BOROUGH OF FLORHAM PARK

COUNTY OF MORRIS

REPORT OF AUDIT

2025

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

BOROUGH OF FLORHAM PARK

COUNTY OF MORRIS

REPORT OF AUDIT

2025

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BOROUGH OF FLORHAM PARK

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2025

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Bridgewater, NJ
973.298.8500
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Independent Member
BKR International

Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Florham Park
Florham Park, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Borough of Florham Park, in the County of Morris (the "Borough") as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Borough as of December 31, 2025 and 2024, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

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 and account group of the Borough as of December 31, 2025 and 2024, or the changes in financial position or where applicable, cash flows thereof 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 (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough’s ability to continue as a going concern for a reasonable period of time.

The Honorable Mayor and Members
of the Borough Council
Borough of Florham Park
Florham Park, New Jersey
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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2026 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
June 12, 2026

NISIVOCCIA LLP

Raymond A. Sarinelli

Raymond A. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 563

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
CURRENT FUND

BOROUGH OF FLORHAM PARK
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Regular Fund:			
Cash and Cash Equivalents	A-4	$ 13,545,817.51	$ 14,041,578.93
		13,545,817.51	14,041,578.93
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions		3,619.74	3,944.74
		13,549,437.25	14,045,523.67
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	547,911.33	693,570.93
Tax Title Liens Receivable	A-8	78,653.07	69,234.19
Prepaid Local School Taxes	A-12	459,548.50	
Due from Federal and State Grant Fund	A	938.52	3,656.52
Due from Other Trust Funds	B	14,324.12	15,385.37
Due from General Capital Fund	C	19,098.47	18,559.66
Due from Sewer Utility Operating Fund	E	7,053.02	
Due from Water Utility Operating Fund	D	7,098.44	
Due from Pool Utility Operating Fund	F	91,202.69	28,952.36
Due from Payroll Account			1,434.38
Revenue Accounts Receivable	A-9	28,027.44	26,939.85
Total Receivables and Other Assets with Full Reserves		1,253,855.60	857,733.26
Total Regular Fund		14,803,292.85	14,903,256.93
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	270,772.47	952,517.25
Due from Water Utility Capital Fund	D	4,480.57	
Grants Receivable	A-10	245,286.38	272,539.00
Total Federal and State Grant Fund		520,539.42	1,225,056.25
TOTAL ASSETS		$ 15,323,832.27	$ 16,128,313.18

BOROUGH OF FLORHAM PARK
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2025	December 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	$ 431,508.02	$ 507,064.69
Unencumbered	A-3;A-11	674,532.18	872,940.24
		1,106,040.20	1,380,004.93
Accounts Payable - Vendors			45,501.52
Marriage License Fees		425.00	450.00
County Added and Omitted Taxes Payable		40,288.68	48,657.61
Prepaid Taxes		656,265.53	507,609.98
Reserve for:			
Pending Tax Appeals		5,902,221.13	5,805,371.89
Contingencies		25,000.00	25,000.00
		7,730,240.54	7,812,595.93
Reserve for Receivables and Other Assets	A	1,253,855.60	857,733.26
Fund Balance	A-1	5,819,196.71	6,232,927.74
Total Regular Fund		14,803,292.85	14,903,256.93
Federal and State Grant Fund:			
Due to Current Fund	A	938.52	3,656.52
Appropriated Reserves:			
Unencumbered	A-14	335,430.85	301,948.54
Encumbered		183,983.02	890,980.72
Unappropriated Reserves	A-15	187.03	28,470.47
Total Federal and State Grant Fund		520,539.42	1,225,056.25
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 15,323,832.27	$ 16,128,313.18

BOROUGH OF FLORHAM PARK
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2025	2024
Revenue and Other Income Realized			
Fund Balance Utilized		$ 3,055,265.00	$ 3,866,850.00
Miscellaneous Revenue Anticipated		4,802,087.58	5,178,285.16
Receipts from:			
Delinquent Taxes		680,412.79	737,528.96
Current Taxes		65,456,408.23	62,140,413.33
Nonbudget Revenue		382,479.41	251,241.76
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		461,638.35	439,619.40
Cancellations:			
Accounts Payable Cancelled		21,995.45	5,962.51
Interfunds Returned		67,988.29	49,241.12
Total Income		74,928,275.10	72,669,142.24
Expenditures			
Budget Appropriations:			
Municipal Purposes		24,127,641.54	24,181,347.44
County Taxes		12,378,994.83	11,561,393.10
Local School District Taxes		22,945,982.00	22,106,660.00
Regional High School Taxes		12,234,859.00	11,455,698.00
Prepaid Local School District Taxes		459,548.50	
Interfunds Advanced		139,715.26	67,988.29
Total Expenditures		72,286,741.13	69,373,086.83
Excess in Revenue		2,641,533.97	3,296,055.41
Fund Balance			
Balance January 1		6,232,927.74	6,803,722.33
		8,874,461.71	10,099,777.74
Decreased by:			
Utilized as Anticipated Revenue		3,055,265.00	3,866,850.00
Balance December 31	A	$ 5,819,196.71	$ 6,232,927.74

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	$ 3,055,265.00		$ 3,055,265.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	18,000.00		15,376.00	$ 2,624.00 *
Other	59,000.00		49,633.00	9,367.00 *
Fees and Permits - Other	89,000.00		85,130.00	3,870.00 *
Fines and Costs - Municipal Court	130,000.00		151,655.29	21,655.29
Interest and Costs on Taxes	150,000.00		189,961.72	39,961.72
Interest on Investments and Deposits	850,000.00		1,037,460.06	187,460.06
Payments in Lieu of Taxes	565,000.00		572,767.56	7,767.56
Park Avenue Club Contribution	52,500.00		52,500.00	
Energy Receipts Tax	1,040,418.00		1,040,418.18	0.18
Uniform Construction Code Fees	550,000.00		733,438.00	183,438.00
Recycling Tonnage Grant		$ 26,104.05	26,104.05	
Clean Communities Program		30,924.08	30,924.08	
Body Armor Replacement Fund	2,715.02		2,715.02	
DDEF	19,445.50		19,445.50	
Alcohol Education, Rehabilitation, and Enforcement Fund		2,888.65	2,888.65	
Bulletproof Vest Partnership Grant		6,776.00	6,776.00	
Opioids Settlement	6,310.33	29,182.18	35,492.51	
EMAA Grant		10,000.00	10,000.00	
Uniform Fire Safety Act	195,000.00		212,251.61	17,251.61
Hotel Occupancy Tax	355,000.00		399,368.80	44,368.80
School Resource Officer Revenue	81,000.00		127,781.55	46,781.55
	4,163,388.85	105,874.96	4,802,087.58	532,823.77
Receipt from Delinquent Taxes	237,300.00		680,412.79	443,112.79
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	16,631,253.00		17,870,809.98	1,239,556.98
Minimum Library Tax	1,709,193.42		1,709,193.42	
Total Amount to be Raised by Taxes	18,340,446.42		19,580,003.40	1,239,556.98
Budget Totals	25,796,400.27	105,874.96	28,117,768.77	$ 2,215,493.54
Nonbudget Revenue			382,479.41	
	$ 25,796,400.27	$ 105,874.96	$ 28,500,248.18	

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Allocation of Current Tax Collections:		
Revenue from Collection of Current Taxes		$ 65,456,408.23
Allocated to County, Local School District, Regional High School and Local Open Space Taxes		47,559,835.83
Balance for Support of Municipal Budget		17,896,572.40
Add: Appropriation "Reserve for Uncollected Taxes"		1,683,431.00
Realized for Support of Municipal Budget		$ 19,580,003.40
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		$ 680,412.79
Realized for Support of Municipal Budget		$ 680,412.79
Analysis of Interest on Investments Collected:		
Collected in Current Fund	$ 607,118.66	
Due from:		
Federal and State Grant Fund	15,636.72	
Other Trust Fund	179,118.43	
General Capital Fund	235,586.25	
		$ 1,037,460.06
Analysis of Nonbudget Revenue:		
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Rental of Old Sewer Plant Buiding	$ 54,000.00	
Uncollected Escrow Monies	32,250.00	
Professional Fee Reimbursements	48,958.27	
Joint Insurance Fund Dividend	18,228.48	
Copies	2.10	
Cablevision Franchise Fees	188,108.96	
Bid Specifications	1,000.00	
State of New Jersey:		
Senior Citizens' and Veterans' Deductions Administrative Reimbursement	985.00	
Marriage License Fees	258.00	
Sale of Assets	27,457.46	
Return Check Fee	260.00	
Other Miscellaneous Revenue	10,971.14	
		$ 382,479.41

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Appropriation		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	$ 176,295.00	$ 141,295.00	$ 140,578.48	$ 716.52	
Other Expenses	26,500.00	26,500.00	26,268.98	231.02	
Mayor and Council:					
Other Expenses	27,000.00	27,000.00	24,043.90	2,956.10	
Municipal Clerk:					
Salaries and Wages	195,555.00	195,555.00	195,181.16	373.84	
Other Expenses	67,350.00	73,350.00	67,686.76	5,663.24	
Financial Administration:					
Salaries and Wages	211,900.00	211,900.00	211,899.07	0.93	
Other Expenses	44,900.00	44,900.00	38,358.08	6,541.92	
Annual Audit	29,666.00	29,666.00	29,666.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	52,145.00	52,145.00	52,144.92	0.08	
Other Expenses	8,985.00	8,985.00	8,195.20	789.80	
Information Technology					
Other Expenses	71,018.00	71,018.00	47,332.50	23,685.50	
Tax Assessment Administration:					
Salaries and Wages	123,250.00	123,250.00	123,000.73	249.27	
Other Expenses	64,380.00	39,380.00	12,102.80	27,277.20	
Legal Services and Costs:					
Other Expenses	183,500.00	223,500.00	222,147.75	1,352.25	
Engineering Services and Costs:					
Salaries and Wages	73,064.00	73,064.00	73,064.00		
Other Expenses	102,350.00	102,350.00	100,231.91	2,118.09	
Historic Commission:					
Other Expenses	5,500.00	5,500.00	4,744.57	755.43	

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BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025
(Continued)

	Appropriation		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
LAND USE ADMINISTRATION:					
Planning Board:					
Salaries and Wages	$ 29,655.00	$ 29,655.00	$ 29,301.67	$ 353.33	
Other Expenses	72,440.00	20,830.00	4,860.45	15,969.55	
Board of Adjustment:					
Salaries and Wages	13,280.00	13,280.00	12,279.77	1,000.23	
Other Expenses	30,960.00	30,960.00	19,054.63	11,905.37	
Municipal Court:					
Salaries and Wages	163,300.00	163,300.00	141,958.39	21,341.61	
Other Expenses	11,475.00	11,475.00	9,770.96	1,704.04	
Public Defender:					
Salaries and Wages	10,000.00	10,000.00	10,000.00		
PUBLIC SAFETY:					
Police:					
Salaries and Wages	5,145,721.00	5,159,721.00	5,141,360.34	18,360.66	
Other Expenses	409,300.00	441,300.00	388,626.47	52,673.53	
Police Vehicles:					
Other Expenses	105,000.00	105,000.00	103,520.86	1,479.14	
Municipal Prosecutor:					
Salaries and Wages	25,000.00	25,000.00	25,000.00		
Emergency Management Services:					
Other Expenses	15,000.00	15,000.00	15,000.00		
Fire:					
Salaries and Wages	30,625.00	30,625.00	28,410.98	2,214.02	
Other Expenses	142,900.00	142,900.00	135,799.59	7,100.41	
First Aid Organization Contribution:					
Other Expenses	15,000.00	15,000.00	15,000.00		

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BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025
(Continued)

	Appropriation		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
PUBLIC SAFETY (Cont'd):					
Fire Safety:					
Salaries and Wages	$ 180,425.00	$ 180,425.00	$ 166,854.22	$ 13,570.78	
Other Expenses	16,220.00	16,220.00	4,830.24	11,389.76	
Contribution to Volunteer Fire Department:					
Other Expenses	75,000.00	75,000.00	70,090.00	4,910.00	
PUBLIC WORKS:					
Road Repairs and Maintenance:					
Salaries and Wages	891,162.00	845,162.00	754,826.40	90,335.60	
Other Expenses	287,950.00	246,950.00	245,747.16	1,202.84	
DPW and Other Public Works:					
Salaries and Wages	283,995.00	283,995.00	283,994.04	0.96	
DPW Solid Waste Collection:					
Other Expenses	255,610.00	255,610.00	245,188.57	10,421.43	
DPW Buildings and Grounds:					
Salaries and Wages	921,992.00	921,992.00	887,368.30	34,623.70	
Other Expenses	288,427.00	345,037.00	343,471.98	1,565.02	
DPW Vehicle Maintenance:					
Salaries and Wages	140,590.00	140,590.00	126,832.30	13,757.70	
Other Expenses	110,900.00	110,900.00	109,269.36	1,630.64	
HEALTH AND HUMAN SERVICES:					
Board of Health:					
Salaries and Wages	73,800.00	73,800.00	73,800.00		
Other Expenses	185,109.00	185,109.00	184,741.03	367.97	
Environmental Commission:					
Other Expenses	30,000.00	30,000.00	25,444.46	4,555.54	

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BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025
(Continued)

	Appropriation		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
HEALTH AND HUMAN SERVICES (Cont'd):					
Social Services:					
Other Expenses	$ 18,500.00	$ 18,500.00	$ 17,856.00	$ 644.00	
RECREATION AND EDUCATION:					
Recreation:					
Salaries and Wages	171,310.00	171,310.00	157,408.94	13,901.06	
Other Expenses	82,125.00	82,125.00	69,861.75	12,263.25	
Public Events:					
Other Expenses	7,000.00	22,000.00	22,000.00		
Animal Control:					
Other Expenses	30,000.00	30,000.00	30,000.00		
Condo Services:					
Other Expenses	85,000.00	85,000.00	85,000.00		
INSURANCES:					
General Liability	188,378.00	188,378.00	187,641.00	737.00	
Workers Compensation	204,111.00	204,111.00	202,771.00	1,340.00	
Group Insurance for Employees	2,801,094.00	2,836,094.00	2,822,059.62	14,034.38	
UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	554,910.00	534,910.00	530,501.80	4,408.20	
Other Expenses	89,015.00	99,015.00	53,658.70	45,356.30	
UTILITIES:					
Bulk Utilities	737,500.00	757,500.00	731,216.50	26,283.50	
Total Operations Within "CAPS"	16,393,137.00	16,403,137.00	15,889,024.29	514,112.71	
Contingent	10,000.00	10,000.00		10,000.00	
Total Operations including Contingent within "CAPS"	16,403,137.00	16,413,137.00	15,889,024.29	524,112.71	

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BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025
(Continued)

	Appropriation		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Detail:					
Salaries and Wages	$ 9,467,974.00	$ 9,380,974.00	$ 9,165,765.51	$ 215,208.49	
Other Expenses	6,935,163.00	7,032,163.00	6,723,258.78	308,904.22	
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":					
Deferred Charges:					
Pool Utility Deficit	116,000.00	116,000.00	24,797.31		$ 91,202.69
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	477,914.00	477,914.00	472,914.00	5,000.00	
Social Security System (O.A.S.I.)	449,675.00	437,675.00	407,904.66	29,770.34	
Defined Contribution Retirement Program	2,000.00	4,000.00	3,050.67	949.33	
Police and Firemen's Retirement System of NJ	1,374,597.00	1,374,597.00	1,374,597.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,420,186.00	2,410,186.00	2,283,263.64	35,719.67	91,202.69
Total General Appropriations for Municipal Purposes Within "CAPS"	18,823,323.00	18,823,323.00	18,172,287.93	559,832.38	91,202.69
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	1,709,193.42	1,709,193.42	1,625,493.62	83,699.80	
LOSAP - Other Expenses	31,000.00	31,000.00		31,000.00	
Reserve for Tax Appeals	177,372.00	177,372.00	177,372.00		
Public and Private Programs Offset by Revenue:					
Recycling Tonnage Grant(NJSA-40A:87 $26,104.05)		26,104.05	26,104.05		
Alcohol Education, Rehabilitation and Enforcement Fund (NJSA40A:4-87 $2,888.65)		2,888.65	2,888.65		
Body Armor Replacement Fund	2,715.02	2,715.02	2,715.02		
Clean Communities Grant (NJSA40A:4-87 $30,924.08)		30,924.08	30,924.08		
DDEF	19,445.50	19,445.50	19,445.50		
Bulletproof Vest Partnership Grant (NJSA40A:4-87 $6,776.00)		6,776.00	6,776.00		
EMAA Grant (NJSA40A:4-87 $10,000.00)		10,000.00	10,000.00		
Opioid Settlement (NJSA40A:4-87 $29,182.18)	6,310.33	35,492.51	35,492.51		

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BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025
(Continued)

	Appropriation		Expended By		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Total Operations Excluded from "CAPS"	$ 1,946,036.27	$ 2,051,911.23	$ 1,937,211.43	$ 114,699.80	
Detail:					
Other Expenses	1,946,036.27	2,051,911.23	1,937,211.43	114,699.80	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	2,335,200.00	2,335,200.00	2,335,200.00		
Total Capital Improvements - Excluded from "CAPS"	2,335,200.00	2,335,200.00	2,335,200.00		
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	920,000.00	920,000.00	920,000.00		
Interest on Bonds	88,410.00	88,410.00	88,410.00		
Total Municipal Debt Service - Excluded from "CAPS"	1,008,410.00	1,008,410.00	1,008,410.00		
Total General Appropriations - Excluded from "CAPS"	5,289,646.27	5,395,521.23	5,280,821.43	114,699.80	$ 91,202.69
Subtotal General Appropriations	24,112,969.27	24,218,844.23	23,453,109.36	674,532.18	91,202.69
Reserve for Uncollected Taxes	1,683,431.00	1,683,431.00	1,683,431.00		
Total General Appropriations	$ 25,796,400.27	$ 25,902,275.23	$ 25,136,540.36	$ 674,532.18	$ 91,202.69
				A	

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BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025
(Continued)

	Ref.	Analysis of Budget After Modification	Analysis of Paid or Charged
Adopted Budget		$ 25,796,400.27	
Added by NJSA 40A:4-87		105,874.96	
		$ 25,902,275.23	
Reserve for Uncollected Taxes			$ 1,683,431.00
Reserve for Encumbrances	A		431,508.02
Due Federal and State Grant Fund			134,345.81
Reserve for Pending Tax Appeals			177,372.00
Cash Disbursed			23,573,404.35
			26,000,061.18
Less: Appropriation Refunds Received			863,520.82
			$ 25,136,540.36

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
TRUST FUNDS

BOROUGH OF FLORHAM PARK
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	$ 16,439.24	$ 11,820.40
		16,439.24	11,820.40
Other Trust Funds:			
Cash and Cash Equivalents	B-4	9,440,255.92	9,074,654.85
Due From Pool Utility Operating Fund	F		5.00
		9,440,255.92	9,074,659.85
TOTAL ASSETS		$ 9,456,695.16	$ 9,086,480.25
LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-6	$ 11,401.64	$ 7,182.40
Prepaid Dog Licenses		5,037.60	4,638.00
		16,439.24	11,820.40
Other Trust Funds:			
Due Current Fund	A	14,324.12	15,385.37
Reserve for:			
Escrow Deposits		763,338.51	601,128.54
Unemployment Insurance Fund		506,623.31	506,707.61
Police Forfeited Assets		20,516.29	13,231.12
Housing Trust		4,034,862.50	3,622,709.22
Tax Sale Premiums		26,100.00	101,200.00
Recycling		55,918.09	38,904.61
Fire Penalties		62,807.00	62,357.00
Accumulated Absences		1,230,948.62	1,262,000.00
Storm Recovery		742,264.77	742,264.77
Parking Offenses Adjudication Act		1,424.10	1,228.10
Recreation		468,436.12	507,502.94
Self Insurance		850,757.90	1,190,263.04
Insurance Deductible		70,000.00	70,000.00
Public Defender		12,838.58	12,161.58
Off Duty Police Officer		359,039.28	300,926.58
Various Miscellaneous Trust Funds		220,056.73	26,689.37
		9,440,255.92	9,074,659.85
TOTAL LIABILITIES AND RESERVES		$ 9,456,695.16	$ 9,086,480.25

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

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

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
GENERAL CAPITAL FUND

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Cash and Cash Equivalents	C-2	$ 5,733,777.51	$ 4,947,563.04
Grants Receivable:			
New Jersey Department of Transportation		295,133.25	450,785.00
Deferred Charges to Future Taxation:			
Funded		2,717,000.00	3,637,000.00
Unfunded	C-4	570,000.00	570,000.00
TOTAL ASSETS		$ 9,315,910.76	$ 9,605,348.04
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-8	2,717,000.00	3,637,000.00
Bond Anticipation Notes	C-7	570,000.00	
Improvement Authorizations:			
Funded	C-5	5,332,668.94	4,943,245.01
Unfunded	C-5		570,000.00
Due to Current Fund	A	19,098.47	18,559.66
Capital Improvement Fund	C-6	243,570.64	205,728.44
Reserve for:			
Gun Club		70,000.00	65,000.00
Payment of Debt Service		198,272.04	514.26
Fund Balance	C-1	165,300.67	165,300.67
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 9,315,910.76	$ 9,605,348.04

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2024	C	$ 165,300.67
Balance December 31, 2025	C	$ 165,300.67

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
WATER UTILITY FUND

BOROUGH OF FLORHAM PARK
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	$ 7,679,150.91	$ 9,425,311.72
Due from Water Utility Capital Fund	D	14,793.58	26,117.15
		7,693,944.49	9,451,428.87
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	106,821.38	102,291.99
Total Receivables with Full Reserves		106,821.38	102,291.99
Total Operating Fund		7,800,765.87	9,553,720.86
Capital Fund:			
Cash and Cash Equivalents	D-4	4,611,065.48	2,020,122.57
Fixed Capital	D-7	7,609,427.43	7,609,427.43
Fixed Capital Authorized and Uncompleted	D-8	7,999,650.00	6,464,650.00
Total Capital Fund		20,220,142.91	16,094,200.00
TOTAL ASSETS		$ 28,020,908.78	$ 25,647,920.86

BOROUGH OF FLORHAM PARK
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2025	December 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	$ 77,617.26	$ 79,069.09
Encumbered	D-3;D-9	72,490.08	86,658.41
		150,107.34	165,727.50
Due to Current Fund	A	7,098.44	
Water Rent Overpayments		8,734.13	14,292.90
Accrued Interest on Bonds		64,883.38	66,524.00
Reserve for Sale of Assets		7,110,558.40	8,910,558.40
		7,341,381.69	9,157,102.80
Reserve for:			
Receivables	D	106,821.38	102,291.99
Fund Balance	D-1	352,562.80	294,326.07
Total Operating Fund		7,800,765.87	9,553,720.86
Capital Fund:			
Serial Bonds Payable	D-15	4,415,000.00	4,535,000.00
Improvement Authorizations:			
Funded	D-10	2,704,971.73	1,365,757.97
Unfunded	D-10	999,000.00	1,021,677.76
Due to Water Utility Operating Fund	D	14,793.58	26,117.15
Due to Federal and State Grant Fund	A	4,480.57	
Capital Improvement Fund	D-11	375,221.73	110,221.73
Reserve for Encumbrances	D-10	257,890.10	274,988.45
Reserve for Connection Fees		169,034.10	136,965.46
Reserve for Water Treatment Plant		983,646.62	
Reserve for Payment of Debt Service			5,367.03
Reserve for Amortization	D-12	6,144,053.43	6,121,827.43
Deferred Reserve for Amortization	D-13	3,815,374.00	2,160,374.00
Fund Balance	D-1A	336,677.05	335,903.02
Total Capital Fund		20,220,142.91	16,094,200.00
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 28,020,908.78	$ 25,647,920.86

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2025	2024
Revenue and Other Income Realized			
Fund Balance Utilized		$ 185,000.00	$ 185,000.00
Reserve for Sale of Assets		1,800,000.00	$ 1,000,000.00
Water Rents		1,495,335.79	1,395,566.38
Miscellaneous Revenue Anticipated		41,663.60	267,833.39
Miscellaneous Revenue Not Anticipated		476,025.68	372,992.03
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		95,767.30	44,127.62
Total Income		4,093,792.37	3,265,519.42
Expenditures			
Budget Appropriations:			
Operating		1,603,625.00	1,559,393.00
Capital Improvements		1,800,000.00	1,000,000.00
Debt Service		270,415.64	274,460.02
Deferred Charges and Statutory Expenditures		176,515.00	168,800.00
Total Expenditures		3,850,555.64	3,002,653.02
Excess in Revenues		243,236.73	262,866.40
Fund Balance			
Balance January 1		294,326.07	216,459.67
		537,562.80	479,326.07
Decreased by:			
Utilized as Anticipated Revenue:			
Water Utility Operating Budget		185,000.00	185,000.00
Balance December 31	D	$ 352,562.80	$ 294,326.07

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

D-1A

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	Ref.		
Balance December 31, 2024	D		$ 335,903.02
Increased by:			
Miscellaneous		$ 774.00	
Cancelled Reserve to Pay Debt Service		0.03	
			774.03
			336,677.05
Balance December 31, 2025	D		$ 336,677.05

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Budget	Realized	Excess or Deficit *	
Operating Surplus Anticipated	$ 185,000.00	$ 185,000.00		
Water Rents	1,362,633.00	1,495,335.79	$ 132,702.79	
Miscellaneous Revenue	497,560.00	41,663.60	455,896.40	*
Reserve for Sale of Assets	1,800,000.00	1,800,000.00		
Reserve for Debt Service	5,367.00	5,367.00		
	3,850,560.00	3,521,999.39	323,193.61	
Miscellaneous Revenue Not Anticipated		476,025.68	476,025.68	
	$ 3,850,560.00	$ 3,998,025.07	$ 147,465.07	

Analysis of Water Rents

Collections	$ 1,481,042.89	
Overpayments Applied	14,292.90	
		$ 1,495,335.79

Analysis of Miscellaneous Revenue

Collector:		
Miscellaneous Fees		$ 41,663.60

Analysis of Miscellaneous Revenue Not Anticipated

Treasurer:		
Interest on Investments	$ 343,986.21	
Interest on Investments - Water Utility Capital Fund	132,039.47	
		$ 476,025.68

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	Appropriation		Expended By		Unexpended
		Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operating:						
Salaries and Wages		$ 684,181.00	$ 684,181.00	$ 614,969.52	$ 69,211.48	
Other Expenses		919,444.00	919,444.00	911,038.22	8,405.78	
Capital Improvements:						
Capital Improvement Fund		1,800,000.00	1,800,000.00	1,800,000.00		
Debt Service:						
Payment on Bond Principal		120,000.00	120,000.00	120,000.00		
Interest on Bonds		150,420.00	150,420.00	150,415.64		$ 4.36
Deferred Charges and Statutory Expenditures:						
Deferred Charges to Future Revenue- Ordinance #13-6		23,000.00	23,000.00	23,000.00		
Statutory Expenditures:						
Public Employees' Retirement System		101,315.00	101,315.00	101,315.00		
Contribution to Social Security System (O.A.S.I.)		52,200.00	52,200.00	52,200.00		
		$ 3,850,560.00	$ 3,850,560.00	$ 3,772,938.38	$ 77,617.26	$ 4.36
	Ref.				D	
Cash Disbursed				$ 3,542,934.22		
Accrued Interest on Bonds				150,415.64		
Due to Current Fund				7,098.44		
Encumbrances	D			72,490.08		
				$ 3,772,938.38		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
SEWER UTILITY FUND

BOROUGH OF FLORHAM PARK
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-4	$ 5,309,143.38	$ 5,772,565.79
		5,309,143.38	5,772,565.79
Due from Sewer Utility Capital Fund	E	17,639.98	23,653.35
		5,326,783.36	5,796,219.14
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	331,463.59	244,216.34
Total Receivables with Full Reserves		331,463.59	244,216.34
Total Operating Fund		5,658,246.95	6,040,435.48
Trust Fund:			
Cash and Cash Equivalents	E-4	121,616.74	121,263.38
Total Trust Fund		121,616.74	121,263.38
Capital Fund:			
Cash and Cash Equivalents	E-4	5,329,332.37	6,241,946.30
Fixed Capital	E-7	19,964,172.96	18,548,837.00
Fixed Capital Authorized and Uncompleted	E-8	8,800,873.10	9,216,209.06
Total Capital Fund		34,094,378.43	34,006,992.36
TOTAL ASSETS		$ 39,874,242.12	$ 40,168,691.22

BOROUGH OF FLORHAM PARK
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2025	December 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	$ 89,511.58	$ 218,739.95
Encumbered	E-3;E-9	559,116.15	504,097.98
		648,627.73	722,837.93
Contracts Payable			91,274.54
Due to Current Fund	A	7,053.02	
Sewer Rent Overpayments		5,480.58	3,300.25
Sewer Rent Prepayments		549,610.63	577,337.16
Accrued Interest on Loans			1,914.06
		1,210,771.96	1,387,785.66
Reserve for Receivables	E	331,463.59	244,216.34
Fund Balance	E-1	4,116,011.40	4,399,555.20
Total Operating Fund		5,658,246.95	6,040,435.48
Trust Fund:			
Escrow Deposits Payable	E-4	121,616.74	121,263.38
Total Trust Fund		121,616.74	121,263.38
Capital Fund:			
New Jersey Environmental Infrastructure Loan Payable	E-16		175,600.15
Improvement Authorizations:			
Funded	E-10	1,484,026.23	3,215,995.66
Due Sewer Utility Operating Fund	E	17,639.98	23,653.35
Reserve for Encumbrances	E-10	2,069,857.58	1,356,793.47
Reserve for Sewer Extensions		1,335,602.04	1,223,297.28
Capital Improvement Fund	E-11	143,533.35	143,533.35
Reserve for Amortization	E-12	19,964,172.96	18,373,236.85
Deferred Reserve for Amortization	E-13	8,800,873.10	9,216,209.06
Fund Balance	E-1A	278,673.19	278,673.19
Total Capital Fund		34,094,378.43	34,006,992.36
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 39,874,242.12	$ 40,168,691.22

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2025	2024
Revenue and Other Income Realized			
Fund Balance Utilized		$ 1,609,500.00	$ 1,609,500.00
Sewer User Charges		4,627,867.08	4,584,188.88
Miscellaneous Revenue Anticipated		471,931.88	770,476.35
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		110,346.21	271,696.79
Cancelled Accounts Payable		42,033.37	
Total Income		6,861,678.54	7,235,862.02
Expenditures			
Budget Appropriations:			
Operating		4,002,565.00	3,954,813.00
Capital Improvements		1,000,000.00	1,000,000.00
Debt Service		153,417.34	179,166.16
Deferred Charges and Statutory Expenditures		379,740.00	365,520.00
Total Expenditures		5,535,722.34	5,499,499.16
Excess in Revenues		1,325,956.20	1,736,362.86
Fund Balance			
Balance January 1		4,399,555.20	4,272,692.34
		5,725,511.40	6,009,055.20
Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Utility Operating Budget		1,609,500.00	1,609,500.00
Balance December 31	E	$ 4,116,011.40	$ 4,399,555.20

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2024	E	$ 278,673.19
Balance December 31, 2025	E	$ 278,673.19

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Budget	Realized	Excess or Deficit *
Operating Surplus Anticipated	$ 1,609,500.00	$ 1,609,500.00	
Sewer User Charges	3,540,000.00	4,627,867.08	$ 1,087,867.08
Miscellaneous Revenue	413,000.00	471,931.88	58,931.88
	$ 5,562,500.00	$ 6,709,298.96	$ 1,146,798.96

Analysis of Sewer User Charges

Collections	$ 4,050,529.92	
Prepayments Applied	577,337.16	
		$ 4,627,867.08

Analysis of Miscellaneous Revenue

Collector/Treasurer:	
Interest on Investments and Deposits	$ 222,515.46
Miscellaneous Sewer Fees	22,699.04
Treasurer:	
Interest on Investments and Deposits:	
Due from Sewer Utility Capital Fund	226,717.38
	$ 471,931.88

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	Appropriation		Expended By		Unexpended
		Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operating:						
Salaries and Wages		$ 1,551,331.00	$ 1,551,331.00	$ 1,483,817.64	$ 67,513.36	
Other Expenses		2,451,234.00	2,451,234.00	2,429,235.78	21,998.22	
Capital Improvements:						
Capital Improvement Fund		1,000,000.00	1,000,000.00	1,000,000.00		
Debt Service:						
New Jersey Environmental Infrastructure Loan:						
Principal		175,601.00	175,601.00	151,118.08		$ 24,482.92
Interest		4,594.00	4,594.00	2,299.26		2,294.74
Statutory Expenditures:						
Public Employees' Retirement System		253,890.00	253,890.00	253,890.00		
Contribution to Social Security System (O.A.S.I.)		125,850.00	125,850.00	125,850.00		
		$ 5,562,500.00	$ 5,562,500.00	$ 5,446,210.76	$ 89,511.58	$ 26,777.66
					E	
Cash Disbursed				$ 4,888,740.62		
Accrued Interest on Loans				2,299.26		
Due to Current Fund				7,053.02		
Encumbrances Payable	E			559,116.15		
				5,457,209.05		
Less: Appropriation Refunds				10,998.29		
				$ 5,446,210.76		

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BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
POOL UTILITY FUND

BOROUGH OF FLORHAM PARK
POOL UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	F-4	$ 151,360.34	$ 134,591.98
Change Fund			50.00
		151,360.34	134,641.98
Due from Pool Utility Capital Fund	F	253.53	657.78
Total Operating Fund		151,613.87	135,299.76
Capital Fund:			
Cash and Cash Equivalents	F-4	66,615.26	175,708.70
Fixed Capital	F-7	1,400,687.45	1,400,687.45
Fixed Capital Authorized and Uncompleted	F-8	116,961.00	
Total Capital Fund		1,584,263.71	1,576,396.15
TOTAL ASSETS		$ 1,735,877.58	$ 1,711,695.91

BOROUGH OF FLORHAM PARK
POOL UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2025	December 31, 2024
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	F-3;F-9	$ 24,365.79	$ 85,516.54
Encumbered	F-3;F-9	18,466.14	3,246.61
		42,831.93	88,763.15
Due to Current Fund	A	91,202.69	28,952.36
Due to Other Trust Funds - Recreation			5.00
		134,034.62	117,720.51
Fund Balance	F-1	17,579.25	17,579.25
Total Operating Fund		151,613.87	135,299.76
Capital Fund:			
Due to Pool Utility Operating Fund	F	253.53	657.78
Improvement Authorizations:			
Funded	F-10	8,271.81	
Capital Improvement Fund	F-11		116,961.00
Reserve for Amortization	F-12	1,392,470.00	1,392,470.00
Deferred Reserve for Amortization	F-13	116,961.00	
Fund Balance	F-1A	66,307.37	66,307.37
Total Capital Fund		1,584,263.71	1,576,396.15
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 1,735,877.58	$ 1,711,695.91

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2025	Year Ended December 31, 2024
Revenue and Other Income Realized			
Membership Fees		$ 92,292.00	$ 96,446.00
Miscellaneous Revenue		65,200.23	64,780.55
Anticipated Deficit - Current Fund		24,797.31	114,047.64
Unexpended Balance of Appropriation Reserves		82,710.46	29,725.81
Total Income		265,000.00	305,000.00
Expenditures			
Budget Appropriations:			
Operating		265,000.00	265,000.00
Deferred Charges and Statutory Expenditures			40,000.00
Total Expenditures		265,000.00	305,000.00
Fund Balance			
Balance January 1		17,579.25	17,579.25
Balance December 31	F	$ 17,579.25	$ 17,579.25

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2024	F	$ 66,307.37
Balance December 31, 2025	F	$ 66,307.37

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Budget	Realized	Excess or Deficit *	
Pool Memberships	$ 90,000.00	$ 92,292.00	$ 2,292.00	
Miscellaneous Revenue	59,000.00	65,200.23	6,200.23	
Anticipated Deficit - Current Fund	116,000.00	24,797.31	91,202.69	*
	$ 265,000.00	$ 182,289.54	$ 82,710.46	*

Analysis of Pool Memberships

Collections	$ 92,292.00

Analysis of Miscellaneous Revenue

Collector:		
Guest Passes	$ 5,300.00	
Rental Fees	36,277.00	
Miscellaneous	9,294.80	
	50,871.80	
Treasurer:		
Interest on Investments	7,561.78	
Interest on Investments - Pool Utility Capital Fund	6,766.65	
	14,328.43	
	$ 65,200.23	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	Appropriations		Expended By	
		Budget	Budget After Modification	Paid or Charged	Reserved
Operating:					
Salaries and Wages		$ 130,000.00	$ 130,000.00	$ 117,053.33	$ 12,946.67
Other Expenses		135,000.00	135,000.00	123,580.88	11,419.12
		$ 265,000.00	$ 265,000.00	$ 240,634.21	$ 24,365.79
					F
Cash Disbursed				$ 222,168.07	
Encumbrances Payable	F			18,466.14	
				$ 240,634.21	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

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BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF FLORHAM PARK
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31, 2025	December 31, 2024
ASSETS		
Land	$ 79,671,252.00	$ 79,671,252.00
Buildings and Improvements	37,831,921.00	34,419,703.00
Equipment	14,672,018.00	13,611,244.00
TOTAL ASSETS	$ 132,175,191.00	$ 127,702,199.00
RESERVES		
Reserve for Fixed Assets	$ 132,175,191.00	$ 127,702,199.00
TOTAL RESERVES	$ 132,175,191.00	$ 127,702,199.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Florham Park include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Florham Park, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Florham Park do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Florham Park conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 of Florham Park accounts for its financial transactions through the following separate funds:

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

Sewer Utility Operating, Trust and Capital Funds - Account for the operations, trust deposits and acquisition of capital facilities of the municipally owned sewer utility.

Pool Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned pool utility.

General Fixed Assets Account Group – These accounts were established with estimated values of land, buildings, and certain fixed assets of the Borough as discussed in Note 1 E - "Basis of Accounting".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is received and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.

2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.

3. Principal and interest on long-term debt are recognized when due.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; and federal and state grants and assistance would be recognized when earned, not when budgeted; inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value and fixed assets purchased by the Utility Funds would be depreciated, lease receivables and deferred lease resources as well as the related revenue would be recorded for leases for which the Borough is a lessor, and the Borough's net pension liability and net OPEB Liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust, General Capital, and Pool Utility Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans, or by financed purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the period reported. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awarded less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences - Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Inventories of Supplies - 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.

General Fixed Assets - In accordance with New Jersey Administrative Code accounting requirements, as promulgated by the Division of Local Government Services, the Borough has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost, except for land which is recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the Current Fund, General Capital Fund, and Water Utility, Sewer Utility and Pool Utility Funds. The values recorded in the general fixed assets account group and the current and capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water, Sewer, and Pool Utility Funds are recorded in the capital account at cost and are not adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Utility Funds do not record depreciation on fixed assets.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

F. Budget/Budgetary Controls:

Annual appropriated budgets are usually prepared in the first quarter for the current and utility operating funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2025	2024	2023
Issued			
General:			
Bonds and Notes	$ 3,287,000	$ 3,637,000	$ 4,557,000
Water Utility:			
Bonds and Notes	4,415,000	4,535,000	4,655,000
Sewer Utility:			
Bonds, Notes and Loans		175,600	345,798
Total Issued	7,702,000	8,347,600	9,557,798
Authorized but not Issued:			
General:			
Bonds and Notes		570,000	
Water Utility:			
Bonds and Notes	1,233,102	1,256,876	1,046,226
Pool Utility:			
Bonds and Notes	8,217	8,217	8,217
Total Authorized but not Issued	1,241,319	1,835,093	1,054,443

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt (Cont'd)

	December 31, 2025	December 31, 2024	December 31, 2023
Less:			
General:			
Reserve to Pay Debt Service	$ 514	$ 514	$ 514
Water Utility:			
Reserve to Pay Debt Service		5,367	5,367
	514	5,881	5,881
Net Bonds, Notes and Loans Issued and Authorized but not Issued	$ 8,942,805	$ 10,176,812	$ 10,606,360

Summary of Statutory Debt Condition – Revised Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Revised Annual Debt Statement as of December 31, 2025 and indicates a statutory net debt of .064%.

	Gross Debt	Deductions	Net Debt
School District Debt	$ 34,356,622	$ 34,356,622	
Water Utility Debt	5,648,102	5,648,102	
Pool Utility Debt	8,217		$ 8,217
General Debt	3,287,000	514	3,286,486
	$ 43,299,941	$ 40,005,238	$ 3,294,703

Net Debt $3,294,703 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, $5,183,996,484.33 = .064%

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

3-1/2% Average Equalized Valuation of Real Property	$ 155,519,895
Net Debt	3,294,703
Remaining Borrowing Power	$ 152,225,192

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 2: Long-Term Debt (Cont'd)

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		$ 3,998,025
Deductions:		
Operating and Maintenance Costs	$ 3,580,140	
Debt Service	270,416	
		3,850,556
Excess in Revenue		$ 147,469

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		$ 6,709,299
Deductions:		
Operating and Maintenance Costs	$ 5,382,305	
Debt Service	155,331	
		5,537,636
Excess in Revenue		$ 1,171,663

Calculation of "Self-Liquidating Purpose", Pool Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		$ 182,290
Deductions:		
Operating and Maintenance Costs	$ 265,000	
		265,000
Deficit in Revenue		$ (82,710)

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Chief Financial Officer.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2024	Additions	Retirements/ Defeasements	Balance 12/31/2025
Serial Bonds:				
General Capital Fund	$ 3,637,000	$ 570,000	$ 920,000	$ 3,287,000
Water Utility Capital Fund	4,535,000		120,000	4,415,000
Loans Payable:				
Sewer Utility Capital Fund:				
Infrastructure Trust Loan	175,600		175,600	
	$ 8,347,600	$ 570,000	$ 1,215,600	$ 7,702,000

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2023	Additions	Retirements/ Defeasements	Balance 12/31/2024
Serial Bonds:				
General Capital Fund	$ 4,557,000		$ 920,000	$ 3,637,000
Water Utility Capital Fund	4,655,000		120,000	4,535,000
Loans Payable:				
Sewer Utility Capital Fund:				
Infrastructure Trust Loan	345,797		170,197	175,600
	$ 9,557,797	$ -0-	$ 1,210,197	$ 8,347,600

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 2: Long-Term Debt (Cont'd)

At December 31, 2025, the Borough had capital debt issued and outstanding described as follows:

Purpose	Final Maturity	Interest Rate		Amount
General Capital Serial Bonds				
Serial Bonds - 2015	10/15/28	2.00-3.00%	$	2,717,000
General Capital Bond Anticipation Notes				
	Final Maturity	Interest Rate		
Various Road Improvements	04/30/26	5.75%		570,000
Water Capital Serial Bonds				
Purpose	Final Maturity	Interest Rate		
Serial Bonds - 2022	08/15/47	4.00-5.00%		4,415,000
	Total Debt Issued and Outstanding		$	7,702,000

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years and Thereafter for Bonded Debt Issued and Outstanding

Calendar	General		Water Utility		
Year	Principal	Interest	Principal	Interest	Total
2026	$ 920,000	$ 70,010	$ 125,000	$ 148,306	$ 1,263,316
2027	920,000	49,310	135,000	144,400	1,248,710
2028	877,000	26,310	140,000	140,180	1,183,490
2029			150,000	135,806	
2030			155,000	131,118	
2031-2035			905,000	575,470	1,480,470
2036-2040			1,125,000	413,784	1,538,784
2041-2045			1,200,000	216,000	1,416,000
2046-2047			480,000	26,700	506,700
	$ 2,717,000	$ 145,630	$ 4,415,000	$ 1,931,764	$ 8,637,470

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2025, which were appropriated and included as anticipated revenue for the year ending December 31, 2026 budget, were as follows:

Current Fund	$ 2,605,265
Water Utility Operating Fund	185,000
Sewer Utility Operating Fund	1,324,500

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 4: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. 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 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarially determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers were credited with the full payment and any such amounts were not included in their unfunded liability. The actuaries have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability is being paid by the employer in level annual payments over a period of 15 years beginning, with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Borough contributions to PERS amounted to $895,869 for 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $28,842 to the PERS for normal pension expense on behalf of the Borough.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense

At June 30, 2024, the Borough's liability was $8,946,076 for its proportionate share of the 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 which was rolled forward to June 30, 2024. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the Borough's proportion was 0.0658%, which was a decrease of 0.0014% from its proportion measured as of June 30, 2023. The Borough has rolled forward the net pension liability as of June 30, 2024 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2024 information in the Notes to the Financial Statements as the June 30, 2025 information has not been released as of the date of this audit.

There was no state proportionate share of net pension liability attributable to the Borough as of June 30, 2024. For the year ended December 31, 2025, the Borough recognized actual pension expense in the amount of $895,869.

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement 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 FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2024 are summarized in the following table:

Long Term Expected Rate of Return

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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.

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the collective net pension liability as of June 30, 2024 calculated using the discount rate as disclosed below, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the

	June 30, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the Net Pension Liability	$ 11,887,136	$ 8,946,076	$ 6,443,251

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2024, the State contributed an amount more than the actuarially determined amount.

The Local Group employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for employers in the Local Group of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers were credited with the full payment and any such amounts were not included in their unfunded liability. The actuaries have determined the unfunded liability, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and is adjusted by the rate of return on the actuarial value of the assets.

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.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 local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Borough contributions to PFRS amounted to $1,374,597 for the year ended December 31, 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $232,747 to the PFRS for normal pension expense on behalf of the Borough, which is the same as the contractually required contribution of $232,747.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2024, the Borough's liability for its proportionate share of the net pension liability was $10,262,079. 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 which was rolled forward to June 30, 2024. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the Borough's proportion was 0.099%, which was a 0.0007% decrease from its proportion measured as of June 30, 2023. The Borough has rolled forward the net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2024 information in the Notes to the Financial Statements as the June 30, 2025 information has not been released as of the date of this audit.

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is $2,023,147 as of June 30, 2024. The net pension liability was measured as of July 1, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the State's proportion was .099%, which was a decrease of 0.0007% from its proportion measured as of June 30, 2023 which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	$ 10,262,079
State's Proportionate Share of the Net Pension Liability Associated with the Borough	2,023,147
Total Net Pension Liability	$ 12,285,226

For the year ended December 31, 2024, the Borough recognized total pension expense of $1,374,597.

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
All future years	3.25 – 16.25% based on years of service
Investment Rate of Return	7.00%

Employee mortality rates were based on the 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 table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree 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 FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the PFRS Board of Trustees, the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2024 are summarized in the following table:

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the employers in the State Group and 100% of actuarially determined contributions for the employers in the Local Group. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Borough) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Borough) as of June 30, 2024 calculated using the discount rate as disclosed above, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2024	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	$ 17,552,856	$ 12,285,226	$ 7,898,446

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

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

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 4: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Borough recognized pension expense of $3,050.57 for the year ended December 31, 2025. Employee contributions to DCRP amounted to $5,186.74 for the year ended December 31, 2025.

Note 5: Accrued Sick, Vacation and Compensatory Time Benefits

The Borough has permitted employees to accrue a limited amount of unused sick, vacation and compensatory time pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate $1,436,675.67. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used. This amount is partially reserved in the Reserve for Accumulated Absences of $1,230,948.62 and is reflected on the Other Trust Funds' balance sheet as of December 31, 2025.

Balance at December 31, 2024 (Restated)	$ 1,598,986.41
Net Change	(162,310.74)
Balance at December 31, 2025	$ 1,436,675.67
Amount Due within One Year	$ 30,000.00

Note 6: School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Borough of Florham Park has not elected to defer school taxes.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 7: Selected Tax Rate Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the prior years may be placed in lien at a tax sale held after April 1 and through December 10. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	2025	2024	2023
Tax Rate	$ 1.691	$ 1.624	$ 1.598
Apportionment of Tax Rate			
Municipal	0.470	0.457	0.452
County	0.318	0.299	0.270
Local School	0.589	0.572	0.582
Regional High School	0.314	0.296	0.294
Assessed Valuations			
2025	$ 3,896,484,688		
2024		$ 3,866,199,379	
2023			$ 3,753,932,620

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies.

A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
2025	$ 66,103,845	$ 65,537,598	99.14%
2024	63,051,810	62,140,413	98.55%
2023	60,915,283	60,150,380	98.74%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed in the section of this note on investments.

Custodial Credit Risk – The Borough's policy with respect to custodial credit risk requires that the Borough ensures that Borough funds are only deposited in financial institutions in which New Jersey municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

> The market value of the collateral must equal 5% of the average daily balance of collected public funds on deposit, and
>
> In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Investments:

New Jersey statutes permit the Borough to purchase the following types of securities:

Note 8: Cash and Cash Equivalents (Cont'd)

Investments: (Cont'd)

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

(2) Government money market mutual funds;

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

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (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;

(6) Local government investment pools;

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

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);

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

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

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and

As of December 31, 2025, cash and cash equivalents of the Borough of Florham Park consisted of the following:

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments: (Cont'd)

Fund	Checking Accounts	Totals
Current	$ 13,545,817.51	$ 13,545,817.51
Federal and State Grant	270,772.47	270,772.47
Animal Control Trust	16,439.24	16,439.24
Other Trust	9,440,255.92	9,440,255.92
General Capital	5,733,777.51	5,733,777.51
Water Utility Operating	7,679,150.91	7,679,150.91
Water Utility Capital	4,611,065.48	4,611,065.48
Sewer Utility Operating	5,309,143.38	5,309,143.38
Sewer Utility Trust	121,616.74	121,616.74
Sewer Utility Capital	5,329,332.37	5,329,332.37
Pool Utility Operating	151,360.34	151,360.34
Pool Utility Capital	66,615.26	66,615.26
	$ 52,275,347.13	$ 52,275,347.13

The carrying amount of the Borough of Florham Park's cash and cash equivalents at cost at December 31, 2025, was $52,275,347.13 and the bank balance was $47,087,297.06.

Note 9: Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Florham Park is a member of the Morris County Municipal Joint Insurance Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

a.) Workers' Compensation and Employers' Liability
b.) Liability Other Than Motor Vehicles
c.) Property Damage Other Than Motor Vehicles
d.) Motor Vehicle
e.) Environmental

As a member of this Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

Note 9: Risk Management (Cont'd)

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Fund's financial statements for the year ended December 31, 2025 is as follows:

Total Assets	$ 43,276,628
Net Position	$ 17,081,561
Total Revenue	$ 31,026,864
Total Expenses	$ 28,339,167
Change in Net Position	$ 2,687,697
Member Dividends	$ 262,883

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

Health Benefits Insurance

The Borough is self-insured to the extent of the amounts "deductible" from umbrella insurance coverage for Health Benefits.

Coverage is provided by an excess risk insurance policy, issued by Horizon Blue Cross/Blue Shield of NJ, with coverages detailed as follows:

A. Specific Loss:

The Borough will pay the Specific Deductible amount of $75,000 per policy period per covered person.

B. Aggregate Loss:

2025 maximum aggregate liability is $3,115,317.

Processing and payment of claims is administered by Horizon Blue Cross/Blue Shield of NJ.

There is a provision included in the financial statements in the Other Trust Fund - Reserve for Self Insurance for claims incurred but not reported as of December 31, 2025, of $850,758, which exceeds the estimated amount for unpaid losses and loss adjustment expenses of $316,290, provided by the Borough Health Insurance Advisor.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 9: Risk Management (Cont'd)

Health Benefits Insurance (Cont'd)

A summary of activity in the Other Trust Fund Reserve for Self Insurance for the current and prior two years is detailed as follows:

	2025	2024	2023
Balance, Beginning of Year	$ 1,190,263	$ 1,295,539	$ 1,101,943
Receipts	3,130,601	3,042,000	2,928,000
	4,320,864	4,337,539	4,029,943
Disbursements	3,470,106	3,147,276	2,734,404
Balance, End of Year	$ 850,758	$ 1,190,263	$ 1,295,539

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

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

Year	Borough Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2023	$ -0-	$ 40,725.44	$ 8,416.65	$ 506,556.23
2024	-0-	35,588.45	35,437.07	506,707.61
2025	-0-	37,942.42	38,026.72	506,623.31

Insurance Deductible

The Reserve for Self-Insurance Deductible account was established in the Other Trust Funds to fund the Borough's self-insured retention for Employment Practices Liability ("EPL") and Proof of Loss ("POL") claims should they occur. The Borough's obligation or exposure on an EPL/POL claim is the first $20,000 of the claim and then 20% of the first $250,000 for a combined possible exposure of $75,000 per claim.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 10: Contingencies

The Borough is periodically involved in lawsuits arising in the normal course of business, including claims for disputes over contract awards. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Borough's financial position as of December 31, 2025.

Amounts received or receivable from grantors, principally the federal and state governments are, subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

The Borough has been advised that a number of tax appeals have been filed. Potential refunds on tax appeals could be a financial burden. A reserve for pending tax appeals in the amount of $5,902,221.13 has been recorded as a liability as of December 31, 2025. The Borough feels this balance is sufficient to cover any liability related to the tax appeals.

Note 11: Economic Dependency

The Borough of Florham Park receives a substantial amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough’s programs and activities.

Note 12: Deferred Compensation

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. This plan, which is administered by Nationwide, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

Note 13: Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
Current Fund	$ 139,715.26	
Federal and State Grant Fund	4,480.57	$ 938.52
Other Trust Fund		14,324.12
General Capital Fund		19,098.47
Water Utility Operating Fund	14,793.58	7,098.44
Water Utility Capital Fund		19,274.15
Sewer Utility Operating Fund	17,639.98	7,053.02
Sewer Utility Capital Fund		17,639.98
Pool Utility Operating Fund	253.53	91,202.69
Pool Utility Capital Fund		253.53
	$ 176,882.92	$ 176,882.92

Note 13: Interfund Receivables and Payable (Cont'd)

The interfund payable between the Other Trust Fund to Current Fund represents interest earned in Other Trust Fund and not turned over to Current Fund at year end. The interfund payable from General Capital Fund to Current Fund represents interest earned in General Capital Fund and not turned over to Current Fund at year end. The interfund between Water Utility Operating Fund and Water Utility Capital Fund is due to interest earned in Water Utility Capital Fund not turned over to Water Utility Operating Fund at year end as well as payments made in the Water Utility Operating Fund on behalf of the Water Utility Capital Fund. The interfund between Water Utility Capital Fund and Federal and State Grant Fund is due to grant funds received in Water Utility Capital Fund not turned over to Federal and State Grant Fund at year end. The Sewer Utility Operating Fund interfund represents interest earned in Sewer Utility Capital Fund not turned over to Sewer Utility Operating Fund at year end. The interfund between Pool Utility Operating Fund and Pool Utility Capital Fund represents interest earned in Pool Utility Capital Fund not turned over to Pool Utility Operating Fund at year end.

Note 14: Post-Retirement Benefits Other than Pensions (OPEB)

General Information about the Borough's OPEB Plan

Plan Description and Benefits

The Borough provides other post-retirement benefits to certain clerical, public works and police employees. Medical including prescription drugs are offered to pre-65 and post-65 retirees on a fully insured basis. The Borough does not provide subsidized benefits for dental, vision or life insurance coverage. Furthermore, the Borough subsidizes (or reimburses) premium payments for Medicare Part B coverage for retirees and/or spouses that are eligible for Medicare, but does not reimburse for Medicare Part D coverage. Non-Union retirees hired after October 1, 1997 are not eligible for subsidized health care benefits in retirement. Furthermore, all retirees including dependents are eligible for Medicare Part B coverage except for Non-Union employees hired after October 1, 1997. Eligibility for retirement is based on meeting a criteria of minimum age and/or years of service (YOS) requirements.

For this valuation, retirees are eligible for subsidized healthcare benefits based on reaching a minimum of twenty-five (25) YOS of service with the Borough and no minimum age requirement for all groups including Union and Non-Union.

Contributions

Base medical plan costs for pre-65 and post-65 retirees are based on fully insured premium rates provided by the Borough for the 2024 and 2025 plan years. Premium rates are based on 100% before retiree contributions and assumed to include all administrative expenses and PPACA fees due at this time. In addition, fully insured prescription drug premium rates through MaxorPlus are assumed to include all administrative expenses and applicable PPACA fees as well. The prescription drug rates provided reflect a combined active and retiree population (pre-65 and post-65), therefore adjustments were necessary to convert the provided premium rates into specific pre-65 and post-65 retirees costs.

Retiree contribution rates vary by union and Medicare eligibility status. Below is a summary of retiree contributions by union and pre-65/post-retiree Medicare eligibility status.

Note 14: Post-Retirement Benefits Other than Pensions (OPEB) (Cont'd)

General Information about the Borough's OPEB Plan (Cont'd)

Contributions (Cont'd)

Union	Pre-65 Retiree	Post-65 Retiree
DPW	0%	0%
PBA	0%	0%
Non-Union hired before 1/1/1997	0%	0%
Non-Union hired on/after 10/1/1997	100%	100%

Employees Covered by Benefit Terms

As of April 2025, there were 172 active employees and retirees reflecting the sum of 110 active employees (95 electing coverage and 15 waiving coverage) and 62 retirees, inclusive of 5 surviving spouses.

Total OPEB Liability

The Borough's OPEB liability of $50,779,607 was measured as of December 31, 2025, and was determined by an actuarial valuation as of December 31, 2025.

Actuarial Assumptions and Other Inputs

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

Discount Rate	4.38% at December 31, 2025
Salary Increases	3.00% per year
Inflation Assumptions	0.25% per year

The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of two 20-year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index – 4.43%, and Fidelity GA AA 20 Years – 4.33%) as of December 31, 2025.

Health Care Trend Rates	Year	Pre-65	Post-65
Year 1 Trend	January 1, 2026	7.00%	7.00%
Ultimate Trend	January 1, 2036 & Later	4.50%	4.50%
Grading Per Year		0.25%	0.25%

The mortality tables used for this valuation is based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2020

Note 14: Post-Retirement Benefits Other than Pensions (OPEB) (Cont'd)

General Information about the Borough's OPEB Plan (Cont'd)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2025	$ 50,770,677
Changes for Year:	
Service Cost	840,202
Interest Cost	2,189,585
Changes in Assumptions	(1,460,561)
Benefit Payments	(1,560,296)
Net Changes	8,930
Balance at December 31, 2025	$ 50,779,607

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Borough as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage lower (3.38 percent) or 1 percentage higher (5.38 percent) than the current discount rate:

	December 31, 2025		
	1% Decrease (3.38%)	Discount Rate (4.38%)	1% Increase (5.38%)
Total OPEB Liability	$ 60,823,191	$ 50,779,607	$ 43,106,058

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	December 31, 2025		
	1% Decrease	Valuation Healthcare Trend Rates	1% Increase
Total OPEB Liability	$ 42,211,943	$ 50,779,607	$ 62,168,684

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 14: Post-Retirement Benefits Other than Pensions (OPEB) (Cont'd)

General Information about the Borough's OPEB Plan (Cont'd)

OPEB Expense

For the year ended December 31, 2025, the Borough's OPEB expense was $3,913,234 as determined by the actuarial valuation.

Note 15: Tax Abatements

GASB requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2025, the Borough provides two tax abatements. The first to a public body corporate and politic of the State of New Jersey with corporate succession (the "Authority) in the Borough pursuant to the authority contained in N.J.S.A. 5:10-6a(14)(b) (the "Law") and an agreement dated March 20, 2007. In consideration of the full abatement of taxes, the Authority is required to pay to the Borough $284,165 per year.

On the fifth anniversary date after the Payment in Lieu of Taxes (the "PILOT') commencement date and on each of the succeeding fifth anniversary dates thereafter, the PILOT shall be adjusted so that the amount payable in the sixth year shall be equal to the PILOT paid on the PILOT commencement date adjusted by one hundred percent of the cumulative percentage increase or . decrease, if any, in the Consumer Price Index for each year from the PILOT commencement date through the end of fifth year (the "PILOT Adjustment").

The resulting amount shall be the PILOT payable annually for the sixth through the tenth years after the PILOT commencement date. The foregoing calculation shall be repeated with respect to every five years thereafter and the resulting PILOT for each successive five year period shall be the PILOT for the last year of the preceding five year period, as increased or decreased by the PILOT Adjustment applied thereto.

The tax abatement provided under the agreement shall be terminated on the first day of the month following the date which the project is transferred by the Authority to a private party.

The second abatement is to the owner and operator of a low-moderate income residential developer (the Sponsor) as approved in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 and was entered into on December 3, 1991. In consideration of a tax abatement the Sponsor will pay an annual service charge in lieu of taxes in the amount of eight and one-half percent of the Annual Gross Revenues of the Project from substantial completion until the remaining term of the NJHMFA mortgage. The current amount collected from the Sponsor is 259,551.

The Borough recognized revenue in the amount of $572,767.56 from payment in lieu of taxes agreements which is recorded as a miscellaneous revenue in the Current Fund. The taxes which would have been paid on these property for 2025 without the abatement would have been $1,064,181 of which $295,780.00 would have been for the local municipal tax and minimum library tax.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 16: Fixed Assets

The following schedule is a summarization of the general fixed assets for the years ended December 31, 2025 and 2024:

	Balance Dec. 31, 2024	Additions	Deletions/ Adjustments	Balance Dec. 31, 2025
Land	$ 79,671,252.00			$ 79,671,252.00
Buildings and Improvements	34,419,703.00	$ 3,412,218.00		37,831,921.00
Equipment	13,611,244.00	1,060,774.00		14,672,018.00
	$ 127,702,199.00	$ 4,472,992.00	$ -0-	$ 132,175,191.00

	Balance Dec. 31, 2023	Additions	Deletions	Balance Dec. 31, 2024
Land	$ 79,671,252.00			$ 79,671,252.00
Buildings and Improvements	34,107,032.00	$ 312,671.00		34,419,703.00
Equipment	11,766,850.00	1,844,394.00		13,611,244.00
	$ 125,545,134.00	$ 2,157,065.00	$ -0-	$ 127,702,199.00

BOROUGH OF FLORHAM PARK

SUPPLEMENTARY DATA

Schedule 1

BOROUGH OF FLORHAM PARK
OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Name		Amount of Bond	Name of Corporate or Personal Surety
Mark Taylor	Mayor		
Scott Carpenter	Council President		
Nicholas Cicarelli	Councilman		
Glen Johnston	Councilman		
Charles Malone	Councilman		
Joshua Marchal	Councilman		
Kristen Santoro	Councilwoman		
Danielle Lewis	Borough Clerk	(A)	
William Huyler	Borough Administrator (To October 1, 2025)	(A)	
Shelby Snow	Borough Administrator (From December 1, 2025)	(A)	
Patrice Visco	Chief Financial Officer	(A)	
Patrice Visco	Tax Collector and Tax Search Officer	$ 1,000,000.00	Municipal Excess Liability JIF
Jason Laliker	Tax Assessor	(A)	

(A) All employees, who are not specifically bonded, are covered under $50,000 and $950,000 Faithful Performance Bonds provided by the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
CURRENT FUND

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2024	A		$ 14,041,578.93
Increased by Receipts:			
Tax Collector		$ 66,426,438.29	
Revenue Accounts Receivable		4,047,438.65	
Miscellaneous Revenue Not Anticipated		382,479.41	
Due Federal and State Grant Fund:			
Interest Earned		18,354.72	
Due General Capital Fund:			
Interfund Returned		235,047.44	
Due Other Trust Funds:			
Interfund Returned		180,179.68	
Due Payroll Account			
Interfund Returned		1,434.38	
Due Swimming Pool Utility Operating Fund			
Interfund Returned		28,952.36	
Due State of New Jersey:			
Marriage License Fees		2,150.00	
State Training Fees		38,734.00	
Senior Citizens' and Veterans' Deductions		49,325.00	
Appropriation Refunds		863,520.82	
			72,274,054.75
			86,315,633.68
Decreased by Disbursements:			
2025 Appropriation Expenditures		23,573,404.35	
2024 Appropriation Reserve Expenditures		918,366.58	
Local School District Taxes		23,405,530.50	
Regional High School Taxes		12,234,859.00	
County Taxes		12,387,363.76	
Accounts Payable		23,506.07	
Due Sewer Utility Operating Fund			
Interfund Advanced		7,053.02	
Due Water Utility Operating Fund			
Interfund Advanced		7,098.44	
Due Swimming Pool Utility Operating Fund			
Interfund Returned		91,202.69	
Due State of New Jersey:			
Marriage License Fees		2,175.00	
State Training Fees		38,734.00	
Reserve for Pending Tax Appeals		80,522.76	
			72,769,816.17
Balance December 31, 2025	A		$ 13,545,817.51

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2025

Increased by Receipts:		
Taxes Receivable	$ 65,570,566.05	$ 65,686,428.02
Interest and Costs on Taxes	189,961.72	$ 156,863.64
2026 Prepaid Taxes	656,265.53	
Tax Overpayments	9,644.99	
		$ 66,426,438.29
Decreased by:		
Payments to Municipal Treasurer		$ 66,426,438.29

FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH - GRANT FUNDS

	Ref.		
Balance December 31, 2024	A		$ 952,517.25
Increased by Receipts:			
Grants Receivable		$ 133,127.96	
Unappropriated Grant Funds Received		187.03	
Due Current Fund - Interest		15,636.72	
			$ 148,951.71
			1,101,468.96
Decreased by Disbursements:			
Appropriated Grant Reserve		807,861.20	
Due Current Fund - Interfund Advanced		18,354.72	
Due to Water Utility Capital Fund		4,480.57	
			830,696.49
Balance December 31, 2025	A		$ 270,772.47

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2024	2025 Levy	Collections 2024	Collections 2025	Overpayments Applied	State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2025
2024	$ 693,570.93			$ 680,412.79					$ 13,158.14
	693,570.93			680,412.79					13,158.14
2025		$ 66,103,844.86	$ 507,609.98	64,890,153.26	$ 9,644.99	$ 49,000.00	$ 103,264.56	$ 9,418.88	534,753.19
	$ 693,570.93	$ 66,103,844.86	$ 507,609.98	$ 65,570,566.05	$ 9,644.99	$ 49,000.00	$ 103,264.56	$ 9,418.88	$ 547,911.33
Ref.	A								A

Analysis of 2025 Property Tax Levy

Tax Yield:		
General Purpose Tax		$ 65,889,557.62
Added and Omitted Taxes		214,287.24
		$ 66,103,844.86
Tax Levy:		
Local School District Taxes		$ 22,945,982.00
Regional High School Taxes		12,234,859.00
County Taxes:		
General Tax	$ 12,014,708.45	
County Open Space	323,997.70	
Due County for Added and Omitted Taxes	40,288.68	
		12,378,994.83
		47,559,835.83
Local Tax for Municipal Purposes Levied	16,631,253.00	
Minimum Library Tax	1,709,193.42	
Add: Additional Tax Levied	203,562.61	
		18,544,009.03
		$ 66,103,844.86

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.		
Balance December 31, 2024	A	$	69,234.19
Increased by:			
Transfer from Taxes Receivable			9,418.88
Balance December 31, 2025	A	$	78,653.07

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2024	Accrued in 2025	Collected by Treasurer	Balance Dec. 31, 2025
Licenses:				
Alcoholic Beverages		$ 15,376.00	$ 15,376.00	
Other		49,633.00	49,633.00	
Fees and Permits - Other		85,130.00	85,130.00	
Fines and Costs - Municipal Court	$ 13,685.56	152,562.45	151,655.29	$ 14,592.72
Payments in Lieu of Taxes		572,767.56	572,767.56	
Interest on Deposits		607,118.66	607,118.66	
Park Avenue Club Contribution		52,500.00	52,500.00	
Hotel Occupancy Tax		399,368.80	399,368.80	
Energy Receipts Tax		1,040,418.18	1,040,418.18	
Construction Code Official		733,438.00	733,438.00	
Uniform Fire Safety Act		212,251.61	212,251.61	
School Resource Officer Revenue	13,254.29	127,961.98	127,781.55	13,434.72
	$ 26,939.85	$ 4,048,526.24	$ 4,047,438.65	$ 28,027.44
Ref.	A			A
		Cash Received	$ 4,047,438.65	

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BOROUGH OF FLORHAM PARK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

Grant Description	Balance Dec. 31, 2024	Revenue Realized in 2025	Received	Transferred from Unappropriated Reserve	Balance Dec. 31, 2025
Clean Communities Grant		$ 30,924.08	$ 30,924.08		
Recycling Tonnage Grant		26,104.05	26,104.05		
Alcohol Education, Rehabilitation and Enforcement Fund:					
2025		2,888.65	2,888.65		
Morris County Historic Preservation:					
Little Red School House	$ 86,848.00				$ 86,848.00
Drunk Driving Enforcement Fund		19,445.50		$ 19,445.50	
Body Armor Replacement Program		2,715.02		2,714.64	0.38
American Rescue Plan - Firefighter Grant	15,000.00		15,000.00		
Stormwater Assistance Grant	10,000.00				10,000.00
EMAA Grant		10,000.00	10,000.00		
Bullet Proof Vest Partnership Grant		6,776.00	6,776.00		
Lakes Management Grant	160,691.00		12,253.00		148,438.00
Opioid Settlement		35,492.51	29,182.18	6,310.33	
	$ 272,539.00	$ 134,345.81	$ 133,127.96	$ 28,470.47	$ 245,286.38
Ref.	A		A-6	A-15	A

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BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	Balance Dec. 31, 2024	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	$ 1,319.25	$ 1,319.25		$ 1,319.25
Other Expenses	12,452.33	12,452.33	$ 5,313.13	7,139.20
Mayor and Council:				
Other Expenses	16,490.85	76,490.85	76,103.35	387.50
Municipal Clerk:				
Salaries and Wages	1,662.42	1,662.42		1,662.42
Other Expenses	16,949.99	16,949.99	3,791.10	13,158.89
Financial Administration:				
Salaries and Wages	2,822.46	22.46		22.46
Other Expenses	4,387.30	7,187.30	6,951.50	235.80
Tax Collection:				
Salaries and Wages	572.00	572.00		572.00
Other Expenses	3,090.37	8,090.37	5,384.11	2,706.26
Information Technology:				
Other Expenses	60,601.13	10,601.13	8,201.10	2,400.03
Tax Assessment:				
Salaries and Wages	1,110.76	1,110.76		1,110.76
Other Expenses	24,711.33	9,711.33	4,378.09	5,333.24
Legal Services:				
Other Expenses	35,070.11	35,070.11	34,973.49	96.62
Engineering Services and Costs:				
Salaries and Wages	573.53	573.53		573.53
Other Expenses	33,560.84	33,560.84	28,139.06	5,421.78
Historic Commission:				
Other Expenses	4,660.23	4,660.23	1,818.44	2,841.79
LAND USE ADMINISTRATION:				
Planning Board:				
Salaries and Wages	1.24	1.24		1.24
Other Expenses	35,707.49	35,707.49	784.15	34,923.34
Board of Adjustment:				
Salaries and Wages	4.89	4.89		4.89
Other Expenses	15,886.88	15,886.88		15,886.88
Municipal Court:				
Salaries and Wages	2,157.93	2,157.93		2,157.93
Other Expenses	6,570.06	6,570.06	1,380.00	5,190.06
PUBLIC SAFETY:				
Police:				
Salaries and Wages	50,714.19	40,714.19	31,446.68	9,267.51
Other Expenses	191,587.28	201,587.28	162,715.30	38,871.98

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025
(Continued)

	Balance Dec. 31, 2024	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY: (Cont'd)				
Fire:				
Salaries and Wages	$ 2.48	$ 2.48		$ 2.48
Other Expenses	44,376.57	44,376.57	$ 16,660.26	27,716.31
Fire Safety:				
Salaries and Wages	3,767.66	3,767.66		3,767.66
Other Expenses	9,643.49	9,643.49	3,000.00	6,643.49
Contribution to Volunteer Fire Dept.				
Other Expenses	4,900.00	4,900.00		4,900.00
PUBLIC WORKS:				
Road Repairs and Maintenance:				
Salaries and Wages	62,482.17	57,482.17	57,482.17	
Other Expenses	117,679.97	122,679.97	115,322.77	7,357.20
Other Public Works:				
Salaries and Wages	8,025.98	8,025.98	8,025.98	
DPW Solid Waste Collection:				
Other Expenses	48,183.51	48,183.51	15,163.14	33,020.37
DPW Buildings and Grounds:				
Salaries and Wages	35,689.92	27,689.92	19,976.66	7,713.26
Other Expenses	62,431.59	70,431.59	62,940.86	7,490.73
DPW Vehicle Maintenance:				
Salaries and Wages	1,336.85	336.85		336.85
Other Expenses	42,518.43	43,518.43	41,424.25	2,094.18
HEALTH AND HUMAN SERVICES:				
Board of Health:				
Salaries and Wages	2,379.34	2,379.34		2,379.34
Other Expenses	1,437.77	1,437.77	791.08	646.69
Environmental Commission:				
Other Expenses	3,487.26	3,487.26	2,932.50	554.76
Social Services:				
Other Expenses	494.48	494.48		494.48
RECREATION AND EDUCATION:				
Recreation:				
Salaries and Wages	3,698.41	3,698.41		3,698.41
Other Expenses	13,560.10	13,560.10	6,187.08	7,373.02
Public Events:				
Other Expenses	14,092.62	14,092.62	14,092.62	
Condo Services:				
Other Expenses	10,208.09	10,208.09	10,208.09	
Municipal Prosecutor:				
Salaries and Wages	1,249.94	1,249.94		1,249.94

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025
(Continued)

	Balance Dec. 31, 2024	Balance After Modification	Paid or Charged	Balance Lapsed
INSURANCES:				
General Liability	$ 4,538.00	$ 4,538.00		$ 4,538.00
Group Insurance for Employees	30,650.92	30,650.92	$ 30,650.92	
UTILITIES:				
Bulk Utilities	135,089.52	135,089.52	39,214.66	95,874.86
UNIFORM CONSTRUCTION CODE:				
Construction Official:				
Salaries and Wages	11,941.47	11,941.47		11,941.47
Other Expenses	51,464.53	57,464.53	56,725.92	738.61
Contingent	10,000.00	10,000.00		10,000.00
Deferred Charges & Statutory Expenditures:				
Pool Utility Deficit	28,952.36	28,952.36		28,952.36
Statutory Expenditures:				
Public Employees' Retirement System	21,299.62	21,299.62	6,248.37	15,051.25
Social Security System (O.A.S.I.)	6,435.03	435.03		435.03
DCRP	482.24	482.24		482.24
Operations Excluded from "CAPS":				
Maintenance of Free Public Library	33,839.75	33,839.75	33,839.75	
LOSAP	31,000.00	31,000.00	6,100.00	24,900.00
	$ 1,380,004.93	$ 1,380,004.93	$ 918,366.58	$ 461,638.35

Analysis of Balance December 31, 2024:

Encumbered	$ 507,064.69
Unencumbered	872,940.24
	$ 1,380,004.93

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2025

Increased by:			
Levy - Calendar Year 2025		$	22,945,982.00
Decreased by:			
Payments to Local School District			23,405,530.50
Balance, December 31, 2025 (Prepaid)	A	$	(459,548.50)

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2025

Increased by:		
Levy - Calendar Year 2025	$	12,234,859.00
Decreased by:		
Payments to Regional High School District	$	12,234,859.00

BOROUGH OF FLORHAM PARK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

Grant Description	Balance Dec. 31, 2024	Transferred from 2025 Budget Appropriations	Expended	Prior Year Encumbrances Canceled	Balance Dec. 31, 2025
Recycling Tonnage Grant:					
2025		$ 26,104.05	$ 42,469.05	$ 16,365.00	
Alcohol Education, Rehabilitation and Enforcement Grant:					
2014	$ 267.33		267.33		
2015	1,536.08		1,488.64		$ 47.44
2016	2,736.39		1,983.83		752.56
2017	2,123.22		516.15		1,607.07
2018	2,782.83				2,782.83
2019	3,295.36				3,295.36
2020	4,000.99				4,000.99
2021	3,180.78				3,180.78
2022	4,264.17				4,264.17
2023	6,230.14				6,230.14
2024	4,167.85				4,167.85
2025		2,888.65			2,888.65
Clean Communities Grant:					
2023	5,327.48		5,405.06	77.58	
2024	31,179.29		17,477.56		13,701.73
2025		30,924.08			30,924.08
Labor Day Crack Down	550.00				550.00
Drunk Driving Enforcement Fund:					
2024		19,445.50			19,445.50
Body Armor Program:					
2024	0.38		0.38		
2025		2,715.02	2,714.64		0.38
Morris County Historic Preservation:					
Little Red Schoolhouse			25,470.00	26,422.00	952.00
NFL Field Grant	8,006.37		1,700.00		6,306.37
Distracted Driver Statewide Crackdown:					
2017	336.29				336.29
EMMA Grant:					
20258		10,000.00	20,000.00	10,000.00	
Association of New Jersey Enviromental Commissions	500.00				500.00
American Rescue Plan			773,895.47	821,188.34	47,292.87
American Rescue Plan - Firefighter Grant			15,000.00	15,000.00	
Stormwater Assistance Grant	25,000.00		23,733.28		1,266.72
Bullet Proof Vest Program	1,082.20	6,776.00	5,104.40	1,927.80	4,681.60
Lakes Management Grant	158,801.00		19,399.00		139,402.00
Opioid Settlement	36,580.39	35,492.51	35,219.43		36,853.47
	$ 301,948.54	$ 134,345.81	$ 991,844.22	$ 890,980.72	$ 335,430.85
Ref.	A				A

Cash Disbursed	$ 807,861.20
Encumbered	183,983.02
	$ 991,844.22

BOROUGH OF FLORHAM PARK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

Grant Description	Balance Dec. 31, 2024	Received	Transferred to 2025 Budget Revenue	Balance Dec. 31, 2025
Drunk Driving Enforcement Fund	$ 19,445.50		$ 19,445.50	
Opioid Settlement Grant	6,310.33	$ 187.03	6,310.33	$ 187.03
Body Armor Replacement Fund	2,714.64		2,714.64	
	$ 28,470.47	$ 187.03	$ 28,470.47	$ 187.03
Ref.	A			A

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
TRUST FUNDS

BOROUGH OF FLORHAM PARK
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control Fund		Other Trust Funds	
Balance December 31, 2024	B		$ 11,820.40		$ 9,074,654.85
Increased by Receipts:					
Animal Control License Fees:					
Dog License Fees		$ 9,100.00			
Cat License Fees		1,299.00			
Current Year Prepaid Dog Licenses		5,037.60			
Late, Impound and Boarding Fees		2,238.04			
Due Current Fund:					
Budget Appropriation		30,000.00			
Interest Earned				$ 179,118.43	
Escrow Deposits				551,988.12	
Deposits and Interest:					
Unemployment Insurance Fund				37,942.42	
Police Forfeited Assets				7,285.17	
Housing Trust				522,733.15	
Tax Sale Premiums				26,100.00	
Recreation				447,641.01	
Recycling				17,013.48	
Fire Penalties				5,450.00	
Parking Offenses Adjudication Act				196.00	
Police Donations				1,181.44	
Public Defender				1,877.00	
Self Insurance				3,130,600.92	
Off Duty Police Officer				1,007,752.50	
Various Miscellaneous Trust Funds				247,725.00	
			47,674.64		6,184,604.64
			59,495.04		15,259,259.49
Decreased by Disbursements:					
Administrative Expenses		43,055.80			
Due Current Fund:					
Interfund Returned				180,179.68	
Escrow Deposits - Refunds, Charges and Withdrawals				389,778.15	
Unemployment Insurance Fund				38,026.72	
Housing Trust				110,579.87	
Tax Sale Premiums				101,200.00	
Fire Penalties				5,000.00	
Accumulated Absences				31,051.38	
Recreation				486,702.83	
Police Donations				355.08	
Public Defender				1,200.00	
Off Duty Police Officer				949,639.80	
Self Insurance				3,470,106.06	
Various Miscellaneous Trust Funds				55,184.00	
			43,055.80		5,819,003.57
Balance December 31, 2025	B		$ 16,439.24		$ 9,440,255.92

BOROUGH OF FLORHAM PARK
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2024	B		$ 7,182.40
Increased by:			
Animal Control Fees:			
Dog Licenses		$ 9,100.00	
Cat Licenses		1,299.00	
Prior Year Prepaid Licenses		4,638.00	
Late, Impound and Boarding Fees		2,238.04	
Current Fund Budget Appropriation		30,000.00	
			47,275.04
			54,457.44
Decreased by:			
Animal Control Expenditures			43,055.80
Balance December 31, 2025	B		$ 11,401.64

License Fees Collected:

Year	
2023	14,952.58
2024	18,246.68
Maximum Allowable Reserve	$ 33,199.26

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
GENERAL CAPITAL FUND

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2024	C		$ 4,947,563.04
Increased by Receipts:			
New Jersey Department of Transportation			
Grants Receivable:			
Morris County Interlocal Grant Agreement Receivable		$ 338,088.75	
Due Current Fund:			
Interest Earned		235,586.25	
Budget Appropriation:			
Capital Improvement Fund		2,335,200.00	
Reserve for:			
Gun Club		5,000.00	
Bond Anticipation Note Proceeds		570,000.00	
			3,483,875.00
			8,431,438.04
Decreased by Disbursements:			
Improvement Authorization Expenditures		2,462,613.09	
Due Current Fund:			
Interest Income		235,047.44	
			2,697,660.53
Balance December 31, 2025	C		$ 5,733,777.51

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ord. Date	Ord. No.	Improvement Authorizations	Balance/ (Deficit) Dec. 31, 2024	Receipts: Bond Anticipation Notes	Receipts: Budget Appropriation	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance/ (Deficit) Dec. 31, 2025
Fund Balance			$ 165,300.67								$ 165,300.67
Capital Improvement Fund			205,728.44		$ 2,335,200.00				$ 2,385,200.00	$ 87,842.20	243,570.64
Grants Receivable:											
New Jersey Department of Transportation			(450,785.00)			$ 338,088.75			182,437.00		(295,133.25)
Due Current Fund			18,559.66			235,586.25		$ 235,047.44			19,098.47
Reserve for:											
Gun Club			65,000.00			5,000.00					70,000.00
Payment of Debt Service			514.26							197,757.78	198,272.04
Salt Shed Replacement											
Ord. Date	Ord. No.	Improvement Authorizations									
4/20/2017	17-9	Little Red School House Improvements	20,740.59				$ 7,974.00		12,766.59		
4/30/2020	20-5	Various Road Improvements	12,997.50								12,997.50
6/25/2020	20-9	Various Road, Police and DPW Improvements	17,000.00						17,000.00		
5/18/2021	21-6	HVAC System	16,342.80								16,342.80
5/20/2021; 10/21/2021	21-11; 21-17	Various Capital Improvements	1,693,244.46				20,000.00		8,000.00		1,665,244.46
4/21/2022	22-9	Various Capital Improvements	200,997.33				55,127.48		33,075.61		112,794.24
4/20/2023	23-9	Various Capital Improvements	722,179.70						17,000.00		705,179.70
4/48/2024; 9/19/2024	24-05; 24-19	Various Roads, Police, Fire, DPW, Rec, and Borough Hall	2,229,742.63				1,643,694.74				586,047.89
12/12/2024	24-24	Turf Field	30,000.00	$ 570,000.00			402,242.22		197,757.78		
3/6/2025	25-08	Land Purchase								50,000.00	50,000.00
3/20/2025	25-12	Various Road Improvements					333,574.65			2,517,637.00	2,184,062.35
			$ 4,947,563.04	$ 570,000.00	$ 2,335,200.00	$ 578,675.00	$ 2,462,613.09	$ 235,047.44	$ 2,853,236.98	$ 2,853,236.98	$ 5,733,777.51

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2025

Ordinance Date	Ord. No.	Improvement Description	Balance Dec. 31, 2024	Balance Dec. 31, 2025	Analysis of Balance December 31, 2025: Financed by Bond Anticipation Notes
12/12/2024	24-24	Turf Field	$ 570,000.00	$ 570,000.00	$ 570,000.00
			$ 570,000.00	$ 570,000.00	$ 570,000.00
		Ref.	C	C	

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance No.	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded	2025 Authorizations Capital Improvement Fund	2025 Authorizations New Jersey Department of Transportation	Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2025 Funded
Little Red School House Improvements	17-9	4/20/2017	$ 180,620.00	$ 20,740.59				$ 7,974.00	$ 12,766.59	
Various Road Improvements	20-5	4/30/2020	805,000.00	12,997.50						$ 12,997.50
Various Road, Police and DPW Improvements	20-9	6/25/2020	730,000.00	17,000.00					17,000.00	
HVAC System	21-6	5/18/2021	62,200.00	16,342.80						16,342.80
Various Capital Improvements	21-11; 21-17	5/20/2021; 10/21/2021	3,264,496.25	1,693,244.46				20,000.00	8,000.00	1,665,244.46
Various Capital Improvements	22-9	4/21/2022	2,214,700.00	200,997.33				55,127.48	33,075.61	112,794.24
Various Capital Improvements	23-09	4/20/2023	2,692,000.00	722,179.70					17,000.00	705,179.70
Various Roads, Police, Fire, DPW, Rec, and Borough Hall	24-05; 24-19	4/18/2024; 9/19/2024	3,215,785.00	2,229,742.63				1,643,694.74		586,047.89
Turf Field	24-24	12/12/2024	600,000.00	30,000.00	$ 570,000.00			402,242.22	197,757.78	
Land Purchase	25-08	3/6/2025	50,000.00			$ 50,000.00				50,000.00
Various Road Improvements	25-12	3/20/2025	2,310,200.00			2,335,200.00	$ 182,437.00	333,574.65		2,184,062.35
				$ 4,943,245.01	$ 570,000.00	$ 2,385,200.00	$ 182,437.00	$ 2,462,613.09	$ 285,599.98	$ 5,332,668.94
			Ref.	C	C					C

Cash Disbursed	$ 2,462,613.09	
Reserve for Payment of Debt Service		$ 197,757.78
Capital Improvement Fund		87,842.20
		$ 285,599.98

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BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2024	C		$ 205,728.44
Increased by:			
2025 Budget Appropriation		$ 2,335,200.00	
Improvement Authorizations Cancelled		87,842.20	
			2,423,042.20
			2,628,770.64
Decreased by:			
Appropriated to Finance Improvement Authorizations			2,385,200.00
Balance December 31, 2025	C		$ 243,570.64

Analysis of Balance:	
General Capital Improvement Fund	$ 90,802.99
Open Space Capital Improvement Fund	152,767.65
	$ 243,570.64

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

		Date of					
Improvement Description	Ord. No.	Issue of Original Note	Issue	Maturity	Interest Rate	Issued	Balance Dec. 31, 2025
Turf Field	24-24	04/30/25	04/30/25	04/30/26	5.75%	$ 570,000.00	570,000.00
						$ 570,000.00	$ 570,000.00
					Ref.		C

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2025		Interest Rate	Balance Dec. 31, 2024	Matured	Balance Dec. 31, 2025
			Date	Amount				
Serial Bonds - 2015	10/1/2015	$ 11,917,000.00	10/15/2026	$ 920,000.00	2.25%	$ 3,637,000.00	$ 920,000.00	$ 2,717,000.00
			10/15/2027	920,000.00	2.50%			
			10/15/2028	877,000.00	3.00%			
						$ 3,637,000.00	$ 920,000.00	$ 2,717,000.00
					Ref.	C		C

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BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
GREEN ACRES PROGRAM - GREEN TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

Ordinance Date	Ord. No.	Improvement Description	Balance Dec. 31, 2024	Bond Anticipation Notes Issued
11/21/2024	24-24	Turf Field	$ 570,000.00	570,000.00
			$ 570,000.00	$ 570,000.00

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
WATER UTILITY FUND

BOROUGH OF FLORHAM PARK
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2024	D		$ 9,425,311.72		$ 2,020,122.57
Increased by Receipts:					
Water Utility Collector		$ 1,522,706.49			
Due Water Utility Capital Fund:					
Interest Earned		143,363.04			
Water Overpayments		8,734.13			
Interest on Investments		343,986.21			
Due from Federal and State Grant Fund				$ 4,480.57	
Budget Appropriation:					
Capital Improvement Fund				1,800,000.00	
Due Water Utility Operating Fund:					
Interest Earned				132,039.47	
Reserve for Amortization				22,226.00	
Water Utility Capital Fund Balance				774.00	
Reserve for Connection Fees				32,068.64	
Reserve for Water Treatment Plant				983,646.62	
			2,018,789.87		2,975,235.30
			11,444,101.59		4,995,357.87
Decreased by Disbursements:					
2025 Appropriation Expenditures		3,542,934.22			
2024 Appropriation Reserve Expenditures		69,960.20			
Accrued Interest on Bonds		152,056.26			
Due Water Utility Operating Fund:					
Interest Earned				143,363.04	
Reserve for Payment of Debt Service				5,367.00	
Improvement Authorizations				235,562.35	
			3,764,950.68		384,292.39
Balance December 31, 2025	D		$ 7,679,150.91		$ 4,611,065.48

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2025

Increased by Receipts:	
Consumer Accounts Receivable:	
Water Rents	$ 1,481,042.89
Miscellaneous Revenue	41,663.60
Total Consumer Accounts Receivable	1,522,706.49
Decreased by Disbursements:	
Paid to Treasurer	$ 1,522,706.49

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

Ord. Date	Ord. No.		Balance / (Deficit) Dec. 31, 2024	Receipts: Budget Appropriation	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance / (Deficit) Dec. 31, 2025
		Fund Balance	$ 335,903.02	$ 774.00					$ 0.03	$ 336,677.05
		Capital Improvement Fund	110,221.73	1,800,000.00				$ 1,535,000.00		375,221.73
		Due Water Utility Operating Fund	26,117.15		$ 132,039.47		$ 143,363.04			14,793.58
		Due Federal and State Grant Fund			4,480.57					4,480.57
		Reserve for Connection Fees	136,965.46		32,068.64					169,034.10
		Reserve for Water Treatment Plant			983,646.62					983,646.62
		Reserve for Payment of Debt Service	5,367.03				5,367.00	0.03		
		Reserve for Encumbrances	274,988.45					274,988.45	257,890.10	257,890.10
Ord. Date	Ord. No.	Improvement Authorizations								
5/28/2013	13-06	Water Valve Replacements	72,677.76	22,226.00						94,903.76
03/18/21	21-08	Improvements to the Exxon Well Facility	254,201.97							254,201.97
04/18/24	24-07	Various Water Improvements	1,039,330.00			$ 18,716.85		8,121.60	24,338.45	1,036,830.00
11/21/24	24-25	Improvements to Well #2	(235,650.00)			129,055.50		121,594.50	250,650.00	(235,650.00)
04/17/25	25-14	Various Water Improvements				87,790.00		128,174.00	1,535,000.00	1,319,036.00
			$ 2,020,122.57	$ 1,823,000.00	$ 1,152,235.30	$ 235,562.35	$ 148,730.04	$ 2,067,878.58	$ 2,067,878.58	$ 4,611,065.48

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2024	D		$ 102,291.99
Increased by:			
Water Rents Levied		$ 1,499,865.18	
Miscellaneous Fees Levied		41,663.60	
			1,541,528.78
			1,643,820.77
Decreased by:			
Collections:			
Water Rents:			
Received		1,481,042.89	
Overpayments Applied		14,292.90	
Miscellaneous Fees		41,663.60	
			1,536,999.39
Balance December 31, 2025	D		$ 106,821.38

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Ref.	
Balance December 31, 2024	D	$ 7,609,427.43
Balance December 31, 2025	D	$ 7,609,427.43

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance No.	Ordinance Date	Balance Dec. 31, 2024	2025 Authorizations	Balance Dec. 31, 2025
Water Valve Replacements	13-6	5/28/2013	$ 479,000.00		$ 479,000.00
Improvements to the Exxon Well Facility	21-08	3/18/2021	4,620,000.00		4,620,000.00
Water Utility Vehicles	24-07	4/18/2024	1,115,000.00		1,115,000.00
Improvements to Well #2	24-25	11/21/2024	250,650.00		250,650.00
Various Water Improvements	25-14	4/17/2025		$ 1,535,000.00	1,535,000.00
			$ 6,464,650.00	$ 1,535,000.00	$ 7,999,650.00
			D		D

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

		Balance Dec. 31, 2024	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages		$ 38,903.69	$ 38,903.69		$ 38,903.69
Other Expenses		126,823.81	126,823.81	$ 69,960.20	56,863.61
		$ 165,727.50	$ 165,727.50	$ 69,960.20	$ 95,767.30
	Ref.				
Analysis of Balance December 31, 2024:					
Appropriation Reserves:					
Unencumbered	D	$ 79,069.09			
Encumbered	D	86,658.41			
		$ 165,727.50			

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance No.	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded	2025 Authorizations Capital Improvement Fund	Prior Year Encumbrances Returned	Paid or Charged	Balance Dec. 31, 2025 Funded	Balance Dec. 31, 2025 Unfunded
Water Valve Replacements	13-06	5/28/2013	$ 479,000.00	$ 72,226.00	$ 22,677.76				$ 94,903.76	
Improvements at the Exxon Well Facility	21-08	03/18/21	4,620,000.00	254,201.97	999,000.00				254,201.97	$ 999,000.00
Various Water Improvements	24-07	04/18/24	1,115,000.00	1,039,330.00			$ 24,338.45	$ 26,838.45	1,036,830.00	
Improvements to Well #2	24-25	11/21/24	250,650.00				250,650.00	250,650.00		
Various Water Improvements	25-14	04/17/25	1,535,000.00			$ 1,535,000.00		215,964.00	1,319,036.00	
				$ 1,365,757.97	$ 1,021,677.76	$ 1,535,000.00	$ 274,988.45	$ 493,452.45	$ 2,704,971.73	$ 999,000.00
			Ref.	D	D		D		D	D

	Ref.	
Cash Disbursed		$ 235,562.35
Encumbrances	D	257,890.10
		$ 493,452.45

D-10

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2024	D	$ 110,221.73
Increased by:		
2025 Budget Appropriation		1,800,000.00
		1,910,221.73
Decreased by:		
Appropriated to Finance Improvement Authorizations		1,535,000.00
Balance December 31, 2025	D	$ 375,221.73

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2024	D	$ 6,121,827.43
Increased by:		
Deferred Charges Paid by Operating Budget		22,226.00
Balance December 31, 2025	D	$ 6,144,053.43

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Ord. No.	Ordinance Date	Balance Dec. 31, 2024	2025 Authorizations	Paid for by Budget Appropriation	Balance Dec. 31, 2025
Water Valve Replacements	13-06	5/28/2013	$ 344,374.00			$ 344,374.00
Various Water Improvements	17-15	9/21/2017	109,000.00			109,000.00
Acquisition of Equipment	19-05	3/21/2019	117,000.00			117,000.00
Improvements to Exxon Well	21-08	3/18/2021	460,000.00		$ 120,000.00	580,000.00
Various Water Improvements	24-07	4/18/2024	1,115,000.00			1,115,000.00
Improvements to Well #2	24-25	11/21/2024	15,000.00			15,000.00
Various Water Improvements	25-14	4/17/2025		$ 1,535,000.00		1,535,000.00
			$ 2,160,374.00	$ 1,535,000.00	$ 120,000.00	$ 3,815,374.00
		Ref.	D			D

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

D-14

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2025

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2025		Interest Rate	Balance Dec. 31, 2024	Matured	Balance Dec. 31, 2025
			Date	Amount				
Series 2022 Bonds	8/17/2022	$ 4,775,000.00	8/15/2026	$ 125,000.00	5.00%	$ 4,535,000.00	$ 120,000.00	$ 4,415,000.00
			8/15/2027	135,000.00	5.00%			
			8/15/2028	140,000.00	5.00%			
			8/15/2029	150,000.00	5.00%			
			8/15/2030	155,000.00	5.00%			
			8/15/2031	165,000.00	5.00%			
			8/15/2032	170,000.00	5.00%			
			8/15/2033	180,000.00	5.00%			
			8/15/2034	190,000.00	5.00%			
			8/15/2035	200,000.00	5.00%			
			8/15/2036	210,000.00	4.00%			
			8/15/2037	215,000.00	4.00%			
			8/15/2038	225,000.00	4.00%			
			8/15/2039	235,000.00	4.00%			
			8/15/2040	240,000.00	4.00%			
			8/15/2041	240,000.00	4.00%			
			8/15/2042	240,000.00	4.00%			
			8/15/2043	240,000.00	4.00%			
			8/15/2044	240,000.00	4.00%			
			8/15/2045	240,000.00	4.00%			
			8/15/2046	240,000.00	4.00%			
			8/15/2047	240,000.00	4.00%			
						$ 4,535,000.00	$ 120,000.00	$ 4,415,000.00
					Ref.	D		D

D-15

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Date	Ord. No.	Improvement Description	Balance Dec. 31, 2024	Paid for by Budget Appropriation	Balance Dec. 31, 2025
5/28/2013	13-06	Water Valve Replacement	$ 22,226.00	$ 22,226.00	
3/18/2021	21-08	Improvements at the Exxon Well Facility	999,000.00		$ 999,000.00
11/21/2024	24-25	Improvements to Well #2	235,650.00		235,650.00
			$ 1,256,876.00	$ 22,226.00	$ 1,234,650.00

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
SEWER UTILITY FUND

BOROUGH OF FLORHAM PARK
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Trust		Capital	
Balance December 31, 2024	E		$ 5,772,565.79		$ 121,263.38		$ 6,241,946.30
Increased by Receipts:							
Sewer User Charges		$ 4,050,529.92					
Sewer Overpayments		2,180.33					
Sewer User Prepayments		549,610.63					
Reserve for Sewer Extensions						$ 112,304.76	
Miscellaneous Revenue		245,214.50					
Appropriation Refunds		10,998.29					
Budget Appropriation:							
Capital Improvement Fund						1,000,000.00	
Due Sewer Utility Capital Fund:							
Interest Earned						226,717.38	
Interest Earned on Investments		232,730.75					
Escrow Deposits				$ 353.36			
			5,091,264.42		353.36		1,339,022.14
			10,863,830.21		121,616.74		7,580,968.44
Decreased by Disbursements:							
2025 Appropriation Expenditures		4,888,740.62					
2024 Appropriation Reserve Expenditures		612,491.72					
Accounts Payable		49,241.17					
Accrued Interest on Loans		4,213.32					
Due Sewer Utility Operating Fund:							
Interest Earned						232,730.75	
Improvement Authorizations						2,018,905.32	
			5,554,686.83				2,251,636.07
Balance December 31, 2025	E		$ 5,309,143.38		$ 121,616.74		$ 5,329,332.37

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

				Receipts		Disbursements		Transfers		
			Balance Dec. 31, 2024	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	Balance Dec. 31, 2025
Fund Balance			$ 278,673.19							$ 278,673.19
Due Sewer Utility Operating Fund			23,653.35		$ 226,717.38		$ 232,730.75			17,639.98
Reserve for Sewer Extension			1,223,297.28		112,304.76					1,335,602.04
Capital Improvement Fund			143,533.35	$ 1,000,000.00				$ 1,000,000.00		143,533.35
Reserve for Encumbrances			1,356,793.47					1,356,793.47	$ 2,069,857.58	2,069,857.58
Ord. Date	Ord. No.	Improvement Authorizations								
4/15/2021	21-10	Various Improvements				$ 38,476.93		15,491.57	53,968.50	
4/20/2023	23-10	Various Improvements	1,162,156.49			235,397.92		1,019,801.49	257,571.07	164,528.15
3/21/2024	24-06	Various Improvements	2,053,839.17			1,641,842.18		1,034,564.52	1,045,253.90	422,686.37
3/20/2025	25-13	Capital Improvement Fund				103,188.29			1,000,000.00	896,811.71
			$ 6,241,946.30	$ 1,000,000.00	$ 339,022.14	$ 2,018,905.32	$ 232,730.75	$ 4,426,651.05	$ 4,426,651.05	$ 5,329,332.37

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2024	E		$ 244,216.34
Increased by:			
Sewer Rents Levied			4,715,114.33
			4,959,330.67
Decreased by:			
Collections:			
Sewer User Charges Received		$ 4,050,529.92	
Prepayments Applied		577,337.16	
			4,627,867.08
Balance December 31, 2025	E		$ 331,463.59

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Ref.		
Balance December 31, 2024	E	$	18,548,837.00
Increased by:			
Additions by:			
Transfer from Fixed Capital Authorized and Uncomplete			1,415,335.96
Balance December 31, 2025	E	$	19,964,172.96

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance No.	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2024	2025 Authorizations	Costs to Fixed Capital	Balance Dec. 31, 2025
Various Improvements	19-11	6/13/2019	$ 1,645,000.00	$ 1,415,335.96		$ 1,415,335.96	
Various Improvements	21-10	4/15/2021	1,375,000.00	1,362,873.10			$ 1,362,873.10
Various Improvements	23-10	4/20/2023	3,108,000.00	3,108,000.00			3,108,000.00
Various Improvements	24-06	3/21/2024	3,330,000.00	3,330,000.00			3,330,000.00
Various Improvements	25-13	3/20/2025	1,000,000.00		$ 1,000,000.00		1,000,000.00
				$ 9,216,209.06	$ 1,000,000.00	$ 1,415,335.96	$ 8,800,873.10
			Ref.	E			E

E-8

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	Balance Dec. 31, 2024	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 74,220.49	$ 74,220.49		$ 74,220.49
Other Expenses	648,105.44	648,105.44	$ 612,491.72	35,613.72
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	512.00	512.00		512.00
	$ 722,837.93	$ 722,837.93	$ 612,491.72	$ 110,346.21

	Ref.		
		Cash Disbursed	$ 612,491.72

Analysis of Balance December 31, 2024:

	Ref.	
Appropriation Reserves:		
Unencumbered	E	$ 218,739.95
Encumbered	E	504,097.98
		$ 722,837.93

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance No.	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2024 Funded	2025 Authorizations Capital Improvement Fund	Prior Year Encumbrances Returned	Paid or Charged	Balance Dec. 31, 2025 Funded
Various Improvements	21-10	4/15/2021	$ 1,375,000.00			$ 53,968.50	$ 53,968.50	
Various Improvements	23-10	4/20/2023	3,108,000.00	$ 1,162,156.49		257,571.07	1,255,199.41	$ 164,528.15
Various Improvements	24-06	3/21/2024	3,330,000.00	2,053,839.17		1,045,253.90	2,676,406.70	422,686.37
Various Improvements	25-13	3/20/2025	1,000,000.00		$ 1,000,000.00		103,188.29	896,811.71
				$ 3,215,995.66	$ 1,000,000.00	$ 1,356,793.47	$ 4,088,762.90	$ 1,484,026.23
			Ref.	E		E		E

	Ref.	
Cash Disbursed	E	$ 2,018,905.32
Encumbrances		2,069,857.58
		$ 4,088,762.90

E-10

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2024	E	$	143,533.35
Increased by:			
2025 Budget Appropriation			1,000,000.00
			1,143,533.35
Decreased by:			
Appropriated to Finance Improvement Authorizations			1,000,000.00
Balance December 31, 2025	E	$	143,533.35

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2024	E		$ 18,373,236.85
Increased by:			
Paid by Sewer Utility Operating Budget:			
Loans		$ 175,600.15	
Transfer from Deferred Reserve for Amortization		1,415,335.96	
			1,590,936.11
Balance December 31, 2025	E		$ 19,964,172.96

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Ord. No.	Ordinance Date	Balance Dec. 31, 2024	2025 Authorizations	Transfer to Reserve for Amortization	Balance Dec. 31, 2025
Various Improvements	19-11	6/13/2019	$ 1,415,335.96		$ 1,415,335.96	
Various Improvements	21-10	4/15/2021	1,362,873.10			$ 1,362,873.10
Various Improvements	23-10	4/20/2023	3,108,000.00			3,108,000.00
Various Improvements	24-06	3/21/2024	3,330,000.00			3,330,000.00
Capital Improvement Fund	25-13	3/20/2025		$ 1,000,000.00		1,000,000.00
			$ 9,216,209.06	$ 1,000,000.00	$ 1,415,335.96	$ 8,800,873.10
		Ref.	E			E

E-13

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

	Ref.	
Balance December 31, 2024	E	$ 175,600.15
Decreased by:		
Matured		175,600.15
Balance December 31, 2025	E	$ -0-

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2025
POOL UTILITY FUND

BOROUGH OF FLORHAM PARK
POOL UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2024	F		$ 134,591.98		$ 175,708.70
Increased by Receipts:					
Pool Utility Collector		$ 143,163.80			
Change Fund		50.00			
Due Current Fund:					
Budget Appropriation		24,797.31			
Interfund Advanced		91,202.69			
Due Pool Utility Capital Fund:					
Interest Earned		7,170.90			
Interest Earned		7,561.78			
Due Other Trust Funds:					
Interfund Returned		11,340.00			
Due Pool Utility Operating Fund:					
Interest Earned				$ 6,766.65	
			285,286.48		6,766.65
			419,878.46		182,475.35
Decreased by Disbursements:					
2025 Appropriation Expenditures		222,168.07			
2024 Appropriation Reserve Expenditures		6,052.69			
Due Current Fund:					
Interfund Returned		28,952.36			
Due Other Trust Funds:					
Interfund Returned		11,345.00			
Due Pool Utility Operating Fund:					
Interest Earned				7,170.90	
Improvement Authorizations				108,689.19	
			268,518.12		115,860.09
Balance December 31, 2025	F		$ 151,360.34		$ 66,615.26

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2025

Increased by Receipts:		
Consumer Accounts Receivable:		
Pool User Charges	$	92,292.00
Miscellaneous Revenue		50,871.80
	$	143,163.80
Decreased by Disbursements:		
Paid to Treasurer	$	143,163.80

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
ANALYSIS OF CASH

Ord. Date	Ord. No.	Improvement Authorizations	Balance/ (Deficit) Dec. 31, 2024	Receipts Miscellaneous	Disbursements Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance/ (Deficit) Dec. 31, 2025
Fund Balance			$ 66,307.37						$ 66,307.37
Capital Improvement Fund			116,961.00				$ 116,961.00		
Due Pool Utility Operating Fund			657.78	$ 6,766.65		$ 7,170.90			253.53
03/14/06	06-07	Various Improvements to Swimming Pool	(8,217.45)						(8,217.45)
03/20/25	25-15	Pool Capital Projects			$ 108,689.19			$ 116,961.00	8,271.81
			$ 175,708.70	$ 6,766.65	$ 108,689.19	$ 7,170.90	$ 116,961.00	$ 116,961.00	$ 66,615.26
		Ref.	F						F

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Increased by:			
Pool Fees Levied		$ 92,292.00	
Miscellaneous Fees Levied		50,871.80	
			$ 143,163.80
Decreased by:			
Collections:			
Pool User Charges Received		92,292.00	
Miscellaneous Fees		50,871.80	
			$ 143,163.80

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2025

	Ref.	
Balance December 31, 2024	F	$ 1,400,687.45
Balance December 31, 2025	F	$ 1,400,687.45

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

	Ordinance			2025	Balance
Improvement Description	No.	Date	Amount	Authorizations	Dec. 31, 2025
Pool Capital Projects	25-15	03/20/25	$ 116,961.00	$ 116,961.00	116,961.00
				$ 116,961.00	$ 116,961.00
			Ref.		F

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2025

	Balance Dec. 31, 2024	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 25,823.69	$ 25,823.69		$ 25,823.69
Other Expenses	62,939.46	62,939.46	$ 6,052.69	56,886.77
	$ 88,763.15	$ 88,763.15	$ 6,052.69	$ 82,710.46

	Ref.	
Analysis of Balance December 31, 2024:		
Appropriation Reserves:		
Unencumbered	F	$ 85,516.54
Encumbered	F	3,246.61
		$ 88,763.15

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2025

	Ordinance			2025 Authorizations		Balance
Improvement Description	No.	Date	Amount	Capital Improvement Fund	Paid or Charged	Dec. 31, 2025 Funded
Pool Capital Projects	25-15	03/20/25	$ 116,961.00	$ 116,961.00	$ 108,689.19	$ 8,271.81
				$ 116,961.00	$ 108,689.19	$ 8,271.81
			Ref.			F

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2024	F	$ 116,961.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		116,961.00
Balance December 31, 2025	F	$ -0-

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2024	F	$ 1,392,470.00
Balance December 31, 2025	F	$ 1,392,470.00

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2025

Improvement Description	Ord. No.	Ordinance Date	2025 Authorizations	Balance Dec. 31, 2025
Pool Capital Projects	25-15	3/20/2025	$ 116,961.00	$ 116,961.00
			$ 116,961.00	$ 116,961.00
		Ref.		F

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

Ordinance Date	Ord. No.	Improvement Description	Balance Dec. 31, 2024	Balance Dec. 31, 2025
3/14/2006	06-07	Various Improvements to Swimming Pool	$ 8,217.45	$ 8,217.45
			$ 8,217.45	$ 8,217.45

BOROUGH OF FLORHAM PARK

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2025

BOROUGH OF FLORHAM PARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Name of Federal Agency or Department	Name of Program	Assistance Listing Number	State Pass Through Entity ID	Grant Period From	Grant Period To	Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
U.S. Department of Justice										
	Bulletproof Vest Program	16.607	05-1020-066-718-001	01/01/24	12/31/25	$ 5,530.00		$ 3,010.00	$ 5,530.00	
				01/01/25	12/31/26	6,776.00	$ 6,776.00	2,094.40	2,094.40	
Total Department of Justice							6,776.00	5,104.40	7,624.40	
U.S. Department of Homeland Security (Passed through the New Jersey Department of Law and Public Safety)										
	Emergency Management Performance	97.042	100-066-1200-726-62600	07/01/24	06/30/25	10,000.00		10,000.00	10,000.00	
				07/01/25	06/30/26	10,000.00	10,000.00			
Total U.S. Department of Homeland Security							10,000.00	10,000.00	10,000.00	
U.S. Department of Treasury (Passed through the New Jersey Department of Community Affairs)	COVID-19 - American Rescue Plan Coronavirus State and Local Government Fiscal Recovery Funds	21.027	100-022-8030-687-046010	03/03/21	12/31/26	1,203,269.70		608,549.00	995,110.93	
	COVID-19 - American Rescue Plan Firefigher Grant	21.027	100-022-8030-687-046010	01/01/25	12/31/25	15,000.00	15,000.00	15,000.00	15,000.00	
Total Department of Treasury							15,000.00	623,549.00	1,010,110.93	
Total Federal Awards							$ 31,776.00	$ 638,653.40	$ 1,027,735.33	

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF FLORHAM PARK
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2025

Name of State Agency or Department	Name of Program	State Grant Award Number	Grant Period From	Grant Period To	Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
Department of Environmental Protection	Clean Communities	765-042-4900-						
		004-V42Y-6020	01/01/23	12/31/25	$ 27,450.83		$ 5,405.06	$ 27,450.83
			01/01/24	12/31/26	31,179.29		17,477.56	17,477.56
			01/01/25	12/31/26	30,924.08	$ 30,924.08		
	Total Clean Communities					30,924.08	22,882.62	44,928.39
	Recycling Tonnage Grant	752-042-4900-						
		001-6010	01/01/24	12/31/25	33,490.00		16,365.00	33,490.00
			01/01/25	12/31/26	26,104.05	26,104.05	17,467.50	17,467.50
	Total Recycling Tonnage Grant					26,104.05	33,832.50	33,490.00
Total Department of Environmental Protection						57,028.13	56,715.12	78,418.39
Department of Law and Public Safety	Body Armor Grant	718-066-1020-						
			01/01/22	12/31/25	1,576.49		0.38	0.38
		001-YCJS-6010	01/01/24	12/31/25	2,715.02		2,714.64	2,714.64
Total Department of Law and Public Safety							2,715.02	2,715.02
Department of Health	Alcohol Education Rehabilitation and Enforcement Fund	760-098-9735-						
		789-6010	01/01/14	12/31/25	2,797.06		267.33	2,797.06
			01/01/15	12/31/26	1,536.08		1,488.64	1,488.64
			01/01/16	12/31/26	2,736.39		1,983.83	1,983.83
			01/01/17	12/31/26	2,123.22		516.15	516.15
			01/01/25	12/31/26	2,888.65	2,888.65		
Total Department of Health						2,888.65	4,255.95	6,785.68
Department of Transportation								
	Various Road Improvements	480-078-6320- AOG-606201	04/20/23	12/31/25	226,000.00	169,500.00		226,000.00
	Various Road Improvements New Jersey Transportation Trust Fund Authority	480-078-6320- APF-606283	04/18/24	12/31/25	224,785.00	168,588.75		224,785.00
New Jersey Transportation Trust Fund Authority								
	Various Road Improvements	N/A	03/20/25	12/31/25	182,437.00		182,437.00	182,437.00
Total Department of Transportation						338,088.75	182,437.00	633,222.00
Total State Awards						$ 398,005.53	$ 246,123.09	$ 721,141.09

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF FLORHAM PARK
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2025

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Borough of Florham Park under programs of the federal and state governments for the year ended December 31, 2025. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 25-12, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNITNG POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Borough has elected not to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

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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 Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Florham Park
Florham Park, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Florham Park, in the County of Morris (the "Borough") as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements and have issued our report thereon dated June 12, 2026. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2025-001, that we consider to be a significant deficiency.

The Honorable Mayor and Members
of the Borough Council
Borough of Florham Park
Florham Park, New Jersey

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.*

The Borough's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

June 12, 2026
Mount Arlington, New Jersey

NISIVOCCIA LLP

Raymond A. Sarinelli

Raymond A. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 563

BOROUGH OF FLORHAM PARK
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2025

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Borough prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.

- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' 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 Standard*s. No material weaknesses are reported.

- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standard*s, were disclosed during the audit.

- The Borough was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 25-12 for the year ended December 31, 2025 as both state and federal grant expenditures were less than the single audit thresholds of $1,000,000 identified in in the Uniform Guidance and NJOMB 25-12.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

  Finding 2025-001

  Segregation of Duties

  Criteria

  Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

  Condition

  The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

  The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer.

  Condition

  This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures.

BOROUGH OF FLORHAM PARK
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2025
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards: (Cont'd)

Finding 2025-001 (Cont'd)

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Recommendation

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

The finding was evaluated, however, due to budgetary constraints; no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

BOROUGH OF FLORHAM PARK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2025

The Borough's prior year audit finding 2024-001 regarding segregation of duties has not been completely resolved due to budgetary constraints and is included as finding 2025-001.

BOROUGH OF FLORHAM PARK

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

BOROUGH OF FLORHAM PARK
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

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

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

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

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

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 through June 30, 2025, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are $17,500 for a contracting unit without a qualified purchasing agent and $44,000 for a contracting unit with a qualified purchasing agent. Effective July 1, 2025 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are $17,500 for a contracting unit without a qualified purchasing agent and $53,000 for a contracting unit with a qualified purchasing agent.

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.

BOROUGH OF FLORHAM PARK
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 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. None were noted.

Collection of Interest on Delinquent Taxes

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

On January 4, 2025, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes, sewer rents, and water rents:

> "The interest penalty for delinquent taxes to be charged by the Chief Revenue Collector for delinquencies shall be 8% per annum of the first $1,500 and 18% per annum on any amount in excess of $1,500 payable from due dates. A penalty of up to 6% may be charged on any delinquency in excess of $10,000 if not paid by the end of the fiscal year."
>
> "No interest shall be charged if payment of any installment is made within ten (10) days after the date on which same is payable, said ten (10) days to be straight calendar days and if the tenth day falls on a Saturday, Sunday or Legal Holiday, then the grace period shall be extended to the next business day. After the ten (10) day "GRACE PERIOD", interest is charged from the due date."

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 17, 2025, and included all items which were eligible for sale.

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

Year	Number of Liens
2025	5
2024	5
2023	5

BOROUGH OF FLORHAM PARK
COMMENTS AND RECOMMENDATIONS
(Continued)

Verification of Delinquent Taxes and Other Charges

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

Type	Number Mailed
Payments of 2026 & 2025 Taxes	20
Payments of Utility Charges	20
Delinquent Taxes	15
Delinquent Utility Charges	20
Tax Title Liens	2

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Borough is currently in compliance with the above accounting requirements.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough Magistrate under separate cover. Reflected below is a summary of Receipts and Disbursements for the year ended December 31, 2025

	Balance Dec. 31, 2024	Receipts	Disbursements	Balance Dec. 31, 2025
State of New Jersey	$ 6,569.60	$ 88,372.19	$ 89,542.39	$ 5,399.40
County of Morris	5,688.50	73,229.60	73,151.10	5,767.00
Municipality	13,685.56	153,714.08	152,806.92	14,592.72
Municipality - POAA	16.00	182.00	196.00	2.00
Fish and Game		20.00		20.00
Conditional Discharge		75.00	75.00	
Weights and Measures	5,750.00	34,900.00	35,200.00	5,450.00
Conditional Dismissal		250.00	250.00	
Public Defender	200.00	2,103.80	2,303.80	
Restitution		2,936.00	1,816.00	1,120.00
Bail	2,500.00	21,125.00	22,150.00	1,475.00
	$ 34,409.66	$ 376,907.67	$ 377,491.21	$ 33,826.12

BOROUGH OF FLORHAM PARK
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions

Improvement Authorizations

It is suggested that improvement authorizations in the General Capital and Water Utility Capital Funds be reviewed and evaluated for completion, and that all improvement authorizations deemed to be complete have their respective balances cancelled to their original funding sources.

Federal and State Grant Reserves

There are various older grant balances in the Federal and State Grant Fund of the Borough. It is suggested that the balances be reviewed for continued recognition.

Governmental Accounting Standards Board (GASB) Statements effective for Year Ending December 31, 2026

GASB Statement No. 104, Disclosure of Certain Capital Assets

Standard requires lease assets as well as subscription assets to be disclosed separately in the capital assets note disclosures. The standard also requires a disclosure for capital assets held for sale where it is probable that the sale will be finalized within one year of the financial statement date.

Governmental Accounting Standards Board (GASB) Statements effective for Year Ending December 31, 2027

GASB Statement No. 105, Subsequent Events

Standard will improve financial reporting related to subsequent events by clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and specifying the information items that are required to be disclosed about subsequent events.

Status of Prior Year Recommendations

The prior year recommendations regarding segregation of duties and is included in the current year’s report.

BOROUGH OF FLORHAM PARK
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.

* * * * * * * *