	7,191	4,755
Due from Other Trust Fund	B-12	-	1,736
Due from General Capital Fund	C-4	<u>35,691</u>	<u>28,330</u>
		<u>449,306</u>	<u>375,670</u>
Deferred Charges			
Emergency Authorization	A-11	<u>25,000</u>	<u>-</u>
		<u>25,000</u>	<u>-</u>
Total Assets		<u>\$ 7,889,550</u>	<u>\$ 8,597,281</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 426,563	\$ 532,505
Accounts Payable	A-13	286,838	354,453
Prepaid Taxes	A-14	275,096	218,194
Tax Overpayments	A-15	27,354	250
County Taxes Payable	A-16	8,142	3,001
Due to Park and Ride Trust Fund	B-6	-	5,075
Due to Other Trust Fund	B-13	98,991	-
Due to Water Utility Operating Fund	D-7	-	6,157
Due to Water Utility Capital Fund	D-10	338,415	-
Miscellaneous Reserves	A-18	343,005	343,005
Appropriated Reserves - Public and Private Programs	A-19	120,372	80,633
Unappropriated Reserves - Public and Private Programs	A-20	50,968	87,004
Construction Code Fees Payable	A-21	<u>-</u>	<u>7,499</u>
		<u>1,975,744</u>	<u>1,637,776</u>
Reserve for Receivables and Other Assets	A	449,306	375,670
Fund Balance	A-1	<u>5,464,500</u>	<u>6,583,835</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,889,550</u>	<u>\$ 8,597,281</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>REVENUES AND OTHER INCOME</b>		
Fund Balance Utilized	\$ 2,526,594	\$ 2,195,071
Miscellaneous Revenues Anticipated	4,881,333	5,514,425
Receipts from Delinquent Taxes	304,011	235,088
Receipts from Current Taxes	50,276,421	48,498,130
Non-Budget Revenue	285,600	575,060
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	302,922	330,324
Cancelled Accounts Payable	50,729	9,500
Cancelled Grant Reserve Balance		4,240
Cancelled Fees Payable	7,499	
Interfunds Liquidated	-	48,316
	<u>58,635,109</u>	<u>57,410,154</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operations		
Salaries and Wages	5,261,161	4,985,927
Other Expenses	7,858,948	8,332,171
Capital Improvements	126,000	223,700
Municipal Debt Service	1,688,534	1,468,588
Deferred Charges and Statutory Expenditures	1,549,803	1,489,324
County Taxes	5,242,630	4,809,836
County Open Space Preservation	234,174	216,241
County Share of Added and Omitted Taxes	8,142	3,001
Local District School Taxes	35,166,199	34,169,266
Municipal Open Space Taxes	110,764	82,128
Other Debits		
Senior Citizens Deductions Disallowed for Prior Year Taxes	500	1,182
Refund of Prior Year Revenue	370	529
Interfunds Created	5,625	-
	<u>57,252,850</u>	<u>55,781,893</u>
Excess in Revenue	1,382,259	1,628,261
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	25,000	-
Statutory Excess to Surplus	1,407,259	1,628,261
Fund Balance, January 1	<u>6,583,835</u>	<u>7,150,645</u>
	7,991,094	8,778,906
Decreased by:		
Utilization as Anticipated Revenue	<u>2,526,594</u>	<u>2,195,071</u>
Fund Balance, December 31	<u>\$ 5,464,500</u>	<u>\$ 6,583,835</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Budget</u>	<u>Special NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<b>FUND BALANCE ANTICIPATED</b>	\$ 2,526,594	-	\$ 2,526,594	-
<b>MISCELLANEOUS REVENUES</b>				
Licenses				
Alcoholic Beverages	18,500		18,720	\$ 220
Other	24,000		26,772	2,772
Fees and Permits				
Construction Code Official	225,000		235,333	10,333
Other	250,000		228,533	(21,467)
Fines and Costs				
Municipal Court	80,000		69,828	(10,172)
Interest and Costs on Taxes	65,000		78,772	13,772
Interest of Investment and Deposits	250,000		444,593	194,593
Sewer Rents - 2024	45,000		45,000	-
Sewer Rents - 2025	99,500		205,354	105,854
Energy Receipts Tax	2,498,037		2,498,037	-
Police Training - Various Municipal Agreements	67,672		68,491	819
Police Vest Fund - Reserve	3,523		3,523	
Alcohol Education and Rehab. - Reserve	1,861		1,861	
B.C. 24/25 CDBG Grant		\$ 78,155	78,155	
B.C. 25/26 CDBG Grant		75,509	75,509	
Recycling Tonnage Grant - Reserve	12,189		12,189	
Clean Communities - Reserve	24,960		24,960	
Opioid Settlement - Reserve	44,471		44,471	
Cable Television Franchise Fees	140,000		136,415	(3,585)
Uniform Fire Safety Act - Other Fees & Permits	25,000		22,874	(2,126)
Cell Site Rental	333,000		303,065	(29,935)
Forfeited Tax Sale Premium	59,600		59,600	
Reserve for Police O/S Duty Admin. Fees - Other Trust	50,000		50,000	
Tax Appeal Settlement	22,577		79,021	56,444
JIF Accreditation Payment	25,000		25,000	-
Reserve for Payment of Debt Service	45,257		45,257	-
Solar Energy Credit	5,000	-	-	(5,000)
<b>Total Miscellaneous Revenues</b>	<u>4,415,147</u>	<u>153,664</u>	<u>4,881,333</u>	<u>312,522</u>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	<u>346,000</u>	<u>-</u>	<u>304,011</u>	<u>(41,989)</u>
<b>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET</b>				
Municipal Operations	9,217,026		9,713,493	496,467
Free Public Library	778,234	-	778,234	-
	<u>9,995,260</u>	<u>-</u>	<u>10,491,727</u>	<u>496,467</u>
<b>Total General Revenues</b>	<u>\$ 17,283,001</u>	<u>\$ 153,664</u>	<u>\$ 18,203,665</u>	<u>\$ 767,000</u>
Non-Budget Revenue			<u>285,600</u>	
			<u>\$ 18,489,265</u>	

**BOROUGH OF WALDWICK**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**  
**(Continued)**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collection	
Revenue from Collections	\$ 50,276,421
Less: Allocation to School, County and Municipal Open Space Taxes	40,761,909
	9,514,512
Add: Appropriation "Reserve for Uncollected Taxes"	977,215
Balance for Support of Municipal Budget Appropriations	\$ 10,491,727
Fees and Permits - Other	
Borough Clerk	\$ 31,511
Tax Collector	450
Fire Prevention Bureau	31,932
Police	7,675
Swimming Pool	146,080
Park and Ride/Meters	21
Sewer Connection	10,864
	\$ 228,533
Licenses - Other	
Borough Clerk	\$ 4,490
Board of Health	22,282
	\$ 26,772
Non-Budget	
Cash Received	\$ 280,860
Due From Other Trust Fund	4,740
	\$ 285,600

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
General Administration					
Salaries and Wages	\$ 226,000	\$ 182,089	\$ 181,251	\$ 838	
Other Expenses	61,880	56,430	44,714	11,716	
Mayor and Council					
Salaries and Wages	11,600	11,600	11,000	600	
Other Expenses	8,300	8,300	4,615	3,685	
Municipal Clerk					
Salaries and Wages	140,000	158,100	158,086	14	
Other Expenses	50,850	50,850	41,735	9,115	
Financial Administration					
Salaries and Wages	158,000	147,885	147,798	87	
Other Expenses	15,200	15,200	4,379	10,821	
Audit Services					
Other Expenses	38,940	38,940	38,940	-	
Revenue Administration					
Salaries and Wages	54,000	54,000	53,412	588	
Other Expenses	132,450	132,450	126,966	5,484	
Other Expenses - Liquid of TTLs/Foreclosed Property	100	100		100	-
Tax Assessment Administration					
Salaries and Wages	43,000	43,000	42,164	836	
Other Expenses	16,845	11,845	9,538	2,307	
Legal Services and Costs					
Other Expenses	146,000	146,000	143,606	2,394	
Engineering Services & Costs					
Other Expenses	11,000	16,500	16,255	245	
Planning Board					
Salaries and Wages	11,000	11,000	10,653	347	
Other Expenses	26,550	26,550	5,994	20,556	
Board of Adjustment					
Salaries and Wages	11,000	11,000	10,654	346	
Other Expenses	6,100	6,100	5,922	178	
Insurance					
Self Insurance & Surety Bonds	10,000	10,000		10,000	
General Liability	417,952	440,852	435,042	5,810	
Employee Group Health	864,734	917,734	896,752	20,982	
Health Benefit Waiver	45,000	24,000	23,231	769	
<b>PUBLIC SAFETY</b>					
Police					
Salaries and Wages	3,128,600	3,196,600	3,185,071	11,529	
Other Expenses	201,655	133,655	132,869	786	
Pistol Range Contribution	8,354	8,354	8,354	-	
Office of Emergency Management					
Other Expenses	2,000	2,000	-	2,000	

**BOROUGH OF WALDWICK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
<b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b>					
<b>PUBLIC SAFETY (Cont'd)</b>					
Aid to Volunteer Ambulance Companies (First Aid Contribution)	\$ 22,500	\$ 22,500	\$ 11,321	\$ 11,179	
Fire					
Salaries and Wages	8,900	9,115	9,112	3	
Other Expenses	70,200	71,050	68,940	2,110	
Other Expenses-Fire Hydrant Service	25,000	25,000	25,000	-	
Fire Prevention Bureau					
Salaries and Wages	35,000	41,100	40,915	185	
Other Expenses	20,165	14,065	13,414	651	
<b>PUBLIC WORKS</b>					
Streets and Road Maintenance					
Salaries and Wages	907,000	907,000	897,949	9,051	
Other Expenses	56,600	56,600	46,880	9,720	
Other Expenses - Snow Removal	65,000	104,000	103,654	346	
Other Public Works Function					
Other Expenses - Municipal Park and Ride	2,000	2,000	1,353	647	
Other Expenses - Traffic Control Devices	6,500	6,500	5,729	771	
Solid Waste Collection (Sanitation)					
Garbage Collection	578,400	578,400	574,823	3,577	
Recycling					
Other Expenses	295,000	328,811	327,676	1,135	
Public Buildings and Grounds					
Other Expenses	197,000	206,500	205,895	605	
Vehicle Maintenance (Municipal Garage)					
Other Expenses	220,000	224,000	223,841	159	
<b>HEALTH &amp; HUMAN SERVICES</b>					
Public Health Services					
Other Expenses - Northwest Bergen Comm. Contractual	109,725	108,575	105,732	2,843	
Animal Control					
Other Expenses	2,500	2,500	563	1,937	
Welfare/Administration of Public Assistance					
Other Expenses	100	100	-	100	
<b>PARKS AND RECREATION</b>					
Recreation Services and Programs (Parks and Playgrounds)					
Salaries and Wages	133,000	133,000	130,258	2,742	
Other Expenses	79,750	66,400	63,209	3,191	
<b>MUNICIPAL COURT</b>					
Salaries and Wages	73,500	73,500	51,604	21,896	
Other Expenses	12,300	12,300	9,744	2,556	
Public Defender					
Other Expenses	16,000	16,000	15,377	623	

**BOROUGH OF WALDWICK  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b>					
<b>OTHER COMMON OPERATING</b>					
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	\$ 8,500	\$ 8,500	\$ 7,824	\$ 676	
<b>UNIFORM CONSTRUCTION CODE</b>					
<b>APPROPRIATIONS OFFSET BY</b>					
<b>DEDICATED REVENUES (NJAC5:23-4.17)</b>					
Uniform Construction Code Enforcement					
Salaries and Wages	244,000	245,500	245,407	93	
Other Expenses	11,540	11,540	9,971	1,569	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	120,000	145,000	138,327	6,673	
Street Lighting	136,000	147,000	134,401	12,599	
Telephone	53,000	55,500	55,139	361	
Water	32,000	38,100	38,073	27	
Natural Gas	35,000	25,000	15,569	9,431	
Fuel Oil	110,000	89,000	87,802	1,198	
Sewerage Processing and Disposal	20,000	20,000	13,115	6,885	
Landfill/Solid Waste Disposal Costs					
Sanitary Landfill Dump Fees	350,000	266,000	265,599	401	-
Total Operations Within "CAPS"	<u>9,903,290</u>	<u>9,921,290</u>	<u>9,683,217</u>	<u>238,073</u>	<u>-</u>
Detail:					
Salaries and Wages	5,229,600	5,248,489	5,198,565	49,924	-
Other Expenses (Including Contingent)	4,673,690	4,672,801	4,484,652	188,149	-
<b>STATUTORY EXPENDITURES</b>					
Public Employee Retirement System	263,679	263,679	263,677	2	
Social Security System	395,000	380,000	376,728	3,272	
Police & Firemen's Retirement System of NJ	899,124	899,124	899,124	-	
Defined Contribution Retirement Plan	10,000	7,000	5,256	1,744	-
Total Statutory Expenditures	<u>1,567,803</u>	<u>1,549,803</u>	<u>1,544,785</u>	<u>5,018</u>	<u>-</u>
Total Statutory Expenditures - Municipal Within "CAPS"	<u>1,567,803</u>	<u>1,549,803</u>	<u>1,544,785</u>	<u>5,018</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>11,471,093</u>	<u>11,471,093</u>	<u>11,228,002</u>	<u>243,091</u>	<u>-</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

OPERATIONS - EXCLUDED FROM "CAPS"	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Northwest Bergen Sewer Authority					
Share of Costs	\$ 2,075,938	\$ 2,075,938	\$ 2,075,938		
Village of Ridgewood - Contractual - Sewer	3,300	3,300	3,300		
Boro of Ho-Ho-Kus - Contractual - Sewer	5,600	5,600	4,080	\$ 1,520	
Recycling Tax Appropriation	10,000	10,000	9,019	981	
<b>EDUCATION</b>					
Maintenance of Free Public Library	778,834	778,834	776,595	2,239	
<b>INSURANCE</b>					
General Liability Insurance	5,707	5,707	5,707	-	
<b>PUBLIC SAFETY</b>					
"911" Telecommunications System	11,100	11,100	11,100	-	
<b>INTERLOCAL MUNICIPAL SERVICE</b>					
<b>AGREEMENTS</b>					
Public Safety - Police Training					
Salaries and Wages	12,672	12,672	12,672	-	
Other Expense	55,000	55,000	24,512	30,488	
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFFSET BY REVENUES</b>					
Alcohol Education and Rehab	1,861	1,861		1,861	
Recycling Tonnage Grant	12,189	12,189	-	12,189	
Police Vest Fund	3,523	3,523	3,523	-	
CDBG Handicap Ramps - 24/25	-	78,155	57,407	20,748	-
CDBG Handicap Ramps - 25/26	-	75,509	-	75,509	-
Clean Communities Grant	24,960	24,960	24,960	-	-
Opioid Settlement	44,471	44,471	6,534	37,937	-
Total Operations Excluded from "CAPS"	<u>3,045,155</u>	<u>3,198,819</u>	<u>3,015,347</u>	<u>183,472</u>	<u>-</u>
Detail:					
Salaries and Wages	12,672	12,672	12,672	-	-
Other Expenses	<u>3,032,483</u>	<u>3,186,147</u>	<u>3,002,675</u>	<u>183,472</u>	<u>-</u>
<b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund	101,000	101,000	101,000	-	-
Fire Truck Ladder Repair - Emergency	-	25,000	25,000	-	-
Total Capital Improvements-Excluded from "CAPS"	<u>101,000</u>	<u>126,000</u>	<u>126,000</u>	<u>-</u>	<u>-</u>

**BOROUGH OF WALDWICK  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
<b>MUNICIPAL DEBT SERVICE</b>					
Payment of Bond Principal	\$ 1,145,000	\$ 1,145,000	\$ 1,145,000		
Payment of Bond Anticipation Notes and Capital Notes	125,200	125,200	125,200		
Interest on Bonds	88,635	88,635	88,635		
Interest on Notes	318,240	318,240	318,236		\$ 4
NJ Infrastructure Trust Loan					
Loan Repayments for Principal and Interest	11,463	11,463	11,463	-	-
Total Municipal Debt Service - Excluded from "CAPS"	1,688,538	1,688,538	1,688,534	-	4
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,834,693	5,013,357	4,829,881	\$ 183,472	4
Subtotal General Appropriations	16,305,786	16,484,450	16,057,883	426,563	4
Reserve for Uncollected Taxes	977,215	977,215	977,215	-	-
Total General Appropriations	\$ 17,283,001	\$ 17,461,665	\$ 17,035,098	\$ 426,563	\$ 4
Adopted Budget					
		\$ 17,283,001			
Appropriation by 40A:4-87		25,000			
Special Emergency Authorization by 40A:4-53		153,664			
		\$ 17,461,665			
Cash Disbursed					
Accounts Payable			\$ 15,803,475		
Due to Other Trust Fund			253,082		
Reserve for Uncollected Taxes			1,326		
			977,215		
			\$ 17,035,098		

**BOROUGH OF WALDWICK  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2025 AND 2024**

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL FUND</b>			
Cash	B-3	\$ 17,679	\$ 17,268
Due from State of New Jersey	B-4	<u>          -</u>	<u>          1,032</u>
		<u>17,679</u>	<u>18,300</u>
<b>PARK AND RIDE CONTINGENCY FUND</b>			
Cash	B-3	47,206	42,131
Due from Current Fund	B-6	<u>          -</u>	<u>          5,075</u>
		<u>47,206</u>	<u>47,206</u>
<b>OTHER TRUST FUND</b>			
Cash	B-3	1,845,031	2,298,497
Due from Current Fund	B-13	<u>          98,991</u>	<u>                  -</u>
		<u>1,944,022</u>	<u>2,298,497</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash and Cash Equivalents	B-3	56,392	55,872
Due from State of New Jersey	B-8	5,918	5,918
Due From Other Trust - Payroll Agency	B-12	<u>          9,394</u>	<u>                  -</u>
		<u>71,704</u>	<u>61,790</u>
<b>SELF INSURANCE TRUST FUND</b>			
Cash	B-3	<u>          51,308</u>	<u>          48,333</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Cash	B-3	<u>          126,043</u>	<u>          139,956</u>
		<u>126,043</u>	<u>139,956</u>
Total Assets		<u>\$ 2,257,962</u>	<u>\$ 2,614,082</u>

**BOROUGH OF WALDWICK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2025 AND 2024**  
**(Continued)**

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL FUND</b>			
Due to State of New Jersey	B-4	\$ 124	
Reserve for Animal Control Expenditures	B-5	<u>17,555</u>	<u>\$ 18,300</u>
		<u>17,679</u>	<u>18,300</u>
<b>PARK AND RIDE CONTINGENCY FUND</b>			
Reserve for Park and Ride Expenditures	B-7	<u>47,206</u>	<u>47,206</u>
		<u>47,206</u>	<u>47,206</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund	B-13	-	1,736
Due to Unemployment Ins. Trust Fund	B-12	9,394	-
Developer's Escrow and Other Reserves	B-14	1,476,437	1,787,665
Reserve for Payroll Deductions Payable	B-15	20,726	100,145
Reserve for COAH Expenditures	B-16	<u>437,465</u>	<u>408,951</u>
		<u>1,944,022</u>	<u>2,298,497</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Reserve for Unemployment Insurance Claims	B-9	<u>71,704</u>	<u>61,790</u>
		<u>71,704</u>	<u>61,790</u>
<b>SELF-INSURANCE TRUST FUND</b>			
Reserve for Property Insurance Expenditures	B-10	<u>51,308</u>	<u>48,333</u>
		<u>51,308</u>	<u>48,333</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Reserve for Expenditures	B-18	<u>126,043</u>	<u>139,956</u>
		<u>126,043</u>	<u>139,956</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,257,962</u>	<u>\$ 2,614,082</u>

**BOROUGH OF WALDWICK  
STATEMENT OF REVENUES-REGULATORY BASIS  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Anticipated</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 110,604	\$ 110,604	\$ 110,764	\$ 160
	<u>\$ 110,604</u>	<u>\$ 110,604</u>	<u>\$ 110,764</u>	<u>\$ 160</u>

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Development of Lands for Recreation and Conservation: Other Expenses	\$ 110,604	\$ 110,604	\$ 110,604	\$ -
	<u>\$ 110,604</u>	<u>\$ 110,604</u>	<u>\$ 110,604</u>	<u>\$ -</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2025 AND 2024**

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	C-2,C-3	\$ 1,858,607	\$ 3,604,278
Deferred Charges to Future Taxation			
Funded	C-6	3,662,889	4,818,047
Unfunded	C-7	12,162,287	10,424,487
Grant Receivables	C-8	<u>422,329</u>	<u>348,281</u>
		<u>\$ 18,106,112</u>	<u>\$ 19,195,093</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-9	\$ 3,621,000	\$ 4,766,000
Loans Payable	C-10	41,889	52,047
Bond Anticipation Notes	C-11	7,830,690	7,955,890
Improvement Authorizations			
Funded	C-12	608,173	613,032
Unfunded	C-12	2,173,141	2,451,024
Accounts Payable	C-13	3,198,391	2,715,523
Due to Current Fund	C-4	35,691	28,330
Reserve for Payment of Debt Service	C-14	-	45,257
Reserve for Pistol Range	C-15	47,041	35,960
Capital Improvement Fund	C-16	154,895	147,792
Fund Balance	C-1	<u>395,201</u>	<u>384,238</u>
		<u>\$ 18,106,112</u>	<u>\$ 19,195,093</u>

There were bonds and notes authorized but not issued of \$4,331,597 and \$2,468,597 at December 31, 2025 and 2024 respectively (Exhibit C-17).

**BOROUGH OF WALDWICK**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Balance, January 1	\$ 384,238	\$ 335,061
Increased by:		
Accrued Interest on Sale of Bond Anticipation Notes	10,963	
Premium on Sale of Bond Anticipation Notes	<u>-</u>	<u>49,177</u>
Balance, December 31	<u>\$ 395,201</u>	<u>\$ 384,238</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**AS OF DECEMBER 31, 2025 AND 2024**

<b>ASSETS</b>	<u>Reference</u>	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	D-5	\$ 2,427,903	\$ 2,456,395
Change Fund	D	100	100
Due from Current Fund	D-7	<u>-</u>	<u>6,157</u>
		<u>2,428,003</u>	<u>2,462,652</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-9	64,894	75,277
Deferred Charges			
Emergency Authorization	D-8	<u>-</u>	<u>110,000</u>
		<u>\$ 2,492,897</u>	<u>\$ 2,647,929</u>
Total Assets			
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	D-4,D-15	\$ 62,815	\$ 87,128
Accounts Payable	D-16	61,532	249,285
Prepaid Water Rents	D-17	1,767	5,109
Water Rent Overpayments	D-18	6,072	8,194
Due to Water Utility Capital Fund	D-17	374,854	
Reserve for Tax Map	D-26	3,667	3,667
Accrued Interest Payable on Bonds and Notes	D-22	11,861	12,563
Accrued Interest Payable on Loans	D-25	<u>43,262</u>	<u>4,792</u>
		565,830	370,738
Reserve for Receivables	D	64,894	75,277
Fund Balance	D-1	<u>1,862,173</u>	<u>2,201,914</u>
		<u>\$ 2,492,897</u>	<u>\$ 2,647,929</u>
Total Liabilities, Reserves and Fund Balance			

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**AS OF DECEMBER 31, 2025 AND 2024**  
(Continued)

<b>ASSETS</b>	<u>Reference</u>	<u>2025</u>	<u>2024</u>
Cash	D-5,D-6	\$ 451,451	\$ 1,275,261
Loan Receivable	D-12		104,101
Due from Current Fund	D-10	338,415	
Due from Water Operating Fund	D-11	374,854	
Fixed Capital	D-13	17,810,116	10,135,664
Fixed Capital Authorized and Uncompleted	D-14	<u>1,423,385</u>	<u>7,948,302</u>
 Total Assets		 <u>\$ 20,398,221</u>	 <u>\$ 19,463,328</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Serial Bonds Payable	D-23	\$ 576,000	\$ 736,000
State Water Loans Payable	D-19	4,114,778	4,214,521
Bond Anticipation Notes	D-24	2,529,310	1,944,110
Accounts Payable	D-16	191,292	1,011,823
Improvement Authorization			
Funded	D-20	136,618	132,128
Unfunded	D-20	617,617	421,179
Reserves for			
Amortization	D-27	11,107,393	8,657,072
Deferred Amortization	D-30	201,307	2,293,850
Water System Improvements - PFAS	D-28	823,269	
Payment of Debt	D-29	24,459	4,008
Capital Improvement Fund	D-21	50,143	26,143
Fund Balance	D-2	<u>26,035</u>	<u>22,494</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 20,398,221</u>	 <u>\$ 19,463,328</u>

There were bonds and notes authorized but not issued of \$704,713 and \$238,413, at December 31, 2025 and 2024, respectively. (Exhibit D-31).

**BOROUGH OF WALDWICK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>REVENUES AND OTHER INCOME</b>		
Surplus Anticipated	\$ 592,286	\$ 244,000
Rents	1,941,085	1,878,595
Fire Hydrant Service	25,000	25,000
Miscellaneous	103,490	102,466
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	52,012	50,968
Cancelled Accounts Payable	10,367	8,417
	<u>2,724,240</u>	<u>2,309,446</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operating	1,719,774	1,504,032
Capital Improvements	108,000	150,000
Debt Service	486,450	340,479
Deferred Charges and Statutory Expenditures	157,471	167,047
	<u>2,471,695</u>	<u>2,161,558</u>
Excess in Revenue	252,545	147,888
Adjustments to Income Before Surplus:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>-</u>	<u>110,000</u>
Statutory Excess to Surplus	252,545	257,888
Fund Balance, January 1	<u>2,201,914</u>	<u>2,188,026</u>
	2,454,459	2,445,914
Decreased by:		
Utilization by Water Operating Budget	<u>592,286</u>	<u>244,000</u>
Fund Balance, December 31	<u>\$ 1,862,173</u>	<u>\$ 2,201,914</u>

**BOROUGH OF WALDWICK**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
Balance, January 1	\$ 22,494	\$ 10,477
Increased by:		
Accrued Interest on Sale of Bond Anticipation Notes	3,541	
Premium on Sale of Bond Anticipation Notes	<u>-</u>	<u>12,017</u>
Balance, December 31	<u>\$ 26,035</u>	<u>\$ 22,494</u>

EXHIBIT D-3

**STATEMENT OF REVENUES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Utilized	\$ 592,286	\$ 592,286	
Rents	1,878,000	1,941,085	\$ 63,085
Fire Hydrant Service	<u>25,000</u>	<u>25,000</u>	<u>-</u>
	<u>\$ 2,495,286</u>	<u>\$ 2,558,371</u>	<u>\$ 63,085</u>
Analysis of Non-Budget Revenue			
Interest on Investments and Deposits		\$ 88,840	
Interest and Costs on Delinquent Accounts		7,500	
Sprinkler Charges		<u>7,150</u>	
		<u>\$ 103,490</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries and Wages	\$ 824,900	\$ 824,900	\$ 798,010	\$ 26,890	
Other Expenses	895,782	894,874	867,366	27,508	
Capital Improvements					
Capital Improvement Fund	78,000	78,000	78,000		
Capital Outlay	30,000	30,000	29,535	465	
Water Treatment System Improvements		-	-		
Debt Service					
Payment of Bond Principal	160,000	160,000	160,000		
Payment of Bond Anticipation Notes	14,500	14,500	14,500		
Interest on Bonds	13,107	13,815	13,107		\$ 708
Interest on Notes	77,770	77,770	77,770		-
Environmental Trust Principal & Interest	243,956	243,956	221,073		22,883
Statutory Expenditures					
Public Employees Retirement System	94,166	94,366	94,270	96	
Social Security System	63,105	63,105	55,249	7,856	-
	<u>\$ 2,495,286</u>	<u>\$ 2,495,286</u>	<u>\$ 2,408,880</u>	<u>\$ 62,815</u>	<u>\$ 23,591</u>
Cash Disbursements			\$ 2,308,632		
Accounts Payable			45,125		
Interest on Bonds and Notes			11,861		
Interest on Loans			<u>43,262</u>		
			<u>\$ 2,408,880</u>		

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Land	\$ 10,778,400	\$ 10,788,400
Land Improvements	631,669	596,007
Buildings and Building Improvements	6,991,594	6,258,846
Machinery and Equipment	<u>11,754,265</u>	<u>11,203,472</u>
 Total Assets	 <u>\$ 30,155,928</u>	 <u>\$ 28,846,725</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	 <u>\$ 30,155,928</u>	 <u>\$ 28,846,725</u>

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Waldwick (the "Borough") was incorporated in 1919 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by State law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is 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 organization; 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; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance squad which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**B. Description of Regulatory Basis of Accounting**

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. However under the regulatory basis of accounting municipalities are required to follow GASB pronouncements with regard to disclosure requirements for notes to the financial statements.

**BOROUGH OF WALDWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

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

Park and Ride Contingency Fund - This fund is used to account for the receipts and disbursements relating to parking permit fees collected.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Self- Insurance Fund - This fund is used to account for the resources and expenditures for property claims.

Municipal Open Space Trust Fund – This fund is used to account for resources that have accumulated from a dedicated tax and other resources to be used for the preservation of open space, recreation and farmland property.

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

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the Water Utility Fund. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

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

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2024 balances to conform to the December 31, 2025 presentation.

**Financial Statements – Regulatory Basis**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

**Cash and Investments** - Cash and cash equivalents includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

**Inventories** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**Miscellaneous Revenues/Receivables** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

**Utility Revenues/Receivables** - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Water Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant and Similar Award Revenues/Receivables** - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

**Property Acquired for Taxes** - Property acquired for taxes 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 as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

**Deferred Charges** – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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

**Expenditures** – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmaturing interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

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

**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 NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the proprietary funds and government-wide financial statements.

**Incurred But Not Reported (IBNR) Reserves and Claims Payable** - The Borough has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Borough has not received notices or report of losses (i.e. IBNR). Additionally, the Borough has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining potential claims are recorded as a long-term obligation in the proprietary funds and government-wide financial statements.

**Tax Appeals and Other Contingent Losses** - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**BOROUGH OF WALDWICK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Reserve for Uncollected Taxes** – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

**Leases Receivable** – Leases for the use of the Borough’s land or property are recorded as revenue when repayment is received during the year. GAAP requires non-cancellable leases receivable to be recorded at year-end with an offsetting deferred outflow of resources in both the fund and government-wide financial statements.

**Pensions** – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

**Other Post-Employment Benefits (OPEB)** – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Waldwick has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

General Fixed Assets purchased after December 31, 2017 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 2017 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

Property and equipment purchased by the Water 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. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Water Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), be recorded in proprietary funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary funds as well as in the government-wide financial statements.

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

Trust Funds (Except Municipal Open Space Trust Fund)  
General Capital Fund  
Water Utility Capital Fund

The Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

**1977 Appropriation "CAP"**: The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum. Exceptions to the limitations imposed by the Appropriation CAP also exist for other items including capital expenditures; debt service extraordinary expenses approved by the Local Finance Board; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgets and Budgetary Accounting (Continued)**

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2%, and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2025 the Borough Council increased the original Current Fund budget by \$25,000. The increase was attributable to an emergency resolution fire truck ladder repairs. In 2024 the Borough Council increased the original Current Fund budget by \$1,192,990. The increase was funded by additional aid allotted to the Borough. In addition, during 2024, the Borough council increased the Water Utility Operating budget by \$110,000. This increase was an emergency appropriation for improvements to the water treatment system. In addition, the governing body approved several budget transfers during 2025 and 2024.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

**A. Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2025 and 2024, the book value of the Borough's deposits were \$13,662,086 and \$17,647,254 and bank and brokerage firm balances of the Borough's deposits amounted to \$14,563,499 and \$18,329,870, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2025</u>	<u>2024</u>
Insured	\$ 13,472,202	\$ 17,022,686
Uninsured and Collateralized	<u>1,091,297</u>	<u>1,307,184</u>
	<u>\$ 14,563,499</u>	<u>\$ 18,329,870</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2025 and 2024, the Borough's bank balances of \$1,091,297 and \$1,307,184 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2025</u>	<u>2023</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 1,091,297</u>	<u>\$ 1,307,184</u>
	<u>\$ 1,091,297</u>	<u>\$ 1,307,184</u>

**B. Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; Local Government investment pools, 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); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

As of December 31, 2025 and 2024 the Borough had the following investments:

<u>Investment Type:</u>	<u>Valuation Basis</u>	<u>2025</u>	<u>2024</u>
N.J. Cash Management Fund	Book Value	\$ 321,388	\$ 308,285

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2025 and 2024, \$321,388 and \$308,285 of the Borough’s investments were exposed to custodial credit risk as follows:

	<u>2025</u>	<u>2024</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 321,388	\$ 308,285

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough’s investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in N.J. Cash Management Fund. These investments are 100% of the Borough’s total investments.

Fair Value of Investments. The Borough of Waldwick measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by N.J. Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2025 and 2024 are categorized as Level 2.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Water Utility Capital Fund and Water Utility Assessment Trust Fund is assigned to the Water Utility Operating Fund in accordance with the regulatory basis of accounting.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE**

Receivables at December 31, 2025 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<b><u>2025</u></b>			
Property Taxes	\$ 366,088		\$ 366,088
Tax Title Liens	4,826		4,826
Utility Rents	<u>-</u>	<u>\$ 64,894</u>	<u>64,894</u>
	<u>\$ 370,914</u>	<u>\$ 64,894</u>	<u>\$ 435,808</u>

In 2025, the Borough collected \$304,011 and \$75,277 from delinquent taxes and utility charges and fees, which represented 100% and 100% of the delinquent tax and water charges receivable at December 31, 2024

Receivables at December 31, 2024 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<b><u>2024</u></b>			
Property Taxes	\$ 305,339		\$ 305,339
Utility Rents	<u>-</u>	<u>\$ 75,277</u>	<u>75,277</u>
	<u>\$ 305,339</u>	<u>\$ 75,277</u>	<u>\$ 380,616</u>

In 2024, the Borough collected \$235,088 and \$70,579 from delinquent taxes and utility charges and fees, which represented 100% and 100% of the delinquent tax and water charges receivable at December 31, 2023.

**NOTE 5 DUE TO/FROM OTHER FUNDS**

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:	\$ 35,691	\$ 437,406	\$ 30,066	\$ 11,232
Trust Fund:				
Park and Ride Contingency			5,075	
Other Trust	98,991	9,394		1,736
Unemployment Insurance Trust	9,394			
General Capital Fund		35,691		28,330
Water Utility Operating Fund			6,157	-
Operating		374,854		
Capital	<u>713,269</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 857,345</u>	<u>\$ 857,345</u>	<u>\$ 41,298</u>	<u>\$ 41,298</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

The Borough expects all interfund balances to be liquidated within one year.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2025</u></b>			
Current Fund			
Emergency Authorization	\$25,000	\$25,000	
<b><u>2024</u></b>			
Water Utility Operating Fund			
Emergency Authorization	\$110,000	\$110,000	

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and Water Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 5,126,010	\$ 2,250,000	\$ 6,379,672	\$ 2,526,594
Non-Cash Surplus	<u>338,490</u>	<u>-</u>	<u>204,163</u>	<u>-</u>
	<u>\$ 5,464,500</u>	<u>\$ 2,250,000</u>	<u>\$ 6,583,835</u>	<u>\$ 2,526,594</u>
Water Utility Operating Fund				
Cash Surplus	\$ 1,862,173	\$ 756,325	\$ 2,091,914	\$ 592,286
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>110,000</u>	<u>-</u>
	<u>\$ 1,862,173</u>	<u>\$ 756,325</u>	<u>\$ 2,201,914</u>	<u>\$ 592,286</u>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2025 and 2024.

	Balance January 1, <u>2025</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2025</u>
<b><u>2025</u></b>				
Land	\$ 10,778,400			\$ 10,778,400
Land Improvements	596,007	\$ 35,662		631,669
Buildings and Building Improvements	6,258,846	732,748		6,991,594
Machinery and Equipment	<u>11,203,472</u>	<u>557,319</u>	<u>\$ 6,526</u>	<u>11,754,265</u>
	<u>\$ 28,836,725</u>	<u>\$ 1,325,729</u>	<u>\$ 6,526</u>	<u>\$ 30,155,928</u>
	Balance January 1, <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
<b><u>2024</u></b>				
Land	\$ 8,628,600	\$ 2,149,800		\$ 10,778,400
Land Improvements	578,930	17,077		596,007
Buildings and Building Improvements	5,495,197	763,649		6,258,846
Machinery and Equipment	<u>10,340,881</u>	<u>914,262</u>	<u>\$ 51,671</u>	<u>11,203,472</u>
	<u>\$ 25,043,608</u>	<u>\$ 3,844,788</u>	<u>\$ 51,671</u>	<u>\$ 28,836,725</u>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 8 FIXED ASSETS (Continued)**

**B. Water Utility Fund Fixed Assets**

The following is a summary of changes in the utility fund(s) fixed assets for the years ended December 31, 2025 and 2024.

<b>Water Utility Fund</b>	Balance January 1, <u>2025</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, December 31, <u>2025</u>
<b><u>2025</u></b>					
Fixed Capital					
System and System Improvements	\$ 3,537,707	\$ 3,219,971		\$ 53,441	\$ 6,811,119
Building and Building Improvements	3,495,221	4,128,692		1,087	7,625,000
Vehicles and Equipment	<u>3,102,736</u>	<u>325,789</u>	<u>-</u>	<u>(54,528)</u>	<u>3,373,997</u>
	<u>\$ 10,135,664</u>	<u>\$ 7,674,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,810,116</u>
	Balance January 1, <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>	
<b><u>2024</u></b>					
Fixed Capital					
System and System Improvements	\$ 3,490,620	\$ 47,087		\$ 3,537,707	
Building and Building Improvements	3,495,221	-		3,495,221	
Vehicles and Equipment	<u>3,102,736</u>	<u>-</u>	<u>-</u>	<u>3,102,736</u>	
	<u>\$ 10,088,577</u>	<u>\$ 47,087</u>	<u>\$ -</u>	<u>\$ 10,135,664</u>	

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both General Capital and Water Utility Capital Fund projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2025</u>	<u>2024</u>
Issued		
General		
Bonds, Notes and Loans	\$ 11,493,579	\$ 12,773,937
Water Utility		
Bonds, Notes and Loans	<u>7,220,088</u>	<u>6,894,631</u>
Total Issued	18,713,667	19,668,568
Less Funds Temporarily Held to Pay Bonds and Notes	<u>24,459</u>	<u>49,265</u>
Net Debt Issued	18,689,208	19,619,303
Authorized But Not Issued		
General		
Bonds and Notes	4,331,597	2,468,597
Water Utility		
Bonds, Notes and Loans	<u>704,713</u>	<u>238,413</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 23,725,518</u>	<u>\$ 22,326,313</u>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .68% and .72% at December 31, 2025 and 2024, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2025</u></b>			
General Debt	\$ 15,825,176		\$ 15,825,176
School Debt	27,570,000	\$ 27,570,000	-
Water Utility Debt	<u>7,924,801</u>	<u>7,924,801</u>	<u>-</u>
Total	<u>\$ 51,319,977</u>	<u>\$ 35,494,801</u>	<u>\$ 15,825,176</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2024</u></b>			
General Debt	\$ 15,242,534	\$ 45,257	\$ 15,197,277
School Debt	28,585,000	28,585,000	-
Water Utility Debt	<u>7,133,044</u>	<u>7,133,044</u>	<u>-</u>
Total	<u>\$ 50,960,578</u>	<u>\$ 35,763,301</u>	<u>\$ 15,197,277</u>

**Statutory Borrowing Power**

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2025</u>	<u>2024</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 81,206,815	\$ 74,403,313
Less: Net Debt	<u>15,825,176</u>	<u>15,197,277</u>
Remaining Borrowing Power	<u>\$ 65,381,639</u>	<u>\$ 59,206,036</u>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2025</u>	<u>2024</u>
\$4,508,000, 2014 Bonds, due in an annual installment of \$418,000 through November, 2026, interest at 2.50%	\$ 418,000	\$ 838,000
\$6,978,000, 2020 Bonds, due in annual installments of \$578,000 to \$725,000 through July, 2030, interest at 1.50% to 2.00%	<u>3,203,000</u>	<u>3,928,000</u>
Total	<u>\$ 3,621,000</u>	<u>\$ 4,766,000</u>

**General Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Borough's sanitary sewer infiltration and inflow reduction improvements. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2025</u>	<u>2024</u>
\$86,874, 2011 Fund Loan due in Semi-annual installments of \$1,589 to \$3,178 through August 2029, interest free	\$ 16,957	\$ 21,724
\$86,874, 2011 Trust Loan due in Annual installments of \$996 to \$5,391 through August 2030, interest at 4.13% to 4.51%	<u>24,932</u>	<u>30,323</u>
	<u>\$ 41,889</u>	<u>\$ 52,047</u>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Water Utility Bonds**

The Borough pledges revenue from operations to pay debt service on water utility bonds issued. The water utility bonds outstanding at December 31 are as follows:

	<u>2025</u>	<u>2024</u>
\$564,000, 2014 Bonds, due in an annual installment of \$59,000 through November, 2026, interest at 2.50%	\$ 59,000	\$ 119,000
\$1,017,000, 2020 Bonds, due in annual installments of \$100,000 to \$105,000 through July, 2030, interest at 1.50% to 2.00%	<u>517,000</u>	<u>617,000</u>
	<u>\$ 576,000</u>	<u>\$ 736,000</u>

**Water Utility Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing relating to the water storage tank booster pump, water main construction, and water treatment system improvement projects. The Borough pledges revenue from operations to pay debt service on utility intergovernmental loans issued. Utility intergovernmental loans outstanding of the water utility at December 31 are as follows:

	<u>2025</u>	<u>2024</u>
\$1,702,711, 2024/25 Fund Loan due in Semi-annual installments of \$17,464 to \$78,587 through August 2044, interest free	\$ 1,667,784	\$ 1,702,711
\$1,245,000, 2024/25 Trust Loan due in Annual installments of \$75,000 to \$115,000 through August 2038, interest at 5.00%	1,245,000	1,245,000
\$857,909, 2024/25 WIFIA Loan due in Annual installments of \$143,631 to \$146,350 through August 2044, interest at 3.710%	857,909	857,909
\$566,508, 2010 Fund Loan due in Semi-annual installments of \$9,939 to \$19,877 through August 2030, interest free	149,085	178,901
\$545,000, 2010 Trust Loan due in Annual installments of \$35,000 to \$45,000 through August 2030, interest at 5.00%	<u>195,000</u>	<u>230,000</u>
	<u>\$ 4,114,778</u>	<u>\$ 4,214,521</u>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 9 MUNICIPAL DEBT (Continued)**

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2025 is as follows:

Calendar Year	General Bonds		General Loans		Water Utility Bonds		Water Utility Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 1,143,000	\$ 70,885	\$ 10,381	\$ 1,082	\$ 159,000	\$ 11,315	\$ 227,135	\$ 103,828	\$ 1,726,626
2027	650,000	49,560	10,619	843	105,000	8,340	232,136	98,328	1,154,826
2028	625,000	36,560	10,870	593	105,000	6,240	237,136	92,578	1,113,977
2029	625,000	24,060	9,017	327	105,000	4,140	242,136	86,578	1,096,258
2030	578,000	11,560	1,002	45	102,000	2,040	247,136	80,328	1,022,111
2031-2035							936,592	321,642	1,258,234
2036-2040							1,061,860	187,963	1,249,823
2041-2044	-	-	-	-	-	-	930,647	53,230	983,877
<b>Total</b>	<b>\$ 3,621,000</b>	<b>\$ 192,625</b>	<b>\$ 41,889</b>	<b>\$ 2,890</b>	<b>\$ 576,000</b>	<b>\$ 32,075</b>	<b>\$ 4,114,778</b>	<b>\$ 1,024,475</b>	<b>\$ 9,605,732</b>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2025 and 2024 were as follows:

	Balance, January 1, <u>2025</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2025</u>	Due Within <u>One Year</u>
<b><u>2025</u></b>					
<b><u>General Capital Fund</u></b>					
Bonds Payable	\$ 4,766,000		\$ 1,145,000	\$ 3,621,000	\$ 1,143,000
Intergovernmental Loans Payable	52,047	\$ -	10,158	41,889	10,381
<b>General Capital Fund Long-Term Liabilities</b>	<b>\$ 4,818,047</b>	<b>\$ -</b>	<b>\$ 1,155,158</b>	<b>\$ 3,662,889</b>	<b>\$ 1,153,381</b>
<b><u>Water Utility Capital Fund</u></b>					
Bonds Payable	\$ 736,000		\$ 160,000	\$ 576,000	\$ 159,000
Intergovernmental Loans	4,214,521	\$ -	99,743	4,114,778	227,135
<b>Water Utility Capital Fund Long-Term Liabilities</b>	<b>\$ 4,950,521</b>	<b>\$ -</b>	<b>\$ 259,743</b>	<b>\$ 4,690,778</b>	<b>\$ 386,135</b>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, January 1, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<b><u>2024</u></b>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 5,911,000		\$ 1,145,000	\$ 4,766,000	\$ 1,145,000
Intergovernmental Loans Payable	<u>61,998</u>	<u>-</u>	<u>9,951</u>	<u>52,047</u>	<u>10,159</u>
General Capital Fund Long-Term Liabilities	<u>\$ 5,972,998</u>	<u>\$ -</u>	<u>\$ 1,154,951</u>	<u>\$ 4,818,047</u>	<u>\$ 1,155,159</u>
<u>Water Utility Capital Fund</u>					
Bonds Payable	\$ 896,000		\$ 160,000	\$ 736,000	\$ 160,000
Intergovernmental Loans	<u>468,717</u>	<u>\$ 3,805,620</u>	<u>59,816</u>	<u>4,214,521</u>	<u>99,744</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,364,717</u>	<u>\$ 3,805,620</u>	<u>\$ 219,816</u>	<u>\$ 4,950,521</u>	<u>\$ 259,744</u>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough’s short-term debt activity for the years ended December 31, 2025 and 2024 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, January 1, 2025</u>	<u>Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2025</u>
<b>2025</b>						
<u>General Capital Fund</u>						
Various Public Improvements & Acquisitions	3.50%	10/9/2026	\$ 5,503,890	\$ 5,378,690	\$ 5,503,890	\$ 5,378,690
Acquisitions of Property	3.50%	10/9/2026	<u>2,452,000</u>	<u>2,452,000</u>	<u>2,452,000</u>	<u>2,452,000</u>
Total General Capital Fund			<u>\$ 7,955,890</u>	<u>\$ 7,830,690</u>	<u>\$ 7,955,890</u>	<u>\$ 7,830,690</u>
<u>Water Utility Capital Fund</u>						
Various Public Improvements & Acquisitions	3.50%	10/9/2026	\$ 1,944,110	\$ 2,529,310	\$ 1,944,110	\$ 2,529,310
Total Water Utility Capital Fund			<u>\$ 1,944,110</u>	<u>\$ 2,529,310</u>	<u>\$ 1,944,110</u>	<u>\$ 2,529,310</u>
<b>2024</b>						
<u>General Capital Fund</u>						
Various Public Improvements & Acquisitions	4.00%	10/10/2025	\$ 4,247,000	\$ 5,503,890	\$ 4,247,000	\$ 5,503,890
Acquisitions of Property	4.00%	10/10/2025	<u>-</u>	<u>2,452,000</u>	<u>-</u>	<u>2,452,000</u>
Total General Capital Fund			<u>\$ 4,247,000</u>	<u>\$ 7,955,890</u>	<u>\$ 4,247,000</u>	<u>\$ 7,955,890</u>
<u>Water Utility Capital Fund</u>						
Various Public Improvements & Acquisitions	4.00%	10/10/2025	\$ 1,867,000	\$ 1,944,110	\$ 1,867,000	\$ 1,944,110
Total Water Utility Capital Fund			<u>\$ 1,867,000</u>	<u>\$ 1,944,110</u>	<u>\$ 1,867,000</u>	<u>\$ 1,944,110</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund. The amounts issued for the water utility activities are accounted for in the Water Utility Capital Fund.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project/Purpose</u>	<u>Construction / Other Commitment</u>	<u>Estimated Date of Completion</u>
<b><u>2025</u></b>		
Malcolm Street Pump Station Rehab.	\$ 525,445	2026
Platforms Aerial Ladder Truck	1,900,000	2026
Pistol Range HVAC & Roofing	578,452	2026
Rehabilitation of Water Storage Tanks 1 & 2	59,324	2026
<b><u>2024</u></b>		
Platforms Aerial Ladder Truck	\$ 1,913,039	2026

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$757,585 and \$842,536 at December 31, 2025 and 2024, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2025 and 2024, the Borough has reserved in the Other Trust Fund \$203,357 and \$203,357, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**Changes in Other Long-Term Liabilities**

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities (Continued)**

The Borough's changes in other long-term liabilities for the years ended December 31, 2025 and 2024 were as follows:

	Balance, January 1, <u>2025</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2025</u>	Due Within <u>One Year</u>
<b><u>2025</u></b>					
Compensated Absences	\$ 842,536	\$ 18,650	\$ 103,601	\$ 757,585	
Net Pension Liability -					
PERS (1)	4,048,242			4,048,242	
PFRS (1)	<u>6,712,427</u>	<u>-</u>	<u>-</u>	<u>6,712,427</u>	<u>-</u>
 Total Other Long-Term Liabilities	 <u>\$ 11,603,205</u>	 <u>\$ 18,650</u>	 <u>\$ 103,601</u>	 <u>\$ 11,518,254</u>	 <u>\$ -</u>
	Balance, January 1, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<b><u>2024</u></b>					
Compensated Absences	\$ 665,613	\$ 223,207	\$ 46,284	\$ 842,536	
Net Pension Liability -					
PERS	4,741,479		693,237	4,048,242	
PFRS	<u>7,002,642</u>	<u>608,909</u>	<u>899,124</u>	<u>6,712,427</u>	<u>-</u>
 Total Other Long-Term Liabilities	 <u>\$ 12,409,734</u>	 <u>\$ 832,116</u>	 <u>\$ 1,638,645</u>	 <u>\$ 11,603,205</u>	 <u>\$ -</u>

(1) GASB Statement Numbers 68 Pension and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

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

**Public Employees’ Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at [www.nj.gov/treasury/pensions/annual-reports](http://www.nj.gov/treasury/pensions/annual-reports).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower (formerly Prudential Retirement) is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.nj.gov/treasury/doinvest](http://www.nj.gov/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2025 was not available and for June 30, 2024 is \$13.7 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.22% at June 30, 2024. The collective net pension liability of the participating employers for local PFRS at June 30, 2025 was not available and for June 30, 2024 is \$12.4 billion and the plan fiduciary net position as a percentage of total pension liability is 72.66% at June 30, 2024.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

**Actuarial Methods and Assumptions**

In the July 1, 2023 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2025 and 2024 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2025, 2024 and 2023 were equal to the required contributions.

**BOROUGH OF WALDWICK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions (Continued)**

During the years ended December 31, 2025, 2024 and 2023, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2025	\$ 899,124	\$ 405,399	\$ 5,256
2024	843,706	437,515	7,001
2023	759,902	412,198	7,241

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense (benefit) excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2025 for the measurement date of June 30, 2025 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2025 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2024 and 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due, based on statutory requirements.

**Public Employees Retirement System (PERS)**

At December 31, 2024, the Borough reported a liability of \$4,048,242, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough’s proportionate share was .02979 percent, which was a decrease of .00295 percent from its proportionate share measured as of June 30, 2023 of .03274 percent.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the year ended December 31, 2024, the pension system has determined the Borough’s pension expense (benefit) to be \$(177,363), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$437,515. At December 31, 2024, the Borough’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 81,094	\$ 10,778
Changes of Assumptions	5,029	46,060
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	187,706
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>143,298</u>	<u>401,761</u>
Total	<u>\$ 229,421</u>	<u>\$ 646,305</u>

At December 31, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2025	115,155
2026	(191,256)
2027	(157,777)
2028	(183,006)
2029	-
Thereafter	<u>-</u>
	<u>\$ (416,884)</u>

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The Borough's total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2024</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

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

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>2024</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%

***Discount Rate***

The discount rate used to measure the total pension liability for PERS 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.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Sensitivity of Net Pension Liability*

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2024 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2024</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>5,269,950</u>	\$ <u>4,048,242</u>	\$ <u>3,008,407</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2024. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

*Pension Plan Fiduciary Net Position*

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**Police and Firemen’s Retirement System (PFRS)**

At December 31, 2024, the Borough reported a liability of \$6,712,427, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough’s proportionate share was .06500 percent, which was an increase of .00162 percent from its proportionate share measured as of June 30, 2023 of .06338 percent.

**BOROUGH OF WALDWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police and Firemen’s Retirement System (PFRS) (Continued)**

For the year ended December 31, 2024, the pension system has determined the Borough pension expense (benefit) to be \$457,724, for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$843,706. At December 31, 2024, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 422,878	\$ 229,796
Changes of Assumptions	10,611	197,133
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	52,537
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,134,962</u>	<u>-</u>
Total	<u>\$ 1,568,451</u>	<u>\$ 479,466</u>

At December 31, 2024 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2025	\$ 276,669
2026	123,562
2027	224,701
2028	167,118
2029	
Thereafter	<u>296,935</u>
	<u>\$ 1,088,985</u>

**BOROUGH OF WALDWICK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police and Firemen’s Retirement System (PFRS) (Continued)**

*Actuarial Assumptions*

The Borough’s total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2024</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

Employee mortality rates were based on the Pub-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 Pub-2010 Safety Retiree Below Median amount-weighted mortality (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% of the Pub-2010 Safety Disabled Retire amount – weighted mortality table 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.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police and Firemen’s Retirement System (PFRS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>2024</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Cash Equivalents	2.00%	3.40%
U.S. Treasury Bond	7.00%	4.10%
Non-US Developed Large-Cap Equity	9.50%	6.70%
Non-US Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Small Cap Equity	1.50%	9.60%
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%
Private Debit/Credit	8.00%	9.10%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Equity	10.00%	10.00%

***Discount Rate***

The discount rate used to measure the total pension liability for PFRS 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 will be based on 100% of the actuarially determined contributions for the State. 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.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Police and Firemen’s Retirement System (PFRS) (Continued)**

*Sensitivity of Net Pension Liability*

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2024 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2023</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 9,352,592	\$ 6,712,427	\$ 4,513,801

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2024. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

*Special Funding Situation – PFRS*

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

At December 31, 2024, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,323,341. For the year ended December 31, 2024, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$152,240 which is equal to the actual contribution the State made on behalf of the Borough of \$152,240. At December 31, 2024 (measurement date June 30, 2024) the State’s share of the PFRS net pension liability attributable to the Borough was .06500 percent, which was an/a increase of .00162 percent from its proportionate share measured as of December 31, 2023 (measurement date June 30, 2023) of .06338 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported in the Borough’s financial statements.

*Pension Plan Fiduciary Net Position*

Detailed information about the PFRS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Borough.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

**State Health Benefit Program Fund – Local Government Retired Employees (the Plan)** (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at [www.nj.gov/treasury/pensions/annual-reports](http://www.nj.gov/treasury/pensions/annual-reports).

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Plan Membership and Contributing Employers**

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2024:

Active Plan Members	60,691
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>28,899</u>
Total	<u>89,590</u>
Contributing Employers	555
Contributing Nonemployers	1

**Measurement Focus and Basis of Accounting**

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2025 was not available and for June 30, 2024 is \$17.9 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.89)% at June 30, 2024.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2023 which was rolled forward to June 30, 2024.

**Actuarial Methods and Assumptions**

In the July 1, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution**

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there can be a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$399.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$62.8 million for fiscal year 2024.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough is not required to make contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2025, 2024 and 2023.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2025 for the measurement date of June 30, 2025 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2025 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2024 and 2023. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

***Special Funding Situation***

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

The non-employer special funding allocation percentages presented as the State's proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

At December 31, 2024, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$9,490,390. For the year ended December 31, 2024 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$919,458. At December 31, 2024, (measurement date June 30, 2024), the State's share of the OPEB liability attributable to the Borough was .19461 percent, which was a decrease of .00348 percent from its proportionate share measured as of December 31, 2023 (measurement date June 30, 2023) of .19809 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits. These on-behalf contributions have not been reported in the Borough's financial statements.

***OPEB Plan Fiduciary Net Position***

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

**NOTE 14 RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough has established a Self-Insurance Trust Fund for the purpose of funding non-reimbursable property, plant and equipment claims as well as the deductible portion of the claims. As of December 31, 2025 and 2024 the Borough has available in the Self Insurance Trust Fund \$51,308 and \$48,333, respectively for the payment of self-insurance claims.

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

**BOROUGH OF WALDWICK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 14 RISK MANAGEMENT (Continued)**

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund’s Treasurer.

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

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. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2025	\$ 9,394	\$ 13,842	\$ 71,704
2024	6,493	32,449	61,790
2023	9,735	4,759	85,626

**NOTE 15 CONTINGENT LIABILITIES**

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough’s Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2025 and 2024. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. As of December 31, 2025 and 2024, the Borough reserved \$325,162 and \$325,162, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2025 and 2024, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2025 and 2024, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 17 LEASES RECEIVABLE**

On November 10, 2009 the Borough began leasing cell tower space at 19 Industrial Way to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough contracted for \$39,910 and \$36,282 in lease revenue for 2025 and 2024, respectively, which includes interest earnings of \$8,174 and \$134, respectively. As of December 31, 2025 and 2024 the Borough's receivable for lease payments, exclusive of future interest earnings is \$142,544 and \$36,148, respectively.

On October 28, 2018 the Borough began leasing cell tower space at the Wyckoff Ave. transfer station to a third party. The lease is for 5 years. The Borough contracted for \$52,800 and \$52,800 in lease revenue for 2025 and 2024, respectively, which includes interest earnings of \$8,662 and \$10,680, respectively. As of December 31, 2025 and 2024 the Borough's receivable for lease payments, exclusive of future interest earnings is \$136,708 and \$180,845, respectively.

On March 20, 2006 the Borough began leasing cell tower space at 19 Industrial Way to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough contracted for \$40,200 and \$41,835 in lease revenue for 2025 and 2024, respectively, which includes interest earnings of \$7,122 and \$6,660, respectively. As of December 31, 2025 and 2024 the Borough's receivable for lease payments, exclusive of future interest earnings is \$118,771 and \$151,849, respectively.

On May 1, 2014 the Borough began leasing cell tower space at 15 East Prospect Street to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough contracted for \$11,160 and \$10,820 in lease revenue for 2025 and 2024, respectively, which includes interest earnings of \$2,008 and \$1,592, respectively. As of December 31, 2025 and 2024 the Borough's receivable for lease payments, exclusive of future interest earnings is \$33,666 and \$42,818, respectively.

On November 9, 2004 the Borough began leasing cell tower space at the Wyckoff Ave. transfer station to a third party. The lease is for 1 year. The Borough contracted for \$52,530 and \$53,482 in lease revenue for 2025 and 2024, respectively, which includes interest earnings of \$3,936 and \$1,074, respectively. As of December 31, 2025 and 2024 the Borough's receivable for lease payments, exclusive of future interest earnings is \$52,069 and \$100,663, respectively.

On December 28, 2014 the Borough began leasing cell tower space at the Wyckoff Ave. transfer station to a third party. The lease is for 1 year. The Borough contracted for \$75,847 and \$75,847 in lease revenue for 2025 and 2024, respectively, which includes interest earnings of \$2,854 and \$279, respectively. As of December 31, 2025 and 2024 the Borough's receivable for lease payments, exclusive of future interest earnings is \$0- and \$72,993, respectively.

On March 20, 2006 the Borough began leasing cell tower space at the 19 Industrial Way to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough contracted for \$32,144 and \$31,208 in lease revenue for 2025 and 2024, respectively, which includes interest earnings of \$5,943 and \$6,893, respectively. As of December 31, 2025 and 2024 the Borough's receivable for lease payments, exclusive of future interest earnings is \$125,786 and \$151,988, respectively.

**BOROUGH OF WALDWICK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

**NOTE 17 LEASES RECEIVABLE (Continued)**

The future lease revenue principal and interest payments as of December 31, 2025 were as follows:

Calendar Year	<u>Total</u>
2026	\$ 230,319
2027	177,179
2028	169,372
2029	88,805
2030	<u>36,179</u>
Total	<u>\$ 701,854</u>

**NOTE 18 SUBSEQUENT EVENTS**

**Debt Authorized**

On April 28, 2026 the Borough adopted a bond ordinance authorizing the issuance \$1,611,700 in Bonds or bond anticipation notes to fund certain general capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On April 28, 2026 the Borough adopted a bond ordinance authorizing the issuance \$1,475,000 in Bonds or bond anticipation notes to fund certain water capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**SUPPLEMENTARY SCHEDULES**

**CURRENT FUND**

**BOROUGH OF WALDWICK  
STATEMENT OF CURRENT CASH**

Balance, January 1, 2025		\$ 8,016,248
Increased by Receipts:		
Revenue Accounts Receivable	\$ 4,520,465	
Non-Budget Revenue	280,860	
Senior Citizens' and Veterans' Deductions - Due from State of NJ	47,250	
Taxes Receivable	50,314,238	
Grants Receivable	44,587	
Receipts from Unemployment Insurance Trust Fund	1,079	
Receipts from Other Trust Fund	214,601	
Receipts for Other Trust Fund	1,300	
Receipts for Water Capital Fund	338,415	
Tax Overpayments	68,513	
Prepaid Taxes	275,096	
Public and Private Programs - Unappropriated Reserves	50,968	
Construction Code Fees Payable	12,315	
	56,169,687	
		64,185,935
Decreased by Disbursements:		
2025 Budget Appropriations	15,803,475	
2024 Appropriation Reserves	191,559	
Accounts Payable	268,152	
Change Funds	400	
Public and Private Programs- Appropriated Reserves	101	
Tax Overpayments	41,409	
County Taxes Payable	5,479,805	
Local District School Taxes Payable	35,166,199	
Payments to Park and Ride Trust Fund	5,075	
Payments to Municipal Open Space Trust Fund	110,764	
Payments to Water Utility Operating Fund	6,157	
Construction Code Fees Payable	12,315	
Refund of Prior Year Revenue	370	
	57,085,781	
Balance, December 31, 2025		\$ 7,100,154

**BOROUGH OF WALDWICK  
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, January 1, <u>2025</u>	Increased by:	Balance, December 31, <u>2025</u>
Collector-Treasurer	\$ 975	\$ 400	\$ 1,375
Municipal Court	125	-	125
Municipal Clerk	50	-	50
Swimming Pool	<u>50</u>	<u>-</u>	<u>50</u>
	<u>\$ 1,200</u>	<u>\$ 400</u>	<u>\$ 1,600</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, January 1, 2025		\$ 49,444
Increased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 5,000	
Veterans' Deductions Per Tax Billings	42,250	
Senior Citizens/Veterans' Deductions Allowed by Tax Collector-2025	750	
Senior Citizens/Veterans' Deductions Allowed by Tax Collector-2024	<u>1,250</u>	
		<u>49,250</u>
		98,694
Decreased by:		
Cash Received from State of New Jersey	47,250	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2025	1,250	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2024	<u>500</u>	
		<u>49,000</u>
Balance, December 31, 2025		<u>\$ 49,694</u>

**BOROUGH OF WALDWICK  
STATEMENT OF TAXES RECEIVABLE**

<u>Year</u>	<u>Balance, January 1, 2025</u>	<u>2025 Levy</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Cash Collections</u>		<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Transferred To Tax Title Liens</u>	<u>Balance, December 31, 2025</u>
				<u>2024</u>	<u>2025</u>				
2024	\$ 305,339	-	\$ 500	-	\$ 302,761	\$ 1,250	-	\$ 1,828	-
	305,339	-	500	-	302,761	1,250	-	1,828	-
2025	-	\$ 50,847,698	1,250	\$ 218,194	50,011,477	\$ 48,000	\$ 202,488	2,701	\$ 366,088
	<u>\$ 305,339</u>	<u>\$ 50,847,698</u>	<u>\$ 1,750</u>	<u>\$ 218,194</u>	<u>\$ 50,314,238</u>	<u>\$ 49,250</u>	<u>\$ 202,488</u>	<u>\$ 4,529</u>	<u>\$ 366,088</u>

**Analysis of 2025 Property Tax Levy**

Tax Yield	
General Purpose Tax	\$ 50,767,272
Added Taxes	<u>80,426</u>
	<u>\$ 50,847,698</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 35,166,199
County Tax (Abstract)	\$ 5,242,630
County Open Space Tax (Abstract)	234,174
Due for Added and Omitted Taxes	<u>8,142</u>
	5,484,946
Local Tax for Municipal Purposes	9,217,026
Minimum Library Tax	778,234
Municipal Open Space Tax	110,604
Municipal Open Space Tax Added	160
Add Additional Tax Levies	<u>90,529</u>
	<u>10,196,553</u>
	<u>\$ 50,847,698</u>

**BOROUGH OF WALDWICK  
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Increased by:

Transfers from Taxes Receivable - 2024	\$ 1,828	
Transfers from Taxes Receivable - 2025	2,701	
Interest and Costs Accrued by Tax Sale	<u>297</u>	
		\$ <u>4,826</u>

Balance, December 31, 2025		\$ <u>4,826</u>
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**STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2025</u>	<u>Accrued</u>	<u>Received</u>	Balance, December 31, <u>2025</u>
Municipal Alliance Program-Donation	\$ 1,484			\$ 1,484
Clean Communities	3,979		\$ 3,979	-
Storm Water Management	10,000		10,000	-
Police Donation	4,256			4,256
NJDCA - Local Recreation Imvts	70,000			70,000
LFRF - ARP - Fire Fighter Grant	55,000		30,608	24,392
BPU - Community Energy Plan Grant	10,000			10,000
Bergen County CDBG '25 - Handicap Ramps		\$ 78,155		78,155
Bergen County CDBG '26 - Handicap Ramps	<u>-</u>	<u>75,509</u>	<u>-</u>	<u>75,509</u>
	<u>\$ 154,719</u>	<u>\$ 153,664</u>	<u>\$ 44,587</u>	<u>\$ 263,796</u>

**BOROUGH OF WALDWICK  
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, <u>2025</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2025</u>
Borough Clerk				
Licenses				
Alcoholic Beverage		\$ 18,720	\$ 18,720	
Other		4,490	4,490	
Fees and Permits		31,511	31,511	
Tax Collector				
Fees and Permits		450	450	
Board of Health				
Licenses		22,282	22,282	
Construction Code Official				
Fees and Permits		235,333	235,333	
Fire Prevention Bureau				
Fees and Permits		31,932	31,932	
Police				
Fees and Permits		7,675	7,675	
Swimming Pool				
Fees and Permits		146,080	146,080	
Park and Ride Contingency Fund				
Fees and Permits		21	21	
Sewer Connection				
Fees and Permits		10,864	10,864	
Municipal Court				
Fines and Costs	\$ 4,755	72,264	69,828	\$ 7,191
Interest and Costs on Taxes		78,772	78,772	
Interest on Investments and Deposits		444,593	444,593	
Sewer Rents - 2024				
Sewer Rents - 2025		250,354	250,354	
Energy Receipts Tax		2,498,037	2,498,037	
Police Training - Various Municipal Agreements		68,491	68,491	
Cable Television Franchise Fees		136,415	136,415	
Uniform Fire Safety Act		22,874	22,874	
Cell Site Rent		303,065	303,065	
Forfeited Tax Sale Premium		59,600	59,600	
Reserve for Police O/S Duty		50,000	50,000	
Tax Appeal Settlement		79,021	79,021	
JIF Accreditation Payment		25,000	25,000	
Reserve for Payment of Debt	-	45,257	45,257	-
	<u>\$ 4,755</u>	<u>\$ 4,643,101</u>	<u>\$ 4,640,665</u>	<u>\$ 7,191</u>
Cash Receipts			\$ 4,520,465	
Due from Other Trust Fund			111,760	
Due from Self Insurance Trust Fund			1,079	
Due from General Capital Fund			7,361	
			<u>\$ 4,640,665</u>	

**STATEMENT OF DEFERRED CHARGES**

	Added in <u>2025</u>	Balance December 31, <u>2025</u>
Emergency Authorizations - (40A:4-47)	\$ 25,000	\$ 25,000

BOROUGH OF WALDWICK  
STATEMENT OF 2024 APPROPRIATION RESERVES

	Balance, January 1, <u>2025</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages</b>					
General Administration	\$ 2,487		\$ 787		\$ 787
Mayor and Council	600		600		600
Municipal Clerk	1,881		1,881		1,881
Financial Administration	1,973		1,973	\$ 1,095	878
Revenue Administration	1,800		1,800		1,800
Tax Assessment Administration	190		190	180	10
Uniform Construction Code	21		21	-	21
Police	13,751		3,751	3,015	736
Fire	2,356		356		356
Fire Prevention	1,922		1,922	1,401	521
Streets and Road Maintenance	10,961		10,961	10,348	613
Recreation Services and Programs	1,221		1,221	-	1,221
Municipal Court	18,497	-	18,497	1,856	16,641
	<u>57,660</u>	<u>-</u>	<u>43,960</u>	<u>17,895</u>	<u>26,065</u>
Total Salaries and Wages					
<b>Other Expenses</b>					
General Administration	3	\$ 1,589	1,592		1,592
Mayor and Council	287		287	59	228
Municipal Clerk	7,278	922	3,200		3,200
Financial Admin	8,700		8,700	5,548	3,152
Audit Services	1,510		1,510	-	1,510
Revenue Administration	13,723		13,723	8,086	5,637
Tax Title Liens	100		100		100
Tax Assessment Administration	1,804		1,804	3	1,801
Legal Services & Costs	4,022		4,022	3,076	946
Planning Board	4,554		4,554	-	4,554
Board of Adjustments	4,740		4,740	590	4,150
<b>Insurance</b>					
General Liability	9,226		46,926	46,901	25
Employee Group Health	86,531	22,173	97,304		97,304
Health Benefit Waiver	3,704		3,704		3,704
Unemployment	-	155	155		155
Police	30,027		30,027	10,830	19,197
Office of Emergency Management	2,278		2,278	-	2,278
Aid to Volunteer Ambulance Companies	1,000		1,000	1,000	-
Fire	7,167		7,167	157	7,010
Streets and Road Maintenance	15,746		15,746	959	14,787
Snow Removal	1,984		1,984	602	1,382
Municipal Park and Ride	808	252	1,060	-	1,060
Traffic Control Devices	-		1,000	823	177
Garbage Collection	6,011		6,011		6,011
Recycling	55		55	55	-
Public Buildings and Grounds	5,002		5,002	4,591	411
Vehicle Maintenance	6,064		6,064	4,075	1,989
Maintenance of Free Public Library	-	704	704	-	704

**BOROUGH OF WALDWICK**  
**STATEMENT OF 2024 APPROPRIATION RESERVES**  
**(Continued)**

	Balance, January 1, <u>2025</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Northwest Bergen Comm. Contractual	\$ 1,176	\$ 280	\$ 1,456		\$ 1,456
Welfare/Administration of Public Assistance	100		100		100
Recreation Services & Programs	97		97	\$ 34	63
Municipal Court	1,685		1,685	290	1,395
Public Defender	627		627		627
Celebration of Public Events	1,560		1,560		1,560
Uniform Construction Code	544		544	112	432
Fuel Oil	8,253		1,253		1,253
Electricity	4,800	455	5,255		5,255
Telephone	1,317		1,317		1,317
Natural Gas	12,953		12,953	11,969	984
Street Lighting	8,909		13,109	13,039	70
Water	4,504		4		4
Sewerage Processing and Disposal	1,004		2,704	2,704	-
Sanitary Landfill Dump Fees	72,170		72,170	32,029	40,141
Social Security System	9,173		6,173	1,771	4,402
Defined Contribution Retirement Plan	4,180		4,180	20	4,160
Village of Ridgewood - Contractual - Sewer	3,300		3,300	3,300	-
Recycling Tax Appropriation	1,532		1,532		1,532
NJDEPES Stormwater Permit	20,000	48	20,048		20,048
Workers Compensation Insurance	-	8,994	8,994		8,994
Recycling Tonnage Grant	13,239		13,239	13,239	-
Police Vest Fund	5,387		5,387	5,387	-
ARPA - Firefighter Grant	162		162	162	-
BPU - Community Energy Plan	10,000		10,000	10,000	-
NJ DCA-Recreation Grant - Lions Park	36,700		36,700	36,700	-
Opioid Settlement	14,219		14,219	14,219	-
Clean Communities Grant	2,382		2,382	2,382	-
Public Safety - Police Training	12,548	-	12,548	12,548	-
	<u>474,845</u>	<u>35,572</u>	<u>524,117</u>	<u>247,260</u>	<u>276,857</u>
	<u>\$ 532,505</u>	<u>\$ 35,572</u>	<u>\$ 568,077</u>	<u>\$ 265,155</u>	<u>\$ 302,922</u>
				\$ 191,559	
				33,756	
				<u>39,840</u>	
				<u>\$ 265,155</u>	

**BOROUGH OF WALDWICK  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2025		\$ 354,453
Increased by:		
Charges to 2025 Budget Appropriation	\$ 253,082	
Transferred from 2024 Appropriation Reserves	<u>33,756</u>	
		<u>286,838</u>
		641,291
Decreased by:		
Cash Disbursements	268,152	
Cancelled Payables Restored to 2024 Appropriation Reserves	35,572	
Cancelled Payables	<u>50,729</u>	
		<u>354,453</u>
Balance, December 31, 2025		<u>\$ 286,838</u>

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2025		\$ 218,194
Increased by:		
2026 Taxes Collected		<u>275,096</u>
		493,290
Decreased by:		
Applied to 2025 Taxes		<u>218,194</u>
Balance, December 31, 2025		<u>\$ 275,096</u>

**BOROUGH OF WALDWICK  
STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2025		\$ 250
Increased by:		
Overpayments in 2025		<u>68,513</u>
		68,763
Decreased by:		
Cash Disbursements - Refunds		<u>41,409</u>
Balance, December 31, 2025		<u>\$ 27,354</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2025		\$ 3,001
Increased by:		
2025 Tax Levy		
County Taxes	\$ 5,242,630	
County Open Space Preservation	234,174	
Added and Omitted Taxes	<u>8,142</u>	
		<u>5,484,946</u>
		5,487,947
Decreased by:		
Payments		<u>5,479,805</u>
Balance, December 31, 2025		<u>\$ 8,142</u>

**STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:		
Levy - Calendar Year 2025		\$ 35,166,199
Decreased by:		
Payments		<u>\$ 35,166,199</u>

**BOROUGH OF WALDWICK  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, January 1, <u>2025</u>	Balance, December 31, <u>2025</u>
Tax Appeals	\$ 325,162	\$ 325,162
Sale of Municipal Assets	12,162	12,162
Police Donations	<u>5,681</u>	<u>5,681</u>
	<u>\$ 343,005</u>	<u>\$ 343,005</u>

EXHIBIT A-19

**STATEMENT OF APPROPRIATED RESERVES -  
PUBLIC AND PRIVATE PROGRAMS**

	Balance, January 1, <u>2025</u>	Transferred from 2024 Appropriation Reserves	Cash Disbursements	Balance, December 31, <u>2025</u>
Drunk Driving Enforcement Fund	\$ 24,145			\$ 24,145
NJ Alcohol Rehab. Program - Court	5,123			5,123
Stormwater Grant	25,000			25,000
Police Vest Fund	101		\$ 101	-
Municipal Alliance - Local Share	1,484			1,484
Recycling Grant	-	\$ 13,239		13,239
Clean Communities	19,593	2,382		21,975
Opioid Settlement Agreement	5,187	14,219		19,406
BPU - Com. Energy Plan	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
	<u>\$ 80,633</u>	<u>\$ 39,840</u>	<u>\$ 101</u>	<u>\$ 120,372</u>

**BOROUGH OF WALDWICK  
STATEMENT OF UNAPPROPRIATED RESERVES- PUBLIC AND PRIVATE PROGRAMS**

	Balance, January 1, 2025	Cash Received	Anticipated 2025 Budget	Balance, December 31, 2025
Clean Communities	\$ 24,960	\$ 20,777	\$ 24,960	\$ 20,777
Police Vest	3,523	372	3,523	372
Opioid Settlement Agreement	44,471	18,352	44,471	18,352
Alcohol Education	1,861	-	1,861	-
Recycling Tonnage Grant	<u>12,189</u>	<u>11,467</u>	\$ <u>12,189</u>	<u>11,467</u>
	<u>\$ 87,004</u>	<u>\$ 50,968</u>	\$ <u>87,004</u>	<u>\$ 50,968</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY-  
CONSTRUCTION CODE FEES PAYABLE**

Balance, January 1, 2025	\$ 7,499
Increased by:	
Cash Received	<u>12,315</u>
	19,814
Decreased by:	
Payments to State of New Jersey	\$ 12,315
Cancelled	<u>7,499</u>
	<u>\$ 19,814</u>

**TRUST FUNDS**

**BOROUGH OF WALDWICK  
STATEMENT OF TRUST CASH**

	<u>Animal Control</u>	<u>Park and Ride</u>	<u>Other Trust</u>	<u>State Unemployment</u>	<u>Self-Insurance</u>	<u>Municipal Open Space</u>
Balance, January 1, 2025	\$ 17,268	\$ 42,131	\$ 2,298,497	\$ 55,872	\$ 48,333	\$ 139,956
Increased by Receipts:						
Insurance Reimbursements					\$ 2,975	
COAH Proceeds			\$ 99,873			
Interest on Investments and Deposits				\$ 1,460	1,079	\$ 2,555
Cancelled Outstanding Checks				12,902		
Employee Payroll Deductions			7,276,278	-		
Developer's Escrow and Other Reserves			453,481			
State Dog License Fees	\$ 1,502					
Dog License Fees	14,173					
Late Fees Collected	300					
Receipts from Current Fund		\$ 5,075				110,764
Receipts for Current Fund			34,301			
Receipts for Unemployment Trust	-	-	9,394	-	-	-
	<u>15,975</u>	<u>5,075</u>	<u>7,873,327</u>	<u>14,362</u>	<u>4,054</u>	<u>113,319</u>
	33,243	47,206	10,171,824	70,234	52,387	253,275
Decreased by Disbursements:						
Expenditures Under R.S. 4:19-15.11	15,218					
Payments to Current Fund			214,601		1,079	
Payments for Current Fund			1,326			
Payments to General Capital Fund						50,000
Payments to State of New Jersey	346			13,842		
Developer's Escrow and Other Reserves			682,510			
Payroll Deductions Payable			7,356,997			
Reserve for COAH Expenditures			71,359			
Reserve for Municipal Open Space	-	-	-	-	-	77,232
	<u>15,564</u>	<u>-</u>	<u>8,326,793</u>	<u>13,842</u>	<u>1,079</u>	<u>127,232</u>
Balance, December 31, 2025	<u>\$ 17,679</u>	<u>\$ 47,206</u>	<u>\$ 1,845,031</u>	<u>\$ 56,392</u>	<u>\$ 51,308</u>	<u>\$ 126,043</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE FROM/TO STATE OF NEW JERSEY  
ANIMAL CONTROL FUND**

Balance, January 1, 2025 (Due From)	\$	1,032
Increased by:		
Payments to State of New Jersey		<u>346</u>
		1,378
Decreased by:		
State Share Dog License Fees Collected		<u>1,502</u>
Balance, December 31, 2025 (Due to)	\$	<u><u>124</u></u>

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES  
ANIMAL CONTROL FUND**

Balance, January 1, 2025	\$	18,300
Increased by:		
Dog License Fees Collected	\$	14,173
Late Fees Collected		<u>300</u>
		<u>14,473</u>
		32,773
Decreased by:		
Expenditures Under R.S. 4:19 - 15.11		<u>15,218</u>
Balance, December 31, 2025	\$	<u><u>17,555</u></u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE FROM CURRENT FUND  
PARK AND RIDE CONTINGENCY FUND**

Balance, January 1, 2025	\$ 5,075
Decreased by:	
Cash Receipts	\$ <u>5,075</u>

**STATEMENT OF RESERVE FOR PARK AND RIDE EXPENDITURES  
PARK AND RIDE CONTINGENCY FUND**

Balance, January 1, 2025	\$ 47,206
Balance, December 31, 2025	\$ <u>47,206</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY  
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, January 1, 2025	\$ 5,918
Balance, December 31, 2025	\$ <u>5,918</u>

**BOROUGH OF WALDWICK  
STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE CLAIMS  
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, January 1, 2025		\$	61,790
Increased by:			
Interest on Investments and Deposits	\$		1,460
Payroll Deductions Received by Other Trust Fund			9,394
Cancelled Outstanding Checks			<u>12,902</u>
			<u>23,756</u>
			85,546
Decreased by:			
Cash Disbursements - Benefits Due to State of NJ			<u>13,842</u>
Balance, December 31, 2025		\$	<u><u>71,704</u></u>

EXHIBIT B-10

**STATEMENT OF RESERVE FOR PROPERTY INSURANCE EXPENDITURES  
SELF INSURANCE TRUST FUND**

Balance, January 1, 2025		\$	48,333
Increased by:			
Insurance Reimbursements			<u>2,975</u>
Balance, December 31, 2025		\$	<u><u>51,308</u></u>

EXHIBIT B-11

**STATEMENT OF DUE TO CURRENT FUND  
SELF INSURANCE TRUST FUND**

Increased by:			
Interest on Investments and Deposits		\$	<u>1,079</u>
Decreased by:			
Payments to Current Fund		\$	<u><u>1,079</u></u>

EXHIBIT B-12

**STATEMENT OF DUE FROM OTHER TRUST FUND  
UNEMPLOYMENT INSURANCE TRUST FUND**

Increased by:			
Cash Received by Other Trust Fund		\$	<u>9,394</u>
Balance, December 31, 2025		\$	<u><u>9,394</u></u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE TO/FROM CURRENT FUND  
OTHER TRUST FUND**

Balance, January 1, 2025 ( Due to)		\$ 1,736
Increased by:		
Cash Received for Current Fund - Election Deposit	\$ 4,740	
Cash Received for Current Fund - Interest on Deposit	<u>29,561</u>	
		\$ 34,301
Transfer from Developer Escrow Other Reserves - Prior Year Interest		<u>82,199</u>
		<u>116,500</u>
		118,236
Decreased by:		
Payments to Current Fund		214,601
Payments Made for Current Fund		1,326
Payroll Deductions Received by Current Fund		<u>1,300</u>
		<u>217,227</u>
Balance, December 31, 2025 (Due from)		<u>\$ 98,991</u>

**STATEMENT OF DEVELOPER'S ESCROW AND OTHER RESERVES  
OTHER TRUST FUND**

	Balance, January 1, <u>2025</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2025</u>
Performance and Maintenance Bonds	\$ 99,461	\$ 1,352		\$ 100,813
Developer's and Other Escrows	470,063	41,395	\$ 127,577	383,881
Road Openings	21,034	3,000	-	24,034
Dumpster Permits	400	1,200	800	800
Vacant Properties	56,268	7,500	-	63,768
TTL Premiums	394,600	210,300	151,600	453,300
Municipal Court - P.O.A.A.	3,075	200	-	3,275
Police Outside Duty/Vehicle Maintenance	337,023	168,517	281,051	224,489
Police Donations	899	275	675	499
Swim Meet	1,973	6,700	3,026	5,647
Municipal Alliance - Teen Canteen	13,856	5,900	5,506	14,250
Storm Recovery Trust	142,892	-	80,049	62,843
Wall of Heroes	5,183	25	-	5,208
Fire Prevention Trust Deposits	2,800	350	2,713	437
Fire Department Trust Deposits	2,760	250	-	3,010
Accumulated Absences	203,357		103,601	99,756
Soil Movement	3,233	1,500	2,924	1,809
Recreation - Seniors	16,617	-		16,617
Beautification of Waldwick	500		-	500
Flexible Spending	<u>11,671</u>	<u>5,017</u>	<u>5,187</u>	<u>11,501</u>
	<u>\$ 1,787,665</u>	<u>\$ 453,481</u>	<u>\$ 764,709</u>	<u>\$ 1,476,437</u>
Cash Receipts		\$ 453,481		
Cash Disbursements			\$ 682,510	
Due to Current Fund		-	<u>82,199</u>	
		<u>\$ 453,481</u>	<u>\$ 764,709</u>	

**BOROUGH OF WALDWICK  
STATEMENT OF RESERVE FOR PAYROLL DEDUCTIONS  
OTHER TRUST FUND**

Balance, January 1, 2025		\$ 100,145
Increased by:		
Cash Receipts	\$ 7,276,278	
Payroll Deductions Received by Current Fund	<u>1,300</u>	
		<u>7,277,578</u>
		7,377,723
Decreased by:		
Cash Disbursements		<u>7,356,997</u>
Balance, December 31, 2025		<u>\$ 20,726</u>

**STATEMENT OF RESERVE FOR COAH EXPENDITURES  
OTHER TRUST FUND**

Balance, January 1, 2025		\$ 408,951
Increased by:		
Cash Receipts		<u>99,873</u>
		508,824
Increased by:		
Cash Disbursements		<u>71,359</u>
Balance, December 31, 2025		<u>\$ 437,465</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE TO GENERAL CAPITAL FUND  
MUNICIPAL OPEN SPACE TRUST FUND**

Increased by:		
Improvement Authorizations Funded by Municipal Open Space	\$	50,000
Decreased by:		
Cash Disbursements	\$	50,000

**STATEMENT OF RESERVE FOR MUNICIPAL OPEN SPACE EXPENDITURES  
MUNICIPAL OPEN SPACE TRUST FUND**

Balance, January 1, 2025		\$	139,956
Increased by:			
Transferred from Current Fund:			
2025 Tax Levy	\$	110,604	
2025 Added Tax Levy		160	
	\$	110,764	
Interest on Investments and Deposits		2,555	113,319
			253,275
Decreased by:			
Cash Disbursements		77,232	
Improvement Authorizations Funded by Municipal Open Space Fund		50,000	127,232
Balance, December 31, 2025		\$	126,043

**GENERAL CAPITAL FUND**

**BOROUGH OF WALDWICK  
STATEMENT OF GENERAL CAPITAL CASH**

Balance, January 1, 2025		\$ 3,604,278
Increased by:		
Grant Receivables	\$ 189,055	
2025 Budget Appropriation		
Capital Improvement Fund	101,000	
Receipts from Municipal Open Space Trust Fund	50,000	
Interest on Investments and Deposits	7,361	
Bond Anticipation Notes Issued	7,830,690	
Reserve for Pistol Range	11,081	
Accrued Interest on Sale of Bond Anticipation Notes	<u>10,963</u>	
		<u>8,200,150</u>
		11,804,428
Decreased by Disbursements:		
Bond Anticipation Notes	7,830,690	
Improvement Authorizations	1,853,215	
Accounts Payable	216,659	
Reserve for Payment of Debt	<u>45,257</u>	
		<u>9,945,821</u>
Balance, December 31, 2025		<u>\$ 1,858,607</u>

**BOROUGH OF WALDWICK  
ANALYSIS OF GENERAL CAPITAL CASH  
AS OF DECEMBER 31, 2025**

Fund Balance	\$ 395,201
Capital Improvement Fund	154,895
Grant and Other Receivables	(422,329)
Accounts Payable	3,198,391
Due to Current Fund	35,691
Reserve for Pistol Range	47,041

Improvement Authorizations:

Ord. No.	<u>Improvement Description</u>	
01-18	Various Public Improvements & Acquisitions	161,564
12-18/22-18	Various Public Improvements	21,002
02-19	Various Public Improvements	6,985
03-19	Various Public Improvements	98,008
07-19	Various Public Improvements	10,000
02-20	Various Public Improvements	30,671
08-20	Various Public Improvements & Acquisitions	111,305
07-20/11-20	Various Public Improvements & Acquisitions	127,384
05-21	Various Public Improvements & Acquisitions	98,156
07-21	Various Public Improvements & Acquisitions	15,999
09-22	Various Public Improvements & Acquisitions	596,713
13-22	Various Public Improvements & Acquisitions of Vehicles & Equipment	23,548
08-23/22-24	Various Public Improvements & Acquisitions	(1,397,204)
10-23	Various Acquisitions of Equipment	1,707
02-24	Acquisition of Real Property	50,390
06-24	Various Public Improvements & Acquisitions	(263,040)
03-25	Various Public Improvements & Acquisitions	(1,243,471)
		<u>\$ 1,858,607</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE TO CURRENT FUND**

Balance, January 1, 2025	\$	28,330
Increased by:		
Interest on Investments		7,361
Balance, December 31, 2025	\$	35,691

**STATEMENT OF DUE FROM MUNICIPAL OPEN SPACE TRUST FUND**

Increased by:		
Improvement Authorizations Funded by Municipal Open Space	\$	50,000
Decreased by:		
Cash Receipts	\$	50,000

**BOROUGH OF WALDWICK**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, January 1, 2025		\$ 4,818,047
Decreased by:		
2025 Budget Appropriation		
Bond Principal	\$ 1,145,000	
Loan Principal	<u>10,158</u>	
		<u>1,155,158</u>
Balance, December 31, 2025		<u>\$ 3,662,889</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance, January 1, 2025	2025 Authorizations	Funded by Budget Appropriation	Balance, December 31, 2025	Analysis of Balance		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
8-20	Various Public Improvements & Acquisitions	\$ 602			\$ 602			\$ 602
05-21	Various Public Improvements & Acquisitions	1,336,000		\$ 62,422	1,273,578	\$ 1,273,578		
09-22	Various Public Improvements & Acquisitions	1,469,000		62,778	1,406,222	1,406,222		
08-23/22-24	Various Public Improvements & Acquisitions	3,403,885			3,403,885	1,442,000	\$ 1,397,204	564,681
02-24	Acquisition of Real Property	2,452,000			2,452,000	2,452,000		
06-24	Various Public Improvements & Acquisitions	1,763,000			1,763,000	1,256,890	263,040	243,070
03-25	Various Public Improvements & Acquisitions	-	\$ 1,863,000	-	1,863,000	-	1,243,471	619,529
		<u>\$ 10,424,487</u>	<u>\$ 1,863,000</u>	<u>\$ 125,200</u>	<u>\$ 12,162,287</u>	<u>\$ 7,830,690</u>	<u>\$ 2,903,715</u>	<u>\$ 1,427,882</u>
								Improvement Authorizations - Unfunded \$ 2,173,141
								Less: Unexpended Proceeds of Bond Anticipation Notes
							\$ 98,156	
							596,713	
							<u>50,390</u>	
								<u>745,259</u>
								<u>\$ 1,427,882</u>

**BOROUGH OF WALDWICK  
STATEMENT OF GRANT RECEIVABLES**

	Balance, January 1, <u>2025</u>	Grants <u>Awarded</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2025</u>
NJ Department of Community Affairs				
Ord. No. 3-25 - Recreation Grant		\$ 70,000	\$ 29,735	\$ 40,265
NJ Department of Transportation				
Ord. No. 01-18 - Rehab of Maple Ave.	\$ 23,794			23,794
Ord. No. 8-23 - Rehab of Hudson Ave.	28,210		28,210	
Ord. No. 06-24 - Improvements to Schuler Ave.	186,939		103,110	83,829
County of Bergen				
Municipal Open Space				
Ord. No. 8-23 - Impvt. At Brookview Park	75,000			75,000
Ord. No. 3-25 - Impvt. At Lions Park (2023)		89,780		89,780
Ord. No. 3-25 - Impvt. At Lions Park (2024)		103,323		103,323
CDBG				
Ord. No. 9-15 - ADA Curb Cuts	1,138			1,138
Ord. No. 11-15 - Barrier Free Doors	5,200			5,200
Federal				
Ord. No. 8-23 - Fire Dept. Equipment	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>-</u>
	<u>\$ 348,281</u>	<u>\$ 263,103</u>	<u>\$ 189,055</u>	<u>\$ 422,329</u>

**BOROUGH OF WALDWICK  
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2025</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2025</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2025</u>
			<u>Date</u>	<u>Amount</u>					
General Improvements	11/1/2014	\$ 4,508,000	11/1/2026	\$ 418,000	2.500 %	\$ 838,000		\$ 420,000	\$ 418,000
General Improvements	7/15/2020	6,978,000	7/15/2026	725,000	1.500	<u>3,928,000</u>	<u>\$ -</u>	<u>725,000</u>	<u>3,203,000</u>
			7/15/2027	650,000	2.000				
			7/15/2028-29	625,000	2.000				
			7/15/2030	578,000	2.000				
					<u>\$ 4,766,000</u>	<u>\$ -</u>	<u>\$ 1,145,000</u>	<u>\$ 3,621,000</u>	

**BOROUGH OF WALDWICK**  
**STATEMENT OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE (NJEIT)**  
**LOAN PAYABLE**

Balance, January 1, 2025	\$	52,047
Decreased by:		
Paid by Budget Appropriation		10,158
Balance, December 31, 2025	\$	41,889
<u>Analysis of Balance</u>		
NJEIT - Fund Loan	\$	16,957
NJEIT- Trust Loan		24,932
	\$	41,889

**BOROUGH OF WALDWICK  
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2025	Increased	Decreased	Balance, December 31, 2025
05-21	Various Public Improvements and Acquisitions	10/14/2022	10/10/2024 10/10/2025	10/10/2025 10/9/2026	4.00 % 3.50	\$ 1,336,000	\$ 1,273,578	\$ 1,336,000	\$ 1,273,578
09-22	Various Public Improvements & Acquisitions	10/14/2022	10/10/2024 10/10/2025	10/10/2025 10/9/2026	4.00 3.50	1,469,000	1,406,222	1,469,000	1,406,222
08-23/22-24	Various Public Improvements & Acquisitions	10/13/2023	10/10/2024 10/10/2025	10/10/2025 10/9/2026	4.00 3.50	1,442,000	1,442,000	1,442,000	1,442,000
02-24	Acquisition of Property	10/10/2024	10/10/2024 10/10/2025	10/10/2025 10/9/2026	4.00 3.50	2,452,000	2,452,000	2,452,000	2,452,000
06-24	Various Public Improvements & Acquisitions	10/10/2024	10/10/2024 10/10/2025	10/10/2025 10/9/2026	4.00 3.50	1,256,890 -	1,256,890	1,256,890 -	1,256,890
						<u>\$ 7,955,890</u>	<u>\$ 7,830,690</u>	<u>\$ 7,955,890</u>	<u>\$ 7,830,690</u>
					Renewals		\$ 7,830,690	\$ 7,830,690	
					Paid By Budget Appropriation		-	125,200	
							<u>\$ 7,830,690</u>	<u>\$ 7,955,890</u>	

**BOROUGH OF WALDWICK  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	2025 Authorizations								
		Balance, January 1, 2025		Down- payment or Capital Impvt. Fund	Deferred Charges to Future Taxation Unfunded	Grants Receivable and Other Receivables	Open Space Trust Fund	Paid or Charged	Balance, December 31, 2025	
		Funded	Unfunded						Funded	Unfunded
01-18	Various Public Improvements & Acquisitions	\$ 161,564							\$ 161,564	
12-18/22-18	Various Public Improvements	21,002							21,002	
02-19	Various Public Improvements & Acquisitions	7,444					\$ 459		6,985	
03-19	Various Public Improvements & Acquisitions	98,008							98,008	
07-19	Various Public Improvements & Acquisitions	10,000							10,000	
02-20	Various Public Improvements	30,671							30,671	
08-20	Various Public Improvements & Acquisitions	111,305	\$ 602						111,305	\$ 602
7-20/11-20	Various Public Improvements & Acquisitions	127,384							127,384	
05-21	Various Public Improvements & Acquisitions	-	98,771					615	-	98,156
07-21	Various Public Improvements & Acquisitions	20,399						4,400	15,999	
09-22	Various Public Improvements & Acquisitions	-	598,975					2,262	-	596,713
13-22	Various Public Improvements & Acquisitions of Vehicles & Equip.	23,548							23,548	
08-23/22-24	Various Public Improvements & Acquisitions		632,517					67,836		564,681
10-23	Various Acquisitions of Equipment	1,707						-	1,707	-
02-24	Acquisition of Real Property		51,005					615		50,390
06-24	Various Public Improvements	-	1,069,154					826,084	-	243,070
03-25	Various Public Improvements & Acquisitions	-	-	\$ 93,897	\$ 1,863,000	\$ 263,103	\$ 50,000	1,650,471	-	619,529
		<u>\$ 613,032</u>	<u>\$ 2,451,024</u>	<u>\$ 93,897</u>	<u>\$ 1,863,000</u>	<u>\$ 263,103</u>	<u>\$ 50,000</u>	<u>\$ 2,552,742</u>	<u>\$ 608,173</u>	<u>\$ 2,173,141</u>
								Cash Disbursements	\$ 1,853,215	
								Accounts Payable	699,527	
									<u>\$ 2,552,742</u>	

**BOROUGH OF WALDWICK  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2025	\$	2,715,523
Increased by:		
Charges to Improvement Authorizations		699,527
		3,415,050
Decreased by:		
Cash Disbursements		216,659
Balance, December 31, 2025	\$	3,198,391

EXHIBIT C-14

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE**

Balance, January 1, 2025	\$	45,257
Decreased by:		
Cash Disbursements - 2025 Anticipated Current Fund Revenue	\$	45,257

EXHIBIT C-15

**STATEMENT OF RESERVE FOR PISTOL RANGE**

Balance, January 1, 2025	\$	35,960
Increased by:		
Cash Receipts		
2024 Budget Appropriations	\$	10,931
Other Contributions		150
		11,081
Balance, December 31, 2025	\$	47,041

EXHIBIT C-16

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2025	\$	147,792
Increased by:		
Cash Receipts - 2025 Budget Appropriation		101,000
		248,792
Decreased by:		
Appropriation to Finance Improvement Authorizations		93,897
Balance, December 31, 2025	\$	154,895

**BOROUGH OF WALDWICK**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.		Balance, January 1, <u>2025</u>	2025 Authori- zations	Balance, December 31, <u>2025</u>
08-20	Various Public Improvements & Acquisitions	\$ 602		\$ 602
08-23/22-24	Various Public Improvements & Acquisitions	1,961,885		1,961,885
06-24	Various Public Improvements & Acquisitions	506,110	-	506,110
03-25	Various Public Improvements & Acquisitions	<u>-</u>	<u>\$ 1,863,000</u>	<u>1,863,000</u>
		<u>\$ 2,468,597</u>	<u>\$ 1,863,000</u>	<u>\$ 4,331,597</u>

**WATER UTILITY FUND**

**BOROUGH OF WALDWICK  
STATEMENT OF WATER UTILITY CASH**

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2025	\$ 2,456,395	\$ 1,275,261
Increased by:		
Consumer Accounts Receivable	\$ 1,928,212	
Fire Hydrant Service	25,000	
Miscellaneous	103,490	
Water Overpayments	6,072	
Prepaid Water Rents	1,767	
Loan Proceeds Received		\$ 124,552
Bond Anticipation Notes		2,529,310
Capital Improvement Fund		78,000
Accrued Interest Sale of Bond Anticipation Notes		3,541
Receipts from Current Fund	6,157	
Receipts for Water Utility Capital Fund	<u>484,854</u>	<u>-</u>
	<u>2,555,552</u>	<u>2,735,403</u>
	5,011,947	4,010,664
Decreased by:		
2025 Budget Appropriations	2,308,632	
2024 Appropriation Reserves	24,867	
Accounts Payable	232,760	1,001,008
Water Overpayments Refunded	430	
Improvement Authorizations		628,595
Bond Anticipation Notes		1,929,610
Interest on Bonds and Notes	12,563	
Interest on Water Loan	<u>4,792</u>	<u>-</u>
	<u>2,584,044</u>	<u>3,559,213</u>
Balance, December 31, 2025	<u>\$ 2,427,903</u>	<u>\$ 451,451</u>

**BOROUGH OF WALDWICK  
ANALYSIS OF WATER UTILITY CAPITAL CASH  
AS OF DECEMBER 31, 2025**

Fund Balance	\$ 26,035
Capital Improvement Fund	50,143
Due From Current Fund	(338,415)
Due From Water Utility Operating Fund	(374,854)
Accounts Payable	191,292
Reserve for Water System Improvements	823,269
Reserve for Payment of Debt	24,459

Ord.

<u>No.</u>	<u>Improvement Description</u>	
2-17	Various Public Improvements & Acquisitions	5,005
04-19	Various Public Improvements & Acquisitions	1
09-20	Various Public Improvements & Acquisitions	120,797
23-21	Various Public Improvements & Acquisitions	10,815
10-22	Various Public Improvements & Acquisitions	35,652
9-23	Various Public Improvements & Acquisitions	124,962
19-23	Various Public Improvements & Acquisitions	(237,520)
07-24	Various Public Improvements & Acquisitions	16,075
07-24	Various Public Improvements & Acquisitions	<u>(26,265)</u>
		<u>\$ 451,451</u>

EXHIBIT D-7

**STATEMENT OF DUE FROM CURRENT FUND  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2025	\$ 6,157
Decreased by:	
Cash Receipts	<u>\$ 6,157</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DEFERRED CHARGES  
WATER UTILITY OPERATING FUND**

	Balance January 1, <u>2025</u>	Decreased by: Funded by <u>Capital Ord.</u>	Balance December 31, <u>2025</u>
Emergency Authorization	\$ <u>110,000</u>	\$ <u>110,000</u>	\$ <u>-</u>
Cash Received from Water Capital Fund		\$ <u>110,000</u>	

EXHIBIT D-9

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2025			\$ 75,277
Increased by:			
Water Rents Levied			<u>1,930,702</u>
			2,005,979
Decreased by:			
Collections		\$ 1,928,212	
Overpayments Applied		7,764	
Prepaid Water Rents Applied		<u>5,109</u>	
			<u>1,941,085</u>
Balance, December 31, 2025			\$ <u>64,894</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE FROM CURRENT FUND  
WATER UTILITY CAPITAL FUND**

Increased by:	
PFAS Settlement Deposited in Current Fund	\$ <u>338,415</u>
Balance, December 31, 2025	\$ <u>338,415</u>

**STATEMENT OF DUE FROM WATER OPERATING FUND  
WATER UTILITY CAPITAL FUND**

Increased by:	
PFAS Settlement Deposited in Water Operating Fund	\$ 484,854
Decreased by:	
Deferred Charge Funded by Capital Ordinance	<u>110,000</u>
Balance, December 31, 2025	\$ <u>374,854</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF NJ ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE**  
**WATER UTILITY CAPITAL FUND**

Balance, January 1, 2025	\$ 104,101
Decreased by:	
Loan Proceeds Received	<u>\$ 104,101</u>

EXHIBIT D-13

**STATEMENT OF FIXED CAPITAL**  
**WATER UTILITY CAPITAL FUND**

	Balance, January 1, <u>2025</u>	<u>Additions by</u> Budget		Balance, December 31, <u>2025</u>
		<u>Capital Outlay</u>	<u>Ordinance</u>	
Generator	\$ 74,817			\$ 74,817
Springs and Wells	582,973	\$ 29,535	\$ 5,268	617,776
Reservoirs	50,034			50,034
Filters	812,936			812,936
Tanks, Pumping Station Structures	3,496,308		4,128,692	7,625,000
Distribution Mains and Accessories	1,785,494		3,185,168	4,970,662
Meters and Accessories	1,009,460			1,009,460
Fire Hydrants	308,129			308,129
General Equipment	1,563,376		63,815	1,627,191
Engineering, Legal	244,955			244,955
Vehicles	92,426		261,974	354,400
Other Costs and System Improvements	<u>114,756</u>	<u>-</u>	<u>-</u>	<u>114,756</u>
	<u>\$ 10,135,664</u>	<u>\$ 29,535</u>	<u>\$ 7,644,917</u>	<u>\$ 17,810,116</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance Amount	Balance, January 1, 2025	2025 Authorizations		Costs Transferred to Fixed Capital	Balance, December 31, 2025
				Deferred Charge to Future Revenue	Deferred Reserve for Amortization		
02-17	Various Public Improvements & Acquisitions	\$ 109,000	\$ 5,005				\$ 5,005
04-19	Various Public Improvements & Acquisitions	246,100	5,269			\$ 5,268	1
09-20	Various Public Improvements & Acquisitions	421,000	121,215				121,215
06-21	Various Public Improvements & Acquisitions	465,000	238			238	-
10-22	Various Public Improvements & Acquisitions	376,475	376,475			340,348	36,127
16-22	Various Public Improvements & Acquisitions	5,000,000	5,000,000			5,000,000	-
09-23/23-24	Various Public Improvements & Acquisitions	1,331,600	1,331,600			1,206,638	124,962
19-23	Various Public Improvements & Acquisitions	820,000	820,000			820,000	-
07-24	Various Public Improvements & Acquisitions	288,500	288,500			272,425	16,075
04-25	Various Public Improvements & Acquisitions	1,120,000	-	\$ 1,066,000	\$ 54,000	-	1,120,000
			<u>\$ 7,948,302</u>	<u>\$ 1,066,000</u>	<u>\$ 54,000</u>	<u>\$ 7,644,917</u>	<u>\$ 1,423,385</u>

**BOROUGH OF WALDWICK  
STATEMENT OF 2024 APPROPRIATION RESERVES  
WATER UTILITY OPERATING FUND**

	Balance, January 1, <u>2025</u>	Cancelled Payables	Budget After <u>Modifications</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Operating					
Salaries and Wages	\$ 2,304	\$ 6,157	\$ 8,461	\$ 2,261	\$ 6,200
Other Expenses	76,536		76,536	38,750	37,786
Statutory Expenditures					
Public Employees Retirement System	32		32		32
Social Security	<u>8,256</u>	<u>-</u>	<u>8,256</u>	<u>262</u>	<u>7,994</u>
	<u>\$ 87,128</u>	<u>\$ 6,157</u>	<u>\$ 93,285</u>	<u>\$ 41,273</u>	<u>\$ 52,012</u>
Cash Disbursements				\$ 24,867	
Accounts Payable				<u>16,406</u>	
				<u>\$ 41,273</u>	

EXHIBIT D-16

**STATEMENT OF ACCOUNTS PAYABLE  
WATER UTILITY OPERATING AND CAPITAL FUNDS**

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, January 1, 2025	\$ 249,285	\$ 1,011,823
Increased by:		
Charges to 2025 Appropriations	45,125	
Charges to 2024 Appropriations	16,406	
Charges to Improvement Authorizations	<u>-</u>	<u>191,292</u>
	310,816	1,203,115
Decreased by:		
Cash Disbursements	232,760	1,001,008
Cancelled Payables	<u>16,524</u>	<u>10,815</u>
	<u>249,284</u>	<u>1,011,823</u>
Balance, December 31, 2025	<u>\$ 61,532</u>	<u>\$ 191,292</u>

**BOROUGH OF WALDWICK  
STATEMENT OF PREPAID WATER RENTS  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2025	\$	5,109
Increased by:		
Prepaid Rents		1,767
		6,876
Decreased by:		
Applied to 2025 Water Rents		5,109
Balance, December 31, 2025	\$	1,767

**STATEMENT OF WATER RENT OVERPAYMENTS  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2025	\$	8,194
Increased by:		
Overpayments		6,072
		14,266
Decreased by:		
Cash Disbursements	\$	430
Applied to 2025 Water Rents		7,764
		8,194
Balance, December 31, 2025	\$	6,072

**STATEMENT OF NJ ENVIRONMENTAL INFRASTRUCTURE WATER LOAN PAYABLE  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2025	\$	4,214,521
Decreased by:		
Paid by Budget Appropriation		99,743
Balance, December 31, 2025	\$	4,114,778

Analysis of Balance

2010 Trust Loan	\$	195,000
2010 Fund Loan		149,085
2024/25 Trust Loan		1,245,000
2024/25 WIFIA Loan		857,909
2024/25 Fund Loan		1,667,784
	\$	4,114,778

**BOROUGH OF WALDWICK  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance Amount	Balance, January 1, 2025		Capital Improvement Fund	2025 Authorizations		Prior Year Encumbrances Cancelled	Paid or Charged	Balance, December 31, 2025	
			Funded	Unfunded		Deferred Charges to Future Revenue	Unfunded				
02-17	Various Public Improvements & Acquisitions	\$ 109,000	\$ 5,005							\$ 5,005	
04-19	Various Public Improvements & Acquisitions	246,100	5,269					\$ 5,268		1	
09-20	Various Public Improvements & Acquisitions	421,000	120,797	\$ 418						120,797	\$ 418
06-21	Various Public Improvements & Acquisitions	465,000	238						238		
23-21	Various Public Improvements & Acquisitions	49,000	-				\$ 10,815			10,815	
10-22	Various Public Improvements & Acquisitions	376,475		130,032					93,905		36,127
16-22	Various Public Improvements & Acquisitions	5,000,000	819						819		
09-23/23-24	Various Public Improvements & Acquisitions	1,306,600		126,230					1,268		124,962
19-23	Various Public Improvements & Acquisitions	820,000		142,379					142,379		-
07-24	Various Public Improvements & Acquisitions	288,500	-	22,120				-	6,045		16,075
03-25	Various Public Improvements & Acquisitions	112,000	-	-	\$ 54,000	\$ 1,066,000		-	679,965	-	440,035
			<u>\$ 132,128</u>	<u>\$ 421,179</u>	<u>\$ 54,000</u>	<u>\$ 1,066,000</u>	<u>\$ 10,815</u>	<u>\$ 929,887</u>	<u>\$ 136,618</u>	<u>\$ 617,617</u>	
									Cash Disbursements	\$ 628,595	
									Due to Water Operating Fund	110,000	
									Accounts Payable	<u>191,292</u>	
									<u>\$ 929,887</u>		

**BOROUGH OF WALDWICK  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2025	\$ 26,143
Increased by:	
2025 Budget Appropriation	78,000
	104,143
Decreased by:	
Appropriated to Finance Improvement Authorizations	54,000
	54,000
Balance, December 31, 2025	\$ 50,143

**STATEMENT OF ACCRUED INTEREST PAYABLE ON BONDS AND NOTES  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2025	\$ 12,563
Increased by:	
Budget Appropriation	
Interest on Bonds and Notes	11,861
	11,861
	24,424
Decreased by:	
Interest Paid	12,563
	12,563
Balance, December 31, 2025	\$ 11,861

**BOROUGH OF WALDWICK  
STATEMENT OF WATER SERIAL BONDS  
WATER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2025</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2025</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2025</u>
			<u>Date</u>	<u>Amount</u>					
Water Bonds	11/1/2014	\$ 564,000	11/1/2026	\$ 59,000	2.500 %	\$ 119,000		\$ 60,000	\$ 59,000
Water Bonds	7/15/2020	1,017,000	7/15/2026	100,000	1.500				
			7/15/2027	105,000	2.000				
			7/15/2028	105,000	2.000				
			7/15/2029	105,000	2.000				
			7/15/2030	102,000	2.000				
						<u>617,000</u>	<u>\$ -</u>	<u>100,000</u>	<u>517,000</u>
						<u>\$ 736,000</u>	<u>\$ -</u>	<u>\$ 160,000</u>	<u>\$ 576,000</u>

**BOROUGH OF WALDWICK  
STATEMENT OF BOND ANTICIPATION NOTES  
WATER UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, <u>2025</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2025</u>
06-21	Various Public Improvements and Acquisitions	10/14/2022	10/10/2024	10/10/2025	4.00%	\$ 185,000		\$ 185,000	
			10/10/2025	10/9/2026	3.50%		\$ 178,845		\$ 178,845
10-22	Various Public Improvements and Acquisitions	10/14/2022	10/10/2024	10/10/2025	4.00%	376,000		376,000	
			10/10/2025	10/9/2026	3.50%		367,655		367,655
09-23/23-24	Various Public Improvements and Acquisitions	10/13/2023	10/10/2024	10/10/2025	4.00%	1,108,610		1,108,610	
			10/10/2025	10/9/2026	3.50%		1,108,610		1,108,610
07-24	Various Public Improvements and Acquisitions	10/10/2024	10/10/2024	10/10/2025	4.00%	274,500		274,500	
			10/10/2025	10/9/2026	3.50%		274,500		274,500
03-25	Various Public Improvements and Acquisitions	10/10/2025	10/10/2025	10/9/2026	3.50%	-	599,700	-	599,700
						<u>\$ 1,944,110</u>	<u>\$ 2,529,310</u>	<u>\$ 1,944,110</u>	<u>\$ 2,529,310</u>
							\$ 599,700		
							1,929,610	\$ 1,929,610	
							-	14,500	
							<u>\$ 2,529,310</u>	<u>\$ 1,944,110</u>	

**BOROUGH OF WALDWICK**  
**STATEMENT OF ACCRUED INTEREST PAYABLE ON LOANS**  
**WATER UTILITY OPERATING FUND**

Balance, January 1, 2025	\$	4,792
Increased by:		
Budget Appropriation		
Interest on Loans		43,262
		48,054
Decreased by:		
Interest Paid on Water Loan		4,792
		43,262
Balance, December 31, 2025	\$	43,262

EXHIBIT D-26

**STATEMENT OF RESERVE FOR TAX MAP**  
**WATER UTILITY OPERATING FUND**

Balance, January 1, 2025	\$	3,667
Balance, December 31, 2025	\$	3,667

EXHIBIT D-27

**STATEMENT OF RESERVE FOR AMORTIZATION**  
**WATER UTILITY CAPITAL FUND**

Balance, January 1, 2025	\$	8,657,072
Increased by:		
2025 Budget Appropriations:		
Serial Bonds	\$	160,000
Water Loans		99,743
Bond Anticipation Notes		5,917
Capital Outlay - Operating Budget		29,535
Transferred from Deferred Reserve for Amortization		2,155,126
		2,450,321
Balance, December 31, 2025	\$	11,107,393

**BOROUGH OF WALDWICK  
STATEMENT OF RESERVE FOR WATER SYSTEM IMPROVEMENTS  
WATER UTILITY CAPITAL FUND**

Increased by:		
PFAS Settlement Proceeds received in Current Fund	\$ 338,415	
PFAS Settlement Proceeds received in Water Operating Fund	<u>484,854</u>	
		<u>\$ 823,269</u>
Balance, December 31, 2025		<u>\$ 823,269</u>

EXHIBIT D-29

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2025		\$ 4,008
Increased by:		
Cash Receipt - Excess Loan Proceeds		<u>20,451</u>
Balance, December 31, 2025		<u>\$ 24,459</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION  
WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Balance, January 1, 2025	Increased by:			Balance, December 31, 2025
			Fixed Capital Authorized	Budget Appropriation Payment of BANS	To Reserve For Amortization	
06-21	Various Public Improvements & Acquisitions			\$ 238	\$ 238	
10-22	Various Public Improvements & Acquisitions			8,345		\$ 8,345
16-22	Various Public Improvements & Acquisitions	\$ 2,056,860			2,056,860	-
09-23/23-24	Various Public Improvements & Acquisitions	222,990			98,028	124,962
07-24	Various Public Improvements & Acquisitions	14,000				14,000
04-25	Various Public Improvements & Acquisitions	-	\$ 54,000	-	-	54,000
		<u>\$ 2,293,850</u>	<u>\$ 54,000</u>	<u>\$ 8,583</u>	<u>\$ 2,155,126</u>	<u>\$ 201,307</u>

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
WATER UTILITY CAPITAL FUND**

Ord.	Improvement Description	January 1, 2025	2025 Authorizations	Notes Issued	Balance, December 31, 2025
09-20	Various Public Improvements & Acquisitions	\$ 418			\$ 418
10-22	Various Public Improvements & Acquisitions	475			475
19-23	Various Public Improvements & Acquisitions	237,520			237,520
03-25	Various Public Improvements & Acquisitions	-	\$ 1,066,000	\$ 599,700	466,300
		<u>\$ 238,413</u>	<u>\$ 1,066,000</u>	<u>\$ 599,700</u>	<u>\$ 704,713</u>

**BOROUGH OF WALDWICK**

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**PART II**

**GOVERNMENT AUDITING STANDARDS**

**AND**

**SINGLE AUDIT SECTION**

**YEAR ENDED DECEMBER 31, 2025**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## 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

### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Waldwick  
Waldwick, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Waldwick which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2025, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated May 14, 2026. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Waldwick's internal 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 of Waldwick's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Waldwick'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'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 or significant deficiencies may exist that were not identified.

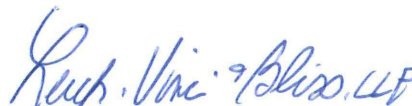
### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Waldwick'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 and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Waldwick in Part III of this report of audit entitled, "General Comments and Recommendations".

### 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 Waldwick'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 Waldwick's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR000411

Fair Lawn, New Jersey  
May 14, 2026

**BOROUGH OF WALDWICK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Grant Year</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>2025 Grant Receipts</u>	<u>Balance, January 1, 2025</u>	<u>Revenue Realized</u>	<u>Expenditures</u>	<u>Balance, December 31, 2025</u>	<u>(Memo Only) Cumulative Expenditures</u>
U.S. Department of Treasury									
(Passed Through NJ Department of Community Affairs )									
ARP Firefighters Grant - 2024 Budget	2024	21.021	\$ 55,000	\$ 30,608	\$ 162	-	\$ 162		\$ 55,000
U.S. Department of Housing and Urban Development									
Community Development Block Grant									
Handicap Accessible Ramps	2024/25	14.218	78,155	-		\$ 78,155	57,407	\$ 20,748	57,407
Handicap Accessible Ramps	2025/26	14.218	75,509	-	-	75,509	-	75,509	-
					<u>\$ 162</u>	<u>\$ 153,664</u>	<u>\$ 57,569</u>	<u>\$ 96,257</u>	

Note: This schedule is not subject to Single Audit as defined by U.S. Uniform Guidance.

**BOROUGH OF WALDWICK  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2025**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant/Loan Award</u>	<u>2025 Grant Receipts (Memo)</u>	<u>Balance, January 1, 2025</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2025</u>	<u>(Memo Only) Cumulative Expenditures</u>
Clean Communities Grant	4900-765-1789000	2026	\$ 24,756	\$ 24,756						
		2025	24,960			\$ 24,960	\$ 24,960			\$ 24,960
		2024	21,975		\$ 2,382	-	-		\$ 2,382	19,593
		2023	19,593		19,593				19,593	-
Body Armor Replacement Fund	1020-718-066-1020-001	2020	2,263		35		35		-	2,263
Police Vest Fund	N/A	2026	372	372						
		2025	3,523		-	3,523	3,523		-	
		2024	5,387		5,387	-	5,387		-	5,387
		2023	1,625		63	-	63	-	-	1,625
Total Police Vest Cluster					5,450	3,523	8,973	-	-	
Drunk Driving Enforcement Fund	1110-448031020-22	2016	16,310		16,310				16,310	
		2013	3,000		3,000				3,000	
		2012	15,140		4,835				4,835	10,305
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2025	1,471			1,471			1,471	
		2024	390		-	390			390	
		2019	579		579				579	-
		2016	7,153		4,544				4,544	2,609
Recycling Tonnage Grant	042-4910-100-224	2026	11,467	11467						
		2025	12,189			12,189			12,189	
		2024	13,239		13,239				13,239	
State Opioid Settlement	N/A	2026	18,352	18352						
		2025	44,471			44,471	6,534		37,937	6,534
		2024	14,219		14,219	-			14,219	
		2023	8,667		5,187				5,187	3,480
NJ Department of Environmental Protection Storm Water Assistance Grant	N/A	2023	25,000		25,000				25,000	
NJ Environmental Infrastructure Trust Loan	4840-527-052220-60	2024	5,862,480		819				819	5,861,661
Department of Transportation Municipal Aid Program Imp. to Schuler Ave - Ord 06-2024	N/A	2024	186,939		137,260	-	137,260		-	186,939
NJ Department of Community Affairs Recreation Grant 2024 - Local Recreation Improvement Grants - Ord 03-2025		2025	70,000	29,736			70,000			70,000
Recreation Grant 2023 - Lions Park		2024	70,000		36,700	-	36,700	-	-	70,000
					<u>\$ 289,152</u>	<u>\$ 87,004</u>	<u>\$ 284,462</u>	<u>\$ -</u>	<u>\$ 161,694</u>	

N/A - Not Available

Note: This schedule is not subject to Single Audit in accordance with New Jersey OMB Circular 25-12.

**BOROUGH OF WALDWICK  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 1 REPORTING ENTITY**

The Borough of Waldwick (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

**NOTE 2 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 25-12 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Borough’s financial statements. Financial assistance revenues are reported in the Borough’s financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 153,664	\$ 87,004	\$ 240,668
Total Financial Awards	<u>\$ 153,664</u>	<u>\$ 87,004</u>	<u>\$ 240,668</u>

**BOROUGH OF WALDWICK  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2025**

**NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**NOTE 6 STATE LOANS OUTSTANDING**

Certain state loans at the beginning of the year and loans made during the year are included in The Schedules, while others are not required to be included in The Schedules. The Borough's state loans outstanding at December 31, 2025, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

Loan Program

NJ Environments Infrastructure Loans	
Water Supply Rehabilitation Loans - 2010	\$ 344,085
NJ Environments Infrastructure Loans	
Sanitary Sewer Improvement Loans - 2011	41,889
NJ Environments Infrastructure Loans	
Water Treatment System - 2024	<u>3,770,693</u>
	<u>\$ 4,156,667</u>

**NOTE 7 INDIRECT COST RATE**

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF WALDWICK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2025**

*Part I – Summary of Auditor's Results*

**Financial Statement Section**

- |   |                                      |                              |
|---|--------------------------------------|------------------------------|
| A) Type of auditors' report issued:   | <u>Unmodified - Regulatory Basis</u> |                              |
| B) Internal control over financial reporting:   |                                      |                              |
| 1) Material weakness(es) identified?  | _____ yes                            | _____ <u>X</u> no            |
| 2) Were significant deficiencies identified that were not considered to be material weaknesses? | _____ yes                            | _____ <u>X</u> none reported |
| C) Noncompliance material to basic financial statements noted?                                  | _____ yes                            | _____ <u>X</u> no            |

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

NOT APPLICABLE

**BOROUGH OF WALDWICK  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2025**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

There are none.

**BOROUGH OF WALDWICK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 25-12, as amended.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

Not Applicable.

**BOROUGH OF WALDWICK  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.

**BOROUGH OF WALDWICK  
BERGEN COUNTY, NEW JERSEY**

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**PART III**

**SUPPLEMENTARY DATA  
GENERAL COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2025</u>	<u>2024 (A)</u>	<u>2023</u>
<u>Tax Rate</u>	<u>\$2.295</u>	<u>\$2.214</u>	<u>\$2.908</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.416	.403	.538
Library	.036	.032	.040
Municipal Open Space	.005	.004	.005
County	.248	.228	.285
Local School	1.590	1.547	2.040

Assessed Valuation

2025	<u>\$2,212,081,200</u>
2024 (A)	<u>\$2,209,103,400</u>
2022	<u>\$1,636,480,300</u>

(A) The Borough had a revaluation of taxable property effective 2024.

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2025	\$ 50,847,698	\$ 50,276,421	98.88%
2024	48,938,692	48,498,130	99.10%
2023	47,756,439	47,493,443	99.45%

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**Delinquent Taxes and Tax Title Liens**

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

<u>December 31 Year</u>	<u>Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2025	\$ 366,088	\$ 4,826	\$ 370,914	0.73%
2024	305,339		305,339	0.62%
2023	233,906		233,906	0.49%

**Property Acquired by Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2025	\$35,510
2024	35,510
2023	35,510

**Comparison of Water Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2025	\$1,930,702	\$1,941,085
2024	1,883,293	1,878,595
2023	1,889,825	1,881,812

\* Includes collections of prior years receivables.

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE**

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

<u>Name</u>	<u>Title</u>
Thomas A. Giordano	Mayor
Michele Weber	Council President
Andrew Brennecke	Councilman
Kathleen Cericola-Drake	Councilwoman
Joseph Martinello	Councilman
Mark Ramundo	Councilman
Michael Ritchie	Councilman
Steven Neale	Borough Administrator (01/01/2025-9/26/2025)
Tatiana Marquis	Borough Administrator (9/27/2025-12/31/25)
Colleen Ennis	Chief Financial Officer, Collector – Treasurer Supervisor of Water Consumer Accounts Tax Search Officer
Kelley Halewicz	Borough Clerk Officer for Searches for Municipal Improvements
Angela Mattiace	Tax Assessor
Mark Messner	Police Chief
Joseph Mysliwicz	Construction Code Official
Helene Herbert	Magistrate
Christine Oravetz	Court Administrator
Craig Bossong	Attorney
James McGinnis	Engineer

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Current Year Findings**

Our audit of the Borough bank reconciliations noted several accounts with prior and current year reconciling items that remain outstanding. It is recommended that all reconciling items on the Borough's bank reconciliations be reviewed and cleared of record.

Our audit revealed that requisitions and or purchase orders were not always prepared prior to the acquisition of services from various vendors throughout the year. It is recommended that requisitions and or purchase orders be prepared and approved prior to the acquisition of goods or services.

Our audit revealed instances where contract awards and purchases made under cooperative purchase and state contract agreements where there was no documentation to support the vendors invoice or unit cost pricing. It is recommended that amounts charged by vendors awarded contracts under cooperative purchase and state contract agreements be verified to supporting documentation.

Our audit of the Municipal Court revealed the following:

- Receipts collected in the regular and bail accounts were not deposited within forty-eight (48) hours of receipt.
- Checks issued from the regular and bail accounts required only one authorized check signatures.

It is recommended that:

- Receipts collected in the regular and bail accounts be deposited within forty-eight (48) hours of receipt.
- Checks issued from the regular and bail accounts require at least two authorized check signatures.

**Contracts and Agreements Required to be Advertised for NJS 40A:11-4**

NJS 40A:11-4 states "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 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 \$53,000, except by contract or agreement."

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

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

Improvement to Schuler Avenue	Improvement to Lions Memorial Playground
Police Firing Range Roof & HVAC Replacement	2024/2025 CDBG Curb Ramp Improvements

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any 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. 40A:11-6.

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**Collection of Interest on Delinquent Taxes and Assessments**

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

The Governing Body on January 7, 2025 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"Resolved that in accordance with N.J.S. 54:4-67, the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent is hereby fixed at eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500. The Borough hereby grants a grace period of five days after that time, taxes will be delinquent and interest will be calculated from the first day that taxes were actually due."

"WHEREAS, Chapter 75 of Law 1991 made changes to certain portions of N.J.S.A. 54:4 & 5 to allow a municipality to employ a year end penalty for those accounts with tax arrears, interest or other municipal charges to charge a 6% penalty."

"NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Waldwick hereby approves this penalty."

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

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 17, 2025.

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

**BOROUGH OF WALDWICK  
RECOMMENDATIONS**

It is recommended that:

1. All reconciling items on the Borough's bank reconciliations be reviewed and cleared of record.
2. Requisitions and or purchase orders be prepared and approved prior to the acquisition of goods and services.
3. Amounts charged by vendors awarded contracts under cooperative purchase and state contract agreements be verified to supporting documentation.
4. With regards to the Municipal Court:
  - Receipts collected in the regular and bail accounts be deposited within forty-eight (48) hours of receipt.
  - Checks issued from the regular and bail accounts require at least two authorized check signatures.

**Status of Prior Years' Audit Findings/Recommendations**

A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendations denoted with an asterisk.