BOROUGH OF WHARTON

COUNTY OF MORRIS

REPORT OF AUDIT

2025

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

BOROUGH OF WHARTON
COUNTY OF MORRIS
REPORT OF AUDIT
2025

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BOROUGH OF WHARTON

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2025

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Bridgewater, NJ
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Independent Member
BKR International

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

We have audited the financial statements – *regulatory basis* – of the various funds and account group of the Borough of Wharton in the County of Morris (the "Borough") as of, and for the years ended December 31, 2025 and 2024, and the related notes to 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 of Wharton 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 on the basis of 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 the 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 accounting practices 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 Wharton
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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 14, 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 14, 2026

NISIVOCCIA LLP

Raymond A. Sarinelli

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

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
CURRENT FUND

BOROUGH OF WHARTON
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Regular Fund:			
Cash and Cash Equivalents	A-4	$ 6,218,502.79	$ 5,512,837.22
Change Fund		100.00	100.00
		6,218,602.79	5,512,937.22
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	332,680.24	411,108.95
Tax Title Liens Receivable	A-8	267,689.56	222,636.66
Property Acquired for Taxes at Assessed Valuation		71,300.00	71,300.00
Revenue Accounts Receivable	A-9	9,598.61	13,632.20
Total Receivables and Other Assets with Full Reserves		681,268.41	718,677.81
Total Regular Fund		6,899,871.20	6,231,615.03
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	157,752.70	322,641.89
Grants Receivable	A-10	693,660.00	1,192,392.64
Total Federal and State Grant Fund		851,412.70	1,515,034.53
TOTAL ASSETS		$ 7,751,283.90	$ 7,746,649.56

BOROUGH OF WHARTON
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	$ 161,622.60	$ 73,955.48
Unencumbered	A-3;A-11	1,032,950.58	1,020,915.21
		1,194,573.18	1,094,870.69
Contracts Payable - Vendors		183,139.27	183,139.27
Due Other Trust Funds	B	100,000.00	
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		15,163.30	15,163.30
Marriage License Fees		325.00	475.00
County Added and Omitted Taxes Payable		43,849.61	22,590.36
Prepaid Taxes		123,788.24	94,263.06
Tax Overpayments		34,525.33	34,279.16
Reserve for:			
Pending Tax Appeals		723,665.61	473,665.61
Sale of Municipal Assets		13,565.06	143,565.06
		2,432,594.60	2,062,011.51
Reserve for Receivables and Other Assets	A	681,268.41	718,677.81
Fund Balance	A-1	3,786,008.19	3,450,925.71
Total Regular Fund		6,899,871.20	6,231,615.03
Federal and State Grant Fund:			
Appropriated Reserves:			
Encumbered		668,082.90	5,162.80
Unencumbered	A-14	183,329.80	841,059.67
Unappropriated Reserves	A-15		2,178.05
Due to Water Utility Capital Fund	D		666,634.01
Total Federal and State Grant Fund		851,412.70	1,515,034.53
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 7,751,283.90	$ 7,746,649.56

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

BOROUGH OF WHARTON
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		$ 2,934,030.00	$ 3,554,950.00
Miscellaneous Revenue Anticipated		4,734,129.52	5,865,499.84
Receipts from:			
Delinquent Taxes		430,851.21	345,530.51
Current Taxes		27,393,861.78	26,601,596.63
Nonbudget Revenue		1,348,918.81	1,106,334.57
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		750,409.18	805,624.60
Total Income		37,592,200.50	38,279,536.15
Expenditures			
Budget Appropriations:			
Municipal Purposes		12,707,756.73	14,291,039.24
County Taxes		2,531,531.04	2,244,285.42
Local School District Taxes		10,474,239.00	10,287,633.00
Regional High School Taxes		6,788,028.00	6,711,756.00
Special Garbage District Taxes		1,419,629.70	1,420,283.20
Local Open Space Taxes		149,153.55	136,211.10
Reserve for Pending Tax Appeals		250,000.00	37,000.00
Prior Year Senior Citizens' Deductions Disallowed		2,750.00	2,250.00
Total Expenditures		34,323,088.02	35,130,457.96
Excess in Revenues		3,269,112.48	3,149,078.19
Fund Balance			
Balance January 1		3,450,925.71	3,856,797.52
		6,720,038.19	7,005,875.71
Decreased by:			
Utilized as Anticipated Revenue		2,934,030.00	3,554,950.00
Balance December 31	A	$ 3,786,008.19	$ 3,450,925.71

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

BOROUGH OF WHARTON
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	$ 2,934,030.00		$ 2,934,030.00		
Miscellaneous Revenue:					
Licenses:					
Alcoholic Beverages	7,000.00		7,000.00		
Other	7,500.00		18,880.00	$ 11,380.00	
Fees and Permits - Other	55,000.00		59,400.00	4,400.00	
Fines and Costs - Municipal Court	115,000.00		140,721.94	25,721.94	
Interest and Costs on Taxes	50,000.00		81,931.31	31,931.31	
Interest on Investments and Deposits	170,000.27		492,532.29	322,532.02	
Rents - Borough Lease	47,000.00		50,160.00	3,160.00	
Energy Receipts Tax	556,266.00		556,266.18	0.18	
Uniform Construction Code Fees	180,000.00		129,210.00	50,790.00	*
Shared Service Agreement:					
Mine Hill Township	1,934,825.00		1,934,825.00		
Wharton Board of Education	48,300.00		31,228.27	17,071.73	*
Clean Communities Grant		$ 16,204.29	16,204.29		
Recycling Tonnage Grant		32,857.19	32,857.19		
Municipal Alliance on Alcoholism and Drug Abuse		6,735.00	6,735.00		
Body Armor Replacement Fund	2,178.05		2,178.05		
Water Utility Operating Surplus of Prior Year	612,000.00		612,000.00		
Sewer Utility Operating Surplus of Prior Year	432,000.00		432,000.00		
Reserve for Sale of Municipal Assets	130,000.00		130,000.00		
	4,347,069.32	55,796.48	4,734,129.52	331,263.72	
Receipt from Delinquent Taxes	330,000.00		430,851.21	100,851.21	
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	5,676,374.00		6,666,793.56	990,419.56	
Minimum Library Tax	339,301.68		339,301.68		
Total Amount to be Raised by Taxes for Support of Municipal Budget	6,015,675.68		7,006,095.24	990,419.56	
Budget Totals	13,626,775.00	55,796.48	15,105,105.97	$ 1,422,534.49	
Nonbudget Revenue			1,348,918.81		
	$ 13,626,775.00	$ 55,796.48	$ 16,454,024.78		

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

Allocation of Current Tax Collections:		
Revenue from Collection of Current Taxes		$ 27,393,861.78
Allocated to County, Local School District, Regional High School and Local Open Space Taxes		21,362,581.29
Balance for Support of Municipal Budget		6,031,280.49
Add: Appropriation "Reserve for Uncollected Taxes"		974,814.75
Realized for Support of Municipal Budget		$ 7,006,095.24
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		$ 430,851.21
Realized for Support of Municipal Budget		$ 430,851.21
Analysis of Fees and Permits - Other:		
Collected/Received by Treasurer		$ 59,400.00
		$ 59,400.00
Analysis of Interest on Investments and Deposits:		
Collections		$ 267,532.91
Received from Federal and State Grant Fund		11,655.47
Received from Animal Control Fund		432.35
Received from Other Trust Funds		36,370.34
Received from General Capital Fund		188,196.69
		$ 504,187.76
Analysis of Nonbudget Revenue:		
Miscellaneous Revenue Not Anticipated:		
Treasurer:		
Prior Year Appropriation Refunds	$ 53,573.16	
Outside Detail - Administrative Fees	122,818.42	
Cable TV Franchise Fees	60,723.46	
Transfer Tax (Cannabis)	101,789.32	
Sale of Assets	2,614.00	
North Jersey Municipal Employee Benefits Fund Dividend	6,900.00	
State of New Jersey:		
Uniform Fire Code Local Enforcement Agency Rebates	28,859.14	
Senior Citizens' and Veterans' Deductions Administrative Reimbursement	480.00	
Cancellation of Stale Dated Checks	42.00	
Fire Safety Fees	4,983.00	
DPW Services - Borough of Mount Arlington	89,222.99	
Morris County - Snow Removal	31,723.75	
Scrap Metal	964.00	
Recreation	2,320.00	
Police Reports/Copies/Fingerprinting	1,847.50	
Clerk	400.00	
Clerk Copies	39.00	
Other Miscellaneous Revenue	6,770.35	
		$ 516,070.09
Tax Collector:		
Payments in Lieu of Taxes	831,407.80	
Other Miscellaneous Revenue	1,440.92	
		832,848.72
		$ 1,348,918.81

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

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

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	$ 144,595.00	$ 144,895.00	$ 144,613.44	$ 281.56
Other Expenses	68,700.00	68,700.00	64,635.41	4,064.59
Mayor and Council:				
Salaries and Wages	87,935.00	87,935.00	87,900.00	35.00
Other Expenses	124,000.00	124,000.00	113,902.61	10,097.39
Municipal Clerk:				
Salaries and Wages	89,645.00	89,345.00	60,209.25	29,135.75
Other Expenses	27,500.00	27,500.00	26,737.72	762.28
Financial Administration:				
Salaries and Wages	56,970.00	57,270.00	56,191.98	1,078.02
Other Expenses	25,000.00	24,700.00	18,512.94	6,187.06
Other Expenses - Computer Maintenance/Support	30,000.00	30,000.00	23,590.86	6,409.14
Annual Audit	40,000.00	40,000.00		40,000.00
Tax Assessment Administration:				
Salaries and Wages	43,600.00	43,600.00	43,122.98	477.02
Other Expenses	3,200.00	3,200.00	2,127.75	1,072.25
Revision of Tax Map	10,100.00	10,100.00		10,100.00
Revenue Administration (Tax Collection):				
Salaries and Wages	59,640.00	59,640.00	53,114.32	6,525.68
Other Expenses	11,500.00	11,500.00	5,494.22	6,005.78

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

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
GENERAL GOVERNMENT (Cont'd):				
Engineering Services and Costs:				
Other Expenses	$ 36,000.00	$ 46,000.00	$ 45,757.50	$ 242.50
Legal Services and Costs:				
Other Expenses	71,975.00	71,975.00	61,277.00	10,698.00
Codification of Ordinances	22,000.00	22,000.00	4,120.00	17,880.00
LAND USE ADMINISTRATION:				
Municipal Land Use Law (NJSA 40:55D-1):				
Land Use Board:				
Salaries and Wages	13,335.00	13,335.00	12,962.99	372.01
Other Expenses	20,660.00	30,660.00	27,122.16	3,537.84
Zoning Board of Adjustment:				
Salaries and Wages	71,645.00	71,645.00	65,679.90	5,965.10
INSURANCE:				
Workers' Compensation Insurance	34,816.19	34,816.19	34,805.75	10.44
Liability Insurance	60,994.41	60,994.41	42,741.28	18,253.13
Group Insurance for Employees	592,365.24	500,865.24	335,506.77	165,358.47
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00	
PUBLIC SAFETY:				
Police:				
Salaries and Wages	1,633,167.00	1,588,167.00	1,366,565.37	221,601.63
Other Expenses	208,500.00	253,500.00	222,880.92	30,619.08
Dispatchers:				
Other Expenses	138,000.00	138,000.00	137,393.61	606.39

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

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
PUBLIC SAFETY (Cont'd):				
Emergency Management Services:				
Salaries and Wages	$ 4,790.00	$ 4,790.00	$ 4,290.00	$ 500.00
Other Expenses	1,350.00	1,350.00	240.00	1,110.00
Fire Department:				
Other Expenses - Building Rent	44,250.00	44,250.00	43,945.25	304.75
Aid to Volunteer Fire Company	54,875.00	54,875.00	49,139.44	5,735.56
PUBLIC WORKS:				
Street and Road Repairs and Maintenance:				
Salaries and Wages	295,270.00	345,270.00	332,249.96	13,020.04
Other Expenses	228,600.00	243,600.00	228,884.59	14,715.41
Public Buildings and Grounds:				
Salaries and Wages	21,750.00	6,750.00		6,750.00
Other Expenses	43,724.00	58,724.00	46,963.30	11,760.70
HEALTH AND HUMAN SERVICES:				
Board of Health:				
Salaries and Wages	19,745.00	19,745.00	19,489.62	255.38
Other Expenses	132,475.00	132,475.00	103,291.00	29,184.00
Animal Control:				
Salaries and Wages	58,750.00	58,750.00	54,775.00	3,975.00
Other Expenses	15,150.00	15,150.00	5,853.73	9,296.27
Contribution to Senior Citizen Center (R.S. 40:48-9.4)	2,500.00	2,500.00	2,500.00	

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

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
HEALTH AND HUMAN SERVICES (Cont'd):				
Senior Citizen Van:				
Salaries and Wages	$ 53,065.00	$ 52,765.00	$ 39,235.52	$ 13,529.48
Other Expenses	15,200.00	15,200.00	4,101.51	11,098.49
RECREATION AND EDUCATION:				
Parks and Playgrounds:				
Other Expenses	49,150.00	55,650.00	55,571.69	78.31
Recreation:				
Salaries and Wages	46,045.00	46,045.00	43,475.52	2,569.48
Other Expenses	36,894.00	36,894.00	18,640.99	18,253.01
UTILITIES:				
Bulk Utilities	248,592.00	248,592.00	215,678.51	32,913.49
UNIFORM CONSTRUCTION CODE:				
Construction Official:				
Salaries and Wages	193,115.00	193,115.00	164,283.10	28,831.90
Other Expenses	9,150.00	9,150.00	4,483.10	4,666.90
Other Code Enforcement Functions:				
Housing Inspector:				
Salaries and Wages	33,890.00	33,890.00	31,765.13	2,124.87
Other Expenses	7,400.00	7,400.00	1,586.83	5,813.17
Fire Safety:				
Salaries and Wages	23,045.00	23,845.00	23,488.46	356.54
Other Expenses	4,500.00	4,000.00	1,322.70	2,677.30

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

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
UNCLASSIFIED:				
Celebration of Public Events, Anniversary or Holiday (R.S. 40:48-5.4)	$ 41,500.00	$ 41,500.00	$ 36,170.60	$ 5,329.40
Regionalization Feasibility Study	3,000.00	3,000.00		3,000.00
Evaluation/Upgrade Office Hardware/Software:				
Other Expenses	12,500.00	12,500.00		12,500.00
Total Operations Within "CAPS"	5,431,117.84	5,431,117.84	4,593,392.28	837,725.56
Detail:				
Salaries and Wages	2,949,997.00	2,940,797.00	2,603,412.54	337,384.46
Other Expenses	2,481,120.84	2,490,320.84	1,989,979.74	500,341.10
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	196,448.00	196,448.00	196,448.00	
Social Security System (O.A.S.I.)	193,452.93	193,452.93	155,387.44	38,065.49
Police and Firemen's Retirement System of NJ	925,166.00	925,166.00	925,166.00	
Defined Contribution Retirement System	15,000.00	15,000.00	2,876.17	12,123.83
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,330,066.93	1,330,066.93	1,279,877.61	50,189.32
Total General Appropriations for Municipal Purposes Within "CAPS"	6,761,184.77	6,761,184.77	5,873,269.89	887,914.88

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

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Excluded from "CAPS":				
Maintenance of Free Public Library	$ 339,301.68	$ 339,301.68	$ 339,301.68	
Tax Appeals	27,000.00	27,000.00	10,716.16	$ 16,283.84
Shared Service Agreements:				
Mine Hill Township - Police Salaries and Wages	1,934,825.00	1,934,825.00	1,934,825.00	
Mount Arlington - Shared Court	208,365.75	208,365.75	80,081.40	128,284.35
Wharton Board of Education - Class III Special Officer	48,300.00	48,300.00	47,832.49	467.51
Public and Private Programs Offset by Revenue:				
Clean Communities Grant (NJSA 40A:4-87 +$16,204.29)		16,204.29	16,204.29	
Recycling Tonnage Grant (NJSA 40A:4-87 +$32,857.19)		32,857.19	32,857.19	
Municipal Alliance on Alcoholism and Drug Abuse:				
Grant Funds (NJSA 40A:4-87 +$6,735.00)		6,735.00	6,735.00	
Matching Funds	6,000.00	6,000.00	6,000.00	
Body Armor Replacement Fund	2,178.05	2,178.05	2,178.05	
Total Operations Excluded from "CAPS"	2,565,970.48	2,621,766.96	2,476,731.26	145,035.70
Detail:				
Salaries and Wages	1,934,825.00	1,934,825.00	1,934,825.00	
Other Expenses	631,145.48	686,941.96	541,906.26	145,035.70

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

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Capital Improvements - Excluded from "CAPS":				
Capital Improvement Fund	$ 3,324,805.00	$ 3,324,805.00	$ 3,324,805.00	
Total Capital Improvements - Excluded from "CAPS"	3,324,805.00	3,324,805.00	3,324,805.00	
Total General Appropriations - Excluded from "CAPS"	7,220,842.41	7,276,638.89	7,081,413.87	$ 195,225.02
Subtotal General Appropriations	12,651,960.25	12,707,756.73	11,674,806.15	1,032,950.58
Reserve for Uncollected Taxes	974,814.75	974,814.75	974,814.75	
Total General Appropriations	$ 13,626,775.00	$ 13,682,571.48	$ 12,649,620.90	$ 1,032,950.58
Ref.				A

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

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		$ 13,626,775.00	
Added by NJSA 40A:4-87		55,796.48	
		$ 13,682,571.48	
Reserve for Uncollected Taxes			$ 974,814.75
Reserve for Encumbrances	A		161,622.60
Due Federal and State Grant Fund			63,974.53
Cash Disbursed			11,884,194.13
			13,084,606.01
Less: Appropriation Refunds Received			434,985.11
			$ 12,649,620.90

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

BOROUGH OF WHARTON

COUNTY OF MORRIS

2025

TRUST FUNDS

BOROUGH OF WHARTON
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	$ 9,722.68	$ 7,827.76
Change Fund - Collector		100.00	100.00
		9,822.68	7,927.76
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,853,520.27	2,762,205.27
Police Outside Detail Receivable		32,721.49	47,044.08
Special Deposits Receivable		8,191.94	19,565.19
Due Current Fund	A	100,000.00	
		2,994,433.70	2,828,814.54
TOTAL ASSETS		$ 3,004,256.38	$ 2,836,742.30
LIABILITIES AND RESERVES			
Animal Control Fund:			
Due State of New Jersey		$ 164.40	$ 164.40
Reserve for Animal Control Expenditures	B-6	9,658.28	7,763.36
		9,822.68	7,927.76
Other Trust Funds:			
Due State of New Jersey - Department of Community Affairs State Training Fees		6,703.00	6,780.00
Special Deposits		540,044.43	515,831.25
Reserve for:			
Unemployment Insurance Fund		211,079.41	227,339.52
Municipal Court - Parking Offense Adjudication Act		2,534.00	2,044.00
Municipal Court - Public Defender Fees		700.00	
Police Outside Detail		61,266.52	73,553.43
Police Forfeited Assets		44,732.91	41,214.40
Municipal Open Space		526,151.08	442,642.75
Housing Trust		246,275.72	253,246.51
Wharton Pride		237,205.99	241,011.59
Accumulated Absences		370,685.28	394,236.43
Relocation Assistance Fund		6,869.14	6,869.14
Self Insurance Deductible		150,202.63	150,202.63
Recreation Trust		13,182.11	13,182.11
Storm Recovery		576,801.48	460,660.78
		2,994,433.70	2,828,814.54
TOTAL LIABILITIES AND RESERVES		$ 3,004,256.38	$ 2,836,742.30

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

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

NOT APPLICABLE

BOROUGH OF WHARTON
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 WHARTON
COUNTY OF MORRIS
2025
GENERAL CAPITAL FUND

BOROUGH OF WHARTON
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2025	December 31, 2024
ASSETS			
Cash and Cash Equivalents	C-2	$ 6,138,726.45	$ 3,216,818.22
Grants Receivable:			
New Jersey Department of Transportation:			
Transportation Trust Fund		638,555.00	700,305.00
Transportation Alternatives Program		26,485.25	1,685,771.31
Morris County Trails Construction Grant		284,498.13	284,498.13
TOTAL ASSETS		$ 7,088,264.83	$ 5,887,392.66
LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations:			
Funded	C-5	$ 5,799,115.59	5,416,743.42
Capital Improvement Fund	C-6	903,032.82	84,532.82
Reserve for:			
Emergency Service Vehicles		93,000.00	93,000.00
Garbage Truck		14,500.00	14,500.00
Main Street Improvements		25,037.41	25,037.41
Senior Bus		55,526.00	55,526.00
Purchase of Property		5,000.00	5,000.00
Environmental Cleanup		62,567.78	62,567.78
Fund Balance	C-1	130,485.23	130,485.23
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 7,088,264.83	$ 5,887,392.66

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

BOROUGH OF WHARTON
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2024	C	$ 130,485.23
Balance December 31, 2025	C	$ 130,485.23

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

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
WATER UTILITY FUND

BOROUGH OF WHARTON
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	$ 2,061,667.00	$ 2,203,529.98
Change Fund		100.00	100.00
		2,061,767.00	2,203,629.98
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	91,478.80	68,222.90
Total Operating Fund		2,153,245.80	2,271,852.88
Capital Fund:			
Cash and Cash Equivalents	D-4	3,653,736.63	2,339,999.05
Due from Federal and State Grant Fund	A		666,634.01
Fixed Capital	D-7	16,924,846.69	16,924,846.69
Fixed Capital Authorized and Uncompleted	D-8	5,716,634.01	3,900,000.00
Total Capital Fund		26,295,217.33	23,831,479.75
TOTAL ASSETS		$ 28,448,463.13	$ 26,103,332.63
LIABILITIES, RESERVES AND FUND BALANCES			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	$ 416,908.46	$ 500,821.98
Encumbered	D-3;D-9	134,129.44	25,584.46
		551,037.90	526,406.44
Water Rent Overpayments		19,446.86	15,727.91
Accrued Interest on Loans			273.44
Reserve for American Rescue Plan		12,555.03	12,555.03
		583,039.79	554,962.82
Reserve for Receivables	D	91,478.80	68,222.90
Fund Balance	D-1	1,478,727.21	1,648,667.16
Total Operating Fund		2,153,245.80	2,271,852.88
Capital Fund:			
NJIB Loan Payable	D-16		25,127.15
Improvement Authorizations:			
Funded	D-10	3,625,046.89	2,752,943.32
Capital Improvement Fund	D-11	5,227.37	5,227.37
Reserve for Amortization	D-12	16,924,846.69	16,899,719.54
Deferred Reserve for Amortization	D-13	5,716,634.01	3,900,000.00
Fund Balance	D-1A	23,462.37	248,462.37
Total Capital Fund		26,295,217.33	23,831,479.75
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		$ 28,448,463.13	$ 26,103,332.63

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

BOROUGH OF WHARTON
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		$ 663,000.00	$ 550,000.00
Water Rents		2,951,248.01	2,833,903.65
Water Fund Capital Balance		225,000.00	
Miscellaneous Revenue Not Anticipated		196,195.35	227,403.07
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		448,084.95	397,579.23
Total Income		4,483,528.31	4,008,885.95
Expenditures			
Budget Expenditures:			
Operating		2,104,919.75	1,994,627.00
Capital Improvements		1,150,000.00	835,000.00
Debt Service		25,401.31	26,374.94
Deferred Charges and Statutory Expenditures		98,147.20	89,900.00
Total Expenditures		3,378,468.26	2,945,901.94
Excess in Revenues		1,105,060.05	1,062,984.01
Fund Balance			
Balance January 1		1,648,667.16	1,520,683.15
		2,753,727.21	2,583,667.16
Decreased by:			
Utilized as Anticipated Revenue:			
Water Utility Operating Budget		663,000.00	550,000.00
Current Fund Budget		612,000.00	385,000.00
Balance December 31	D	$ 1,478,727.21	$ 1,648,667.16

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

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2024	D	$ 248,462.37
Decreased by:		
Anticipated in Water Utility Operating Fund as Revenue		225,000.00
Balance December 31, 2025	D	$ 23,462.37

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

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

	Budget	Realized	Excess
Operating Surplus Anticipated	$ 663,000.00	$ 663,000.00	
Water Rents	2,491,566.95	2,951,248.01	$ 459,681.06
Water Fund Capital Balance	225,000.00	225,000.00	
Subtotal Anticipated Revenue	3,379,566.95	3,839,248.01	459,681.06
Miscellaneous Revenue Not Anticipated		196,195.35	196,195.35
Budget Totals	$ 3,379,566.95	$ 4,035,443.36	$ 655,876.41

Analysis of Water Rents

Collections	$ 2,935,520.10	
Overpayments Applied	15,727.91	
		$ 2,951,248.01

Analysis of Miscellaneous Revenue Not Anticipated

Collector:		
New Meter Fees	$ 1,627.50	
Fines	57.93	
Final Fees	1,483.36	
Interest and Costs on Delinquent Water Rents	9,184.36	
Fire Standby Fees	3,432.05	
Connection Fee	4,096.18	
Water Turn On/Off Fees	1,610.65	
Hydrant Permits	100.00	
Other Miscellaneous	437.55	
		$ 22,029.58
Treasurer:		
Interest on Investments and Deposits:		
Collected/Received by Treasurer	169,775.43	
Miscellaneous	4,390.34	
		174,165.77
		$ 196,195.35

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

BOROUGH OF WHARTON
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		$ 577,750.00	$ 577,750.00	$ 441,069.17	$ 136,680.83	
Other Expenses		1,527,169.75	1,527,169.75	1,255,562.38	271,607.37	
Capital Improvements:						
Capital Improvement Fund		1,150,000.00	1,150,000.00	1,150,000.00		
Debt Service:						
NJIB Loan - Principal and Interest		26,500.00	26,500.00	25,401.31		$ 1,098.69
Statutory Expenditures:						
Public Employees' Retirement System		52,147.20	52,147.20	52,147.20		
Contribution to Social Security System (O.A.S.I.)		41,000.00	41,000.00	32,379.74	8,620.26	
Unemployment Compensation Insurance		5,000.00	5,000.00	5,000.00		
		$ 3,379,566.95	$ 3,379,566.95	$ 2,961,559.80	$ 416,908.46	$ 1,098.69
	Ref.				D	
Cash Disbursed				$ 2,827,156.20		
Accrued Interest on NJIB Loan				274.16		
Encumbrances	D			134,129.44		
				$ 2,961,559.80		

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

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BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
SEWER UTILITY FUND

BOROUGH OF WHARTON
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	$ 1,816,721.06	$ 1,720,973.98
Change Fund		100.00	100.00
		1,816,821.06	1,721,073.98
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	116,942.92	78,559.57
Total Receivables with Full Reserves		116,942.92	78,559.57
Total Operating Fund		1,933,763.98	1,799,633.55
Capital Fund:			
Cash and Cash Equivalents	E-4	1,792,429.63	1,416,894.13
Fixed Capital	E-7	6,278,372.60	6,278,372.60
Fixed Capital Authorized and Uncompleted	E-8	1,770,000.00	1,380,000.00
Total Capital Fund		9,840,802.23	9,075,266.73
TOTAL ASSETS		$ 11,774,566.21	$ 10,874,900.28
LIABILITIES, RESERVES AND FUND BALANCES			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	$ 496,805.31	$ 469,700.54
Encumbered	E-3;E-9	13,313.15	3,869.64
		510,118.46	473,570.18
Other Accounts Payable		2,800.00	2,800.00
Contracts Payable		464.49	464.49
Sewer Rent Overpayments		4,072.50	15,808.18
Reserve for American Rescue Plan		676.54	676.54
		518,131.99	493,319.39
Reserve for Receivables	E	116,942.92	78,559.57
Fund Balance	E-1	1,298,689.07	1,227,754.59
Total Operating Fund		1,933,763.98	1,799,633.55
Capital Fund:			
Improvement Authorizations - Funded	E-10	1,203,268.24	827,732.74
Capital Improvement Fund	E-11	588,569.47	588,569.47
Reserve for Amortization	E-12	6,278,372.60	6,278,372.60
Deferred Reserve for Amortization	E-13	1,770,000.00	1,380,000.00
Fund Balance	E-1A	591.92	591.92
Total Capital Fund		9,840,802.23	9,075,266.73
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		$ 11,774,566.21	$ 10,874,900.28

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

BOROUGH OF WHARTON
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		$ 634,000.00	$ 550,000.00
Sewer User Charges		2,531,144.62	2,312,486.66
Miscellaneous Revenue Not Anticipated		149,111.07	129,680.06
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		446,321.68	575,677.75
Total Income		3,760,577.37	3,567,844.47
Expenditures			
Budget Expenditures:			
Operating		2,135,400.00	1,910,392.25
Capital Improvements		390,000.00	465,000.00
Deferred Charges and Statutory Expenditures		98,242.89	88,038.75
Total Expenditures		2,623,642.89	2,463,431.00
Excess in Revenues		1,136,934.48	1,104,413.47
Fund Balance			
Balance January 1		1,227,754.59	910,341.12
		2,364,689.07	2,014,754.59
Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Utility Operating Budget		634,000.00	550,000.00
Current Fund Budget		432,000.00	237,000.00
Balance December 31	E	$ 1,298,689.07	$ 1,227,754.59

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

BOROUGH OF WHARTON
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2024	E	$ 591.92
Balance December 31, 2025	E	$ 591.92

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

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

	Budget	Realized	Excess
Operating Surplus Anticipated	$ 634,000.00	$ 634,000.00	
Sewer User Charges	1,989,642.89	2,531,144.62	$ 541,501.73
Subtotal Anticipated Revenue	2,623,642.89	3,165,144.62	541,501.73
Miscellaneous Revenue Not Anticipated		149,111.07	149,111.07
	$ 2,623,642.89	$ 3,314,255.69	$ 690,612.80

Analysis of Sewer User Charges

Collections	$ 2,515,336.44	
Overpayments Applied	15,808.18	
		$ 2,531,144.62

Analysis of Miscellaneous Revenue Not Anticipated

Collector:		
Interest and Costs on Delinquent Sewer User Charges	$ 29,339.31	
Miscellaneous	13.68	
		$ 29,352.99
Treasurer:		
Interest on Investments and Deposits: Collected/Received by Treasurer		119,758.08
		$ 149,111.07

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

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

	Ref.	Appropriation		Expended By	
		Budget	Budget After Modification	Paid or Charged	Reserved
Operating:					
Salaries and Wages		$ 597,455.00	$ 597,455.00	$ 403,891.83	$ 193,563.17
Other Expenses		1,537,945.00	1,537,945.00	1,244,478.74	293,466.26
Capital Improvements:					
Capital Improvement Fund		390,000.00	390,000.00	390,000.00	
Statutory Expenditures:					
Public Employees' Retirement System		54,104.14	54,104.14	53,931.34	172.80
Contribution to Social Security System (O.A.S.I.)		39,138.75	39,138.75	29,535.67	9,603.08
Unemployment Compensation Insurance		5,000.00	5,000.00	5,000.00	
		$ 2,623,642.89	$ 2,623,642.89	$ 2,126,837.58	$ 496,805.31
	Ref.				E
Cash Disbursed				$ 2,113,524.43	
Encumbrances Payable	E			13,313.15	
				$ 2,126,837.58	

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

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BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
SPECIAL GARBAGE DISTRICT FUND

BOROUGH OF WHARTON
SPECIAL GARBAGE DISTRICT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2025	2024
ASSETS			
Cash and Cash Equivalents	H-4	$ 1,129,463.94	$ 992,801.91
TOTAL ASSETS		$ 1,129,463.94	$ 992,801.91
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves:			
Unencumbered	H-3;H-6	$ 280,294.45	$ 192,744.88
Encumbered	H-3;H-6	20,163.38	1,201.93
		300,457.83	193,946.81
Fund Balance	H-1	829,006.11	798,855.10
TOTAL RESERVES AND FUND BALANCE		$ 1,129,463.94	$ 992,801.91

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

BOROUGH OF WHARTON
SPECIAL GARBAGE DISTRICT 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 Anticipated		$ 178,000.00	$ 150,000.00
District Tax		1,419,629.70	1,420,283.20
Interlocal Service Agreements		85,000.00	
Nonbudget Revenue		79,592.38	64,740.62
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		128,558.63	90,437.75
Total Income		1,890,780.71	1,725,461.57
Expenditures			
Budget Expenditures:			
Operating		1,506,123.25	1,333,898.20
Capital Projects		80,000.00	150,000.00
Statutory Expenditures		96,506.45	86,385.00
Total Expenditures		1,682,629.70	1,570,283.20
Excess in Revenues		208,151.01	155,178.37
Fund Balance			
Balance January 1		798,855.10	793,676.73
		1,007,006.11	948,855.10
Decreased by:			
Utilized as Anticipated Revenue		178,000.00	150,000.00
Balance December 31	H	$ 829,006.11	$ 798,855.10

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

BOROUGH OF WHARTON
SPECIAL GARBAGE DISTRICT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Budget	Realized	Excess
Fund Balance Anticipated	$ 178,000.00	$ 178,000.00	
Special District Tax	1,419,629.70	1,419,629.70	
Interlocal Service Agreements	85,000.00	85,000.00	
Budget Totals	1,682,629.70	1,682,629.70	$ - 0 -
Nonbudget Revenue		79,592.38	79,592.38
	$ 1,682,629.70	$ 1,762,222.08	$ 79,592.38

Analysis of Nonbudget Revenue

Interest on Investments and Deposits	$ 33,657.55
Sale of Garbage Stickers	11,460.00
Recycling Tonnage Grant	32,857.19
Garbage Cart Rentals	600.00
Miscellaneous	1,017.64
	$ 79,592.38

BOROUGH OF WHARTON
SPECIAL GARBAGE DISTRICT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	Ref.	Appropriation		Expended By	
		Budget	Budget After Modification	Paid or Charged	Reserved
Operating:					
Salaries and Wages		$ 452,295.00	$ 452,295.00	$ 399,151.04	$ 53,143.96
Other Expenses		773,276.25	773,276.25	631,199.89	142,076.36
Group Insurance for Employees		195,552.00	195,552.00	195,552.00	
Capital Projects		80,000.00	80,000.00		80,000.00
Interlocal Service Agreements		85,000.00	85,000.00	85,000.00	
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		52,147.20	52,147.20	52,147.20	
Social Security System (O.A.S.I.)		39,359.25	39,359.25	34,285.12	5,074.13
Unemployment Compensation Insurance		5,000.00	5,000.00	5,000.00	
		$ 1,682,629.70	$ 1,682,629.70	$ 1,402,335.25	$ 280,294.45
	Ref.				H
Cash Disbursed				$ 1,382,171.87	
Encumbrances	H			20,163.38	
				$ 1,402,335.25	

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

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31, 2025	December 31, 2024
ASSETS		
Land and Improvements	$ 10,333,051.00	$ 10,315,445.00
Buildings and Improvements	7,115,578.00	7,115,578.00
Equipment	9,474,452.00	9,049,610.00
TOTAL ASSETS	$ 26,923,081.00	$ 26,480,633.00
RESERVES		
Reserve for Fixed Assets	$ 26,923,081.00	$ 26,480,633.00
TOTAL RESERVES	$ 26,923,081.00	$ 26,480,633.00

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

BOROUGH OF WHARTON
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 Wharton include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Wharton, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Wharton do not include the operations of the municipal library or the Volunteer Emergency Services.

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 Wharton 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 Wharton 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 WHARTON
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 Fund - Receipt, 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 and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Special Garbage District Fund - Collection of special district taxes to provide for the costs of garbage collection.

General Fixed Assets Account Group - Estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E - "Other significant accounting policies".

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 measurements made, regardless of the measurement focus applied.

The following is a summary of the significant accounting policies.

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 budgeted 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 in the Current Fund.

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

1. Accumulated unpaid vacation, sick pay and other employee 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 WHARTON
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; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; fixed assets purchased by the Utility Capital Funds would be depreciated; investments would generally be stated at fair value; and the Borough’s net pension liability and related deferred inflows and outflows, where applicable, would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation - The General Capital Fund balance sheet includes unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, 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 revenues and expenditures/expenses during the reporting period. 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 awards less amounts collected to date. Because the amount of grants 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.

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

BOROUGH OF WHARTON
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)

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 cost 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 Division of Local Government Services, General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost as estimated by the independent appraisal company which conducted the inventory of the Borough's assets. Infrastructure assets are not included in general fixed assets; 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 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 Utility Funds. The values recorded in the General Fixed Asset Account Group and the Current and Capital Funds may not always agree due to differences in valuation methods, timing or recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Utility Funds is recorded in the Utility Capital accounts 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 utilities do not record depreciation on fixed assets.

F. Budget/Budgetary Control - Annual appropriated budgets are usually prepared in the first quarter for the Current operating, utility, Special Garbage District and Open Space Trust 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.

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

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds 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:			
Water Utility - Loans	$ - 0 -	$ 25,127	$ 50,679
Total Issued	- 0 -	25,127	50,679
Authorized but not Issued:			
Total Authorized but not Issued	- 0 -	-0-	-0-
Net Bonds, Notes and Loans Issued and Authorized but not Issued	$ - 0 -	$ 25,127	$ 50,679

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	Balance 12/31/24	Additions	Retirements	Balance 12/31/25
Loans Payable:				
Water Utility - NJIB	$ 25,127		$ 25,127	$ - 0 -
Total	$ 25,127	$ - 0 -	$ 25,127	$ - 0 -

	Balance 12/31/23	Additions	Retirements	Balance 12/31/24
Loans Payable:				
Water Utility - NJIB	$ 50,679		$ 25,552	$ 25,127
Total	$ 50,679	$ -0-	$ 25,552	$ 25,127

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

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

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.00%.

	Gross Debt	Deductions	Net Debt
Regional High School District Debt	$ 740,316	$ 740,316	
Local School District Debt	- 0 -	- 0 -	
	$ 740,316	$ 740,316	$ - 0 -

Net Debt: $- 0 - divided by Average Equalized Valuations of $997,066,988 of Real Property = 0.00%.

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

3-1/2% Average Equalized Valuation of Real Property	$ 34,897,345
Net Debt	- 0 -
Remaining Borrowing Power	$ 34,897,345

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

Cash Receipts from Fees, Rents or Other Charges for Year		$ 4,035,443
Deductions:		
Operating and Maintenance Cost	$ 2,203,067	
Debt Service	25,401	
Total Deductions		2,228,468
Excess in Revenue		$ 1,806,975

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

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

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

Cash Receipts from Fees, Rents or Other Charges for Year		$ 3,314,256
Deductions:		
Operating and Maintenance Cost	$ 2,233,643	
Debt Service	- 0 -	
Total Deductions		2,233,643
Excess in Revenue		$ 1,080,613

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.

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

At December 31, 2025, the Borough has no municipal debt outstanding.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2025 which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2026 were as follows:

Current Fund	$ 3,124,030
Water Utility Operating Fund	694,910
Sewer Utility Operating Fund	617,101
Special Garbage District Fund	478,000

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2025, the Borough had no deferred charges.

Note 5: Local or Regional 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 Wharton has elected not to defer school taxes.

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

Note 6: 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 (CAFR) 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 $1/55^{th}$ 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 $1/60^{th}$ 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.

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.

Note 6: Pension Plans (Cont'd)

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

Contributions (Cont'd)

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, which began 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 assets.

Borough contributions to PERS amounted to $354,674 for 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $11,361 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.SA. 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 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.

Pension Liabilities and Pension Expense

At June 30, 2024, the Borough's liability was $3,523,881 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.

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

At June 30, 2024, the Borough's proportion was .0259%, which was an increase of .0045% 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 $354,674.

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.

Note 6: 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 rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2024 are summarized in the table below.

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 to determine the total pension liability.

Note 6: 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 on the previous page, 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 current rate:

June 30, 2024	At 1% Decrease (6.00%)	Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the Net Pension Liability	$ 4,682,372	$ 3,523,881	$ 2,538,012

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 four years of service.

Note 6: 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 of the retirement system, 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, which began 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.

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 specific funded 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.

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

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

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 $925,166 for the year ended December 31, 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed $151,452 to the PFRS for normal pension expense on behalf of the Borough, which is the same as the contractually required contribution of $151,452.

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 $6,677,712. 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 0.0647%, which was an increase of 0.0007% 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 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.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is $1,316,497 as of June 30, 2024. 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 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 0.0647%, which was an increase of 0.0007% from its proportion measured as of June 30, 2023 which is the same proportion as the Borough's.

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

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Borough's Proportionate Share of the Net Pension Liability	$	6,677,712
State's Proportionate Share of the Net Pension Liability Associated with the Borough		1,316,497
Total Net Pension Liability	$	7,994,209

For the year ended December 31, 2025, the Borough recognized total pension expense of $925,166.

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 WHARTON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 6: 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's 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 WHARTON
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
(Continued)

Note 6: 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 collective 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 Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Borough	$ 11,421,946	$ 7,994,209	$ 5,139,655

Pension Plan Fiduciary Net Position - PFRS

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

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

Note 6: Pension Plans (Cont'd)

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.

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 a pension expense of $2,876 for 2025. Employee contributions to DCRP were $4,917 for 2025.

Note 7: Accrued Sick and Vacation Benefits

Members of the Borough Police and Public Works Departments are permitted to accrue a limited amount of unused sick vacation and compensatory time, which may be taken as time off or paid upon retirement at the employee's current rate of compensation upon such termination. It is estimated that the current cost of such unpaid compensation would approximate $649,044. This amount is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation will be included in the Borough's budget operating expenditures in the year in which it is used.

Municipal (nonunion) employees are permitted to accrue unused vacation up to a maximum of 10 days and unused sick time up to a certain maximum depending upon years of service ranging from 15 to 25 years which may be taken as time off or paid upon retirement at the employee's current rate of compensation upon such termination. It is estimated that the current cost of such unpaid compensation would approximate $88,321. This amount is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation could be included in the Borough's budget operating expenditures in the year in which it is used.

The above amounts are partially funded by the Reserve for Accumulated Absences of $370,685 on the Other Trust Funds balance sheet at December 31, 2025.

Balance at December 31, 2024	$	629,644
Net Change		107,721
Balance at December 31, 2025	$	737,365
Amount Due within One Year	$	-0-

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

Note 8: Deferred Compensation Plan

The Borough offers its employees deferred compensation plans (the “plans”) created in accordance with Section 457 of the Internal Revenue Code. The plans, which are administered by The Hartford Life Insurance Company and Equitable, are available to all Borough employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

Note 9: Selected Tax 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 the 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 year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	2025	2024	2023
Tax Rate	$ 2.750	$ 2.959	$ 2.994
Apportionment of Tax Rate			
Municipal	0.585	0.651	0.554
Municipal Library	0.034	0.032	0.035
County	0.251	0.246	0.271
Local School	1.054	1.133	1.210
Regional High School	0.683	0.740	0.763
Special District	0.143	0.157	0.161
Assessed Valuations			
2025	$ 994,357,000		
2024		$ 908,074,000	
2023			$ 837,693,400

Note 9: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
2025	$ 27,766,132	$ 27,393,862	98.65%
2024	27,108,681	26,601,597	98.12%
2023	25,091,000	24,698,620	98.43%

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 10: Cash and Cash Equivalents and Investments

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 credit risk is the risk that in the event of a 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 investment 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 those permitted under state statute as detailed in the investments section of this note.

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.

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

Deposits: (Cont'd)

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 public funds on deposit, and
>
> In addition to the above collateral requirement, if 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:

(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

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

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

Investments (Cont'd)

New Jersey statutes permit the Borough to purchase the following types of securities: (Cont'd)

(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

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

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

Fund	Cash on Hand	Checking Accounts	Total
Current	$ 100	$ 6,219,630	$ 6,219,730
Federal and State Grant		157,753	157,753
Animal Control	100	9,723	9,823
Other Trust		2,853,520	2,853,520
General Capital		6,138,726	6,138,726
Water Utility Operating	100	2,061,667	2,061,767
Water Utility Capital		3,653,737	3,653,737
Sewer Utility Operating	100	1,816,721	1,816,821
Sewer Utility Capital		1,792,429	1,792,429
Special Garbage District		1,129,464	1,129,464
	$ 400	$ 25,833,370	$ 25,833,770

During the year ended December 31, 2025, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at December 31, 2025, was $25,833,770 and the bank balance was $25,856,640.

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

Note 11: Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
Current Fund		$ 100,000
Other Trust Funds	$ 100,000	
	$ 100,000	$ 100,000

The interfund between the Current Fund and Other Trust Funds represents reserve for storm recovery funding due to the Other Trust Funds in cash. Interest earned in the General Capital and Utility Capital Funds during the year was transferred to the Current and Utility Operating Funds, respectively.

Note 12: 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. Health benefits are provided to employees through the North Jersey Municipal Employee Benefits Fund.

Property and Liability

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

The following coverages are offered by this fund 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 the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The 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.

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

Note 12: Risk Management (Cont'd)

The December 31, 2025 audit report of the Fund is not filed as of the date of this audit. Summarized, selected financial information for the Fund as of December 31, 2024 is as follows:

Total Assets	$ 41,731,805
Net Position	$ 14,656,747
Total Revenue	$ 27,339,632
Total Expenses	$ 26,449,607
Member Dividends	$ 266,542
Change in Net Position for the Year Ended December 31	$ 623,483

Financial statements for the Fund are available at the Office of the Executive Director:

Morris County Municipal Joint Insurance Fund
PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054
(201) 881-7632

Health Benefits

The Borough of Wharton is also a member of the North Jersey Municipal Employee Benefits Fund, (the "NJMEBF"). The NJMEBF is both an insured and self-administered group of municipalities established for the purpose of providing certain employee benefits for member municipalities in order to keep local property taxes at a minimum.

The following health benefit coverages are offered by the NJMEBF to its members:

a.) Medical
b.) Prescription
c.) Dental

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

The NJMEBF 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.

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

Note 12: Risk Management (Cont'd)

Health Benefits (Cont'd)

The December 31, 2025 audit report of the NJMEBF is not filed as of the date of this audit. Summarized, selected financial information for the NJMEBF as of December 31, 2024 is as follows:

Total Assets	$ 13,597,835
Net Position	$ 5,816,409
Total Revenue	$ 65,064,161
Total Expenses	$ 71,163,285
Member Dividends	$ -0-
Change in Net Position for the Year Ended December 31	$ (6,099,124)

Financial statements for the NJMEBF are available at the Office of the Executive Director:

North Jersey Municipal Employee Benefits Fund
PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, New Jersey 07054
(201) 881-7632

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 earnings, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years:

Year	Borough Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2025	$ 20,000	$ 9,698	$ 8,710	$ 54,669	$ 211,079
2024	20,000	8,405	6,802	28,600	227,340
2023	20,000	9,483	2,705	14,701	220,733

Self-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 $70,000 per claim.

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

Note 13: Contingent Liabilities

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. It also deals with potential unasserted claims in the course of Borough business. The Borough vigorously contests these lawsuits and unasserted claims and believes the ultimate resolution will not have a material adverse effect on its financial position.

The municipality has been advised that a number of tax appeals have been filed. A reserve for pending tax appeals in the amount of $473,666 has been recorded as a liability as of December 31, 2025, which it feels should be sufficient to cover these tax appeals.

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.

Note 14: Open Space Trust Fund

The Borough created an Open Space Trust Fund with a tax levy of $.01 per $100 of assessed valuation in 1999. The tax levy was increased to $.02 per $100 of assessed valuation in 2004. The funds collected are used to acquire and maintain open space property in the Borough. To date, $2,481,566 has been collected and the balances in the Open Space Trust Fund at December 31, 2025 and 2024 were $526,151 and $442,643, respectively.

Note 15: Economic Dependency

The Borough receives a substantial amount of its 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 16: Fixed Assets

The schedules below and on the following page are a summarization of the general fixed assets account group for the years ended December 31, 2025 and 2024:

	Balance Dec. 31, 2024	Additions	Deletions	Balance Dec. 31, 2025
Land and Improvements	$ 10,315,445	$ 17,606		$ 10,333,051
Buildings and Improvements	7,115,578			7,115,578
Equipment	9,049,610	503,934	79,092	9,474,452
	$ 26,480,633	$ 521,540	$ 79,092	$ 26,923,081

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

Note 16: Fixed Assets (Cont'd)

The following schedules are a summarization of the general fixed assets account group for the years ended December 31, 2025 and 2024: (Cont'd)

	Balance Dec. 31, 2023	Additions	Deletions	Balance Dec. 31, 2024
Land and Improvements	$ 10,315,445			$ 10,315,445
Buildings and Improvements	5,195,754	$ 1,919,824		7,115,578
Equipment	9,049,610			9,049,610
	$ 24,560,809	$ 1,919,824	$ - 0 -	$ 26,480,633

Note 17: Tax Abatements

As of December 31, 2025, the Borough provides a tax abatement to a redeveloper for its 248 residential apartment unit property in the Borough pursuant to N.J.S.A 40A:20-1 et seq., the Long Term Tax Exemption Law, and a financial agreement between the Borough and the redeveloper. The agreement is for a period of 30 years. 2016 was the first year in which the payments under this agreement was effective. In consideration of the Borough granting the redeveloper this tax abatement the developer will be required to pay to the Borough an annual service charge as follows: Stage One (years 1-15) – the annual service charge will be the greater of the minimum annual service charge or 10% of gross revenue; Stage Two (years 16-21) – the annual service charge as defined in Stage One or 20% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 3 (years 22-27) – the annual service charge as defined in Stage One or 40% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 4 (years 28-29) – the annual service charge as defined in Stage One or 60% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater; Stage 5 (year 30) – the annual service charge as defined in Stage One or 80% of the amount of taxes otherwise due on the value of the land and improvements, whichever is greater.

The minimum annual service charge per the agreement shall be the amount of total taxes levied against all real property in the area covered under this tax abatement in the last full tax year in which that area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the other provisions of the financial agreement would result in less than the minimum annual service charge being paid. In the event that the net profits on the redevelopment property exceed the allowable net profits for such period the redeveloper shall pay such excess net profits to the Borough as an additional service charge.

In the event that the redeveloper fails to make the required Annual Service Charge payment within the required period of time which would constitute a breach of the agreement, the Borough has the right as one of the allowable remedies to proceed against the redeveloper pursuant to the In-Rem Foreclosure Act. Upon the termination or expiration of this agreement the property under this agreement shall be assessed and taxed as applicable to other taxable property within the Borough.

Note 17: Tax Abatements (Cont'd)

As of December 31, 2025, the Borough provides a tax abatement to a redeveloper for its mixed-use property, including approximately 50 residential apartments, 6,857 square feet of commercial use(s), a townhome-style residential development consisting of 8 attached two-story units, 6 special group home rental units within the Borough but outside of the redevelopment area, infrastructure improvements and construction of parking, in the Borough pursuant to N.J.S.A 40A:20-1 et seq., the Long Term Tax Exemption Law, and a financial agreement between the Borough and the redeveloper. The agreement is for a period of 30 years. 2020 was the first year in which the payments under this agreement was effective. In consideration of the Borough granting the redeveloper this tax abatement the developer will be required to pay to the Borough an annual service charge in an amount equal to $7,500 in year 1, $122,500 in each of the years 2-10, inclusive, $165,000 in each of the years 11-20, inclusive, $207,500 in the years 21-30, inclusive, plus an amount equal to 12% of annual gross revenue in excess of $1,600,000 in year 1 and, for each year thereafter, such annual gross revenue threshold amount increased by 3% over the prior year's amount (i.e. $1,648,000 in year 2, $1,697,440 in year 3 and so on).

In the event that the redeveloper fails to make the required Annual Service Charge payment within the required period of time which would constitute a breach of the agreement, the Borough has the right as one of the allowable remedies to proceed against the redeveloper pursuant to the In-Rem Foreclosure Act. Upon the termination or expiration of this agreement the property under this agreement shall be assessed and taxed as applicable to other taxable property within the Borough.

The Borough shall remit to the County of Morris 5% of the Annual Service Charges received each year in accordance with N.J.S.A. 40A:20-12b.

The Borough recognized revenue in the amount of $831,408 from these annual service charges or payment in lieu of taxes recorded as miscellaneous revenue not anticipated in the Current Fund. The taxes which would have been paid on these properties for 2025 without the abatement would have been $1,441,641 of which $399,466 would have been for local municipal tax, minimum library tax, municipal open space tax and special district tax.

Note 18: Postemployment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at https://www.nj.gov/treasury/pensions/financial-reports.shtml.

Note 18: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Benefits Provided

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

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

Contributions

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

Note 18: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Special Funding Situation

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. 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 OPEB liability that is associated with the local participating employer.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deffered inflows of resources, and collective OPEB expense/(benefit). The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense/(benefit) are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Note 18: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense Related to OPEB

The Borough has rolled forward the net OPEB liability as of June 30, 2024 with no adjustments. 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 OPEB information in the Notes to the Financial Statements as the June 30, 2025 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

The State of New Jersey's proportionate share of the net OPEB liability attributable to the Borough at June 30, 2024 was $9,015,892. At June 30, 2024, the State's proportion related to the Borough was .184879% which was a decrease of .008132% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024 the Borough's OPEB benefit as determined by the State of New Jersey Division of Pensions and Benefits was $873,488.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Salary Increases:	
Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% - 6.55% based on years of service
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25% based on years of service

Pre-Retirement Healthy Mortality

Pre-retirement mortality rates for PERS were based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Preretirement mortality rates for PFRS were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Post-Retirement Healthy Mortality

Post-retirement mortality rates for Chapter 330 retirees were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Note 18: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Disabled Retiree Mortality

Disabled retiree mortality rates for PERS future disabled retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for other current retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumption

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend rate is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 19: Leases

The Borough entered into a lease agreement for the lease of space on the Borough's property on which there is an existing cell tower for the development of the premises as a wireless communications facility including the structure, equipment and related facilities. The initial term of the lease was 5 years commencing on November 26, 1990. The lease has been amended three times. The current term of the lease is five years commencing on August 1, 2016 with automatic renewal for an additional five terms of five years each. The initial annual lease payment under the most recent amendment was $50,160 with an increase of 10% at the beginning of each renewal term.

BOROUGH OF WHARTON

SUPPLEMENTARY DATA

Schedule 1

BOROUGH OF WHARTON
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
William Chegwidden	Mayor		
Robert Norton	Council President		
Vincent Binkoski	Council		
Ana Jones	Council		
Paola Vasquez	Council		
Nicole Wickenheisser	Council		
Thomas Yeager	Council		
Gabrielle Evangelista	Borough Clerk	(A)	
Cheryl Muzzillo	Deputy Borough Clerk	(A)	
Joseph Kovalcik, Jr.	Borough Administrator; Chief Financial Officer (to 10/24/25)	(A)	
David Young	Borough Administrator (from 12/08/25)	(A)	
Jason Gabloff	Chief Financial Officer (from 11/17/2025)	(A)	
Diana Spina	Tax Collector	$ 1,000,000	Municipal Excess Liability JIF
Glen Sherman	Tax Assessor	(A)	
Sandi Critchlaw	Water/Sewer Clerk	1,000,000	Municipal Excess Liability JIF
Scott Hutchins	Director of Public Works	(A)	
Andre Brezina	Construction Official	(A)	
Roman B. Hirniak	Borough Attorney		
Van Cleef Engineering Associates, LLC	Borough Engineer		

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

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
CURRENT FUND

BOROUGH OF WHARTON
CURRENT FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2024	A		$ 5,512,837.22
Increased by Receipts:			
Tax Collector		$ 28,886,854.67	
Revenue Accounts Receivable		3,971,691.39	
Miscellaneous Revenue Not Anticipated		516,070.09	
Petty Cash Returned		250.00	
Interest on Investments and Deposits		267,532.91	
Due Federal and State Grant Fund - Interest Income		-	
Due Animal Control Fund - Interest Income		432.35	
Due Other Trust Funds - Interest Income		36,370.34	
Due General Capital Fund - Interest Income		188,196.69	
Due State of New Jersey:			
Marriage License Fees		1,675.00	
Senior Citizens' and Veterans' Deductions		24,000.00	
Contracts Payable		44,179.20	
Appropriation Refunds		434,985.11	
			34,372,237.75
			39,885,074.97
Decreased by Disbursements:			
2025 Appropriation Expenditures		11,884,194.13	
2024 Appropriation Reserve Expenditures		244,461.51	
Petty Cash Advanced		250.00	
Local School District Taxes		10,474,239.00	
Regional High School Taxes		6,788,028.00	
County Taxes		2,510,271.79	
Special Garbage District Taxes		1,419,629.70	
Contracts Payable		44,179.20	
Due Federal and State Grant Fund:			
Matching Funds		6,000.00	
Due Other Trust Funds:			
Municipal Open Space Tax Levy		149,153.55	
Due State of New Jersey - Marriage License Fees		1,825.00	
Third Party Tax Title Lien Redemptions		118,133.50	
Refund of Tax Overpayments		26,206.80	
			33,666,572.18
Balance December 31, 2025	A		$ 6,218,502.79

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

Increased by Receipts:		
Taxes Receivable	$ 27,703,699.93	
Interest and Costs on Taxes	81,931.31	
2026 Prepaid Taxes	123,788.24	
Tax Overpayments	26,452.97	
Third Party Tax Title Liens	118,133.50	
Premium on Tax Sale Certificates	59,200.00	
Miscellaneous Revenue Not Anticipated	832,848.72	
		$ 28,946,054.67
Decreased by:		
Payments to Municipal Treasurer	28,886,854.67	
Payments to Other Trust Funds	59,200.00	
		$ 28,946,054.67

CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance December 31, 2024	A		$ 322,641.89
Increased by Receipts:			
Current Year Grants Receivable		$ 49,061.48	
Prior Year Grants Receivable		505,467.64	
Budget Appropriation - Matching Funds		6,000.00	
Due Current Fund - Interest Income		11,655.47	
			572,184.59
			894,826.48
Decreased by Disbursements:			
Current Year Expenditures		53,621.50	
Prior Year Encumbrances		5,162.80	
Due Current Fund - Interest Income		11,655.47	
Due Water Utility Capital Fund - Interfund Returned		666,634.01	
			737,073.78
Balance December 31, 2025	A		$ 157,752.70

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

Year	Balance Dec. 31, 2024	2025 Levy	Added Taxes	Collections 2024	Collections 2025	State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2025
2023	$ 17.59				$ 17.59				
2024	411,091.36		$ 18,985.46		430,833.62	$ (2,750.00)		$ 1,479.50	$ 513.70
	411,108.95		18,985.46		430,851.21	(2,750.00)		1,479.50	513.70
2025		$ 27,766,131.83		$ 94,263.06	27,272,848.72	26,750.00	$ 9,729.75	30,373.76	332,166.54
	$ 411,108.95	$ 27,766,131.83	$ 18,985.46	$ 94,263.06	$ 27,703,699.93	$ 24,000.00	$ 9,729.75	$ 31,853.26	$ 332,680.24
Ref.	A								A

Analysis of 2025 Property Tax Levy

Tax Yield:		
General Purpose Tax		$ 27,304,315.85
Added and Omitted Taxes		461,815.98
		$ 27,766,131.83
Tax Levy:		
Local School District Taxes		$ 10,474,239.00
Regional High School Taxes		6,788,028.00
Special Garbage District Taxes		1,419,629.70
Local Open Space Taxes		149,153.55
County Taxes:		
General Tax	$ 2,422,350.48	
Open Space	65,330.95	
Due County for Added and Omitted Taxes	43,849.61	
		2,531,531.04
		21,362,581.29
Local Tax for Municipal Purposes Levied	5,676,374.00	
Library Tax Levied	339,301.68	
	6,015,675.68	
Add: Additional Tax Levied	387,874.86	
		6,403,550.54
		$ 27,766,131.83

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BOROUGH OF WHARTON
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.		
Balance December 31, 2024	A		$ 222,636.66
Increased by:			
Transfer from Taxes Receivable		$ 31,853.26	
Added Tax Title Liens		7,681.23	
Interest and Costs on Liens		5,518.41	
			45,052.90
Balance December 31, 2025	A		$ 267,689.56

BOROUGH OF WHARTON
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2024	Accrued in 2025	Collected by Treasurer	Balance Dec. 31, 2025
Licenses:				
Alcoholic Beverages		$ 7,000.00	$ 7,000.00	
Other		18,880.00	18,880.00	
Fees and Permits - Other		59,400.00	59,400.00	
Fines and Costs - Municipal Court	$ 13,632.20	136,688.35	140,721.94	$ 9,598.61
Rents - Borough Lease		50,160.00	50,160.00	
Energy Receipts Tax		556,266.18	556,266.18	
Construction Code Official		129,210.00	129,210.00	
Shared Service Agreement:				
Mine Hill Township		1,934,825.00	1,934,825.00	
Wharton Board of Education		31,228.27	31,228.27	
Water Utility Operating Surplus of Prior Year		612,000.00	612,000.00	
Sewer Utility Operating Surplus of Prior Year		432,000.00	432,000.00	
	$ 13,632.20	$ 3,967,657.80	$ 3,971,691.39	$ 9,598.61
Ref.	A			A

BOROUGH OF WHARTON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

Grant Description	Balance Dec. 31, 2024	Accrued in 2025	Received	Balance Dec. 31, 2025
Clean Communities Grant		$ 16,204.29	$ 16,204.29	
Recycling Tonnage Grant		32,857.19	32,857.19	
Municipal Alliance on Alcoholism and Drug Abuse	$ 5,946.00	6,735.00	5,946.00	$ 6,735.00
Body Armor Replacement Fund		2,178.05	2,178.05	
Body Worn Camera Grant	4,059.70			4,059.70
Local Recreation Improvement Grant	76,000.00			76,000.00
New Jersey Department of Transportation:				
Robert Street	67,800.00		67,800.00	
Baker Street - 2023	149,855.00		112,391.25	37,463.75
Baker Street - 2024	234,567.00			234,567.00
Baker Street - 2025	283,530.00			283,530.00
Morris County Lock 2 East Project - Budget Modification 2	319,330.39		319,330.39	
Highlands Council - Master Plan	51,304.55			51,304.55
	$1,192,392.64	$ 57,974.53	$ 556,707.17	$ 693,660.00
Ref.	A			A

Current Year Receivable	$ 49,061.48
Prior Year Receivable	505,467.64
Transfer from Unappropriated Reserves	2,178.05
	$ 556,707.17

BOROUGH OF WHARTON
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	$ 1,589.13	$ 1,589.13		$ 1,589.13
Other Expenses	4,948.97	4,948.97	$ 1,034.34	3,914.63
Mayor and Council:				
Salaries and Wages	35.04	35.04		35.04
Other Expenses	11,696.19	11,696.19		11,696.19
Municipal Clerk:				
Salaries and Wages	32,892.44	32,892.44		32,892.44
Other Expenses	7,542.30	7,542.30	1,618.56	5,923.74
Financial Administration:				
Salaries and Wages	25,360.14	10,360.14		10,360.14
Other Expenses	8,238.91	8,238.91		8,238.91
Other Expenses - Computer Maintenance/Support	10,223.50	10,223.50		10,223.50
Annual Audit	38,000.00	38,000.00	25,438.75	12,561.25
Liability Insurance	10,588.80	10,588.80	3,250.00	7,338.80
Group Insurance for Employees	113,537.16	113,537.16	3,573.28	109,963.88
Tax Assessment Administration:				
Salaries and Wages	101.07	101.07		101.07
Other Expenses	85.04	85.04		85.04
Revision of Tax Map	10,100.00	10,100.00		10,100.00
Revenue Administration (Tax Collection):				
Salaries and Wages	6,607.28	6,607.28		6,607.28
Other Expenses	4,523.09	4,523.09	1,286.90	3,236.19
Engineering Services and Costs:				
Other Expenses	23,388.00	23,388.00	19,147.90	4,240.10
Legal Services and Costs:				
Other Expenses	43,753.80	43,753.80	19,799.00	23,954.80
Codification of Ordinances	1,031.63	1,031.63		1,031.63
Municipal Land Use Law (NJSA 40:55D-1):				
Land Use Board:				
Salaries and Wages	551.13	551.13		551.13
Other Expenses	13,422.26	28,422.26	17,064.32	11,357.94
Zoning Board of Adjustment:				
Salaries and Wages	463.22	463.22		463.22
PUBLIC SAFETY:				
Aid to Volunteer Fire Company	13,186.24	13,186.24	7,668.84	5,517.40
Fire Department:				
Other Expenses - Building Rent	14,086.75	14,086.75	13,882.00	204.75
Police:				
Salaries and Wages	134,697.02	134,697.02		134,697.02
Other Expenses	39,894.64	39,894.64	17,450.41	22,444.23

BOROUGH OF WHARTON
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):				
Dispatchers:				
Other Expenses	$ 3,906.39	$ 3,906.39		$ 3,906.39
Emergency Management Services:				
Salaries and Wages	99.97	99.97		99.97
Other Expenses	1,350.00	1,350.00		1,350.00
PUBLIC WORKS:				
Street and Road Repairs and Maintenance:				
Salaries and Wages	29,602.99	29,602.99	$ 29,601.00	1.99
Other Expenses	47,819.63	47,819.63	47,819.44	0.19
Public Buildings and Grounds:				
Salaries and Wages	6,465.00	6,465.00	6,465.00	
Other Expenses	35,983.49	35,983.49	35,981.97	1.52
HEALTH AND HUMAN SERVICES:				
Board of Health:				
Salaries and Wages	876.79	876.79		876.79
Other Expenses	9,999.00	9,999.00		9,999.00
Animal Control:				
Salaries and Wages	4,165.00	4,165.00		4,165.00
Other Expenses	2,414.98	2,414.98	190.00	2,224.98
RECREATION AND EDUCATION:				
Parks and Playgrounds:				
Other Expenses	10,520.21	10,520.21	3,200.00	7,320.21
Recreation:				
Salaries and Wages	5,105.05	5,105.05		5,105.05
Other Expenses	13,650.18	13,650.18	80.02	13,570.16
Celebration of Public Events, Anniversary or Holiday - (R.S. 40:48-5.4)	19,946.37	19,946.37		19,946.37
Senior Citizen Van:				
Salaries and Wages	19,819.92	19,819.92	1,516.88	18,303.04
Other Expenses	3,227.49	3,227.49	2,160.81	1,066.68
UTILITIES:				
Bulk Utilities	53,328.05	53,328.05	40,219.74	13,108.31
UNIFORM CONSTRUCTION CODE:				
Construction Official:				
Salaries and Wages	26,052.91	26,052.91		26,052.91
Other Expenses	850.44	850.44		850.44
Other Code Enforcement Functions:				
Housing Inspector:				
Salaries and Wages	382.77	382.77		382.77
Other Expenses	2,591.20	2,591.20		2,591.20
Fire Safety:				
Salaries and Wages	1,318.73	1,318.73		1,318.73
Other Expenses	2,508.27	2,508.27		2,508.27
UNCLASSIFIED:				
Regionalization Feasibility Study	3,000.00	3,000.00		3,000.00
Evaluation/Upgrade Office Hardware/Software:				
Other Expenses	12,500.00	12,500.00		12,500.00

BOROUGH OF WHARTON
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
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	$ 45,363.78	$ 45,363.78	$ 15,860.00	$ 29,503.78
Public Employees' Retirement System	2,700.00	2,700.00		2,700.00
Defined Contribution Retirement System	12,159.03	12,159.03		12,159.03
Liability Insurance	4,316.00	4,316.00		4,316.00
Workers' Compensation Insurance	326.72	326.72		326.72
Other Expenses - Tax Appeals	18,925.00	18,925.00	2,825.00	16,100.00
Shared Service Agreement:				
Mount Arlington - Shared Court	121,839.08	121,839.08	27,327.35	94,511.73
Wharton Board of Education - Class III Special Officer	1,212.50	1,212.50		1,212.50
	$ 1,094,870.69	$ 1,094,870.69	$ 344,461.51	$ 750,409.18

Analysis of Balance December 31, 2024:

	Ref.		
Encumbered	A	$ 73,955.48	
Unencumbered	A	1,020,915.21	
		$ 1,094,870.69	
Cash Disbursed			$ 244,461.51
Due Other Trust Funds - Reserve for Storm Recovery			100,000.00
			$ 344,461.51

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

Increased by:		
Levy - Calendar Year 2025	$	10,474,239.00
Decreased by:		
Payments to Local School District	$	10,474,239.00

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

Increased by:		
Levy - Calendar Year 2025	$	6,788,028.00
Decreased by:		
Payments to Regional High School District	$	6,788,028.00

BOROUGH OF WHARTON
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

Grant Description	Balance Dec. 31, 2024	Transferred from 2025 Budget Appropriations	Expended	Balance Dec. 31, 2025
Municipal Alliance on Alcoholism and				
Drug Abuse:				
2025		$ 6,735.00	$ 2,389.40	$ 4,345.60
2024	$ 3,832.40		3,832.40	
Matching Funds:				
2025		6,000.00	1,529.53	4,470.47
2024	3,637.37		958.10	2,679.27
2022	4,000.00			4,000.00
2021	2,486.41			2,486.41
2019	1,191.37			1,191.37
Clean Communities Grant:				
2025		16,204.29		16,204.29
2024	16,338.00		3,422.30	12,915.70
2023	13,784.22			13,784.22
2022	2,140.28		1,868.06	272.22
2021				
Recycling Tonnage Grant		32,857.19	32,857.19	
Drunk Driving Enforcement Fund - 2019	1,945.17		657.67	1,287.50
Alcohol Education, Rehabilitation and				
Enforcement Fund:				
2023	259.59			259.59
2020	416.77			416.77
2019	482.25			482.25
2018	659.09			659.09
2014	413.56			413.56
2010	1,106.01			1,106.01
2008	1,221.38			1,221.38
Body Armor Replacement Fund - 2024		2,178.05	2,178.05	
Body Worn Camera Grant	4,059.70		4,059.70	
Safe Corridors	7,468.00			7,468.00
Safe Kids / Safe Communities	245.00			245.00
Local Recreation Improvement Grant	76,000.00			76,000.00
Stormwater Assistance	15,000.00			15,000.00
New Jersey Department of Transportation:				
Baker Street - 2023	149,855.00		149,855.00	
Baker Street - 2024	234,567.00		234,567.00	
Baker Street - 2025	283,530.00		283,530.00	
Highlands Council:				
Master Plan	2,116.25			2,116.25
Drainage Study	6,300.00			6,300.00
Pond Management Plan	8,004.85			8,004.85
	$ 841,059.67	$ 63,974.53	$ 721,704.40	$ 183,329.80
Ref.	A			A

Original Budget	$ 2,178.05	
Matching Funds	6,000.00	
Added by NJSA 40A:4-87	55,796.48	
	$ 63,974.53	
Cash Disbursed		$ 53,621.50
Encumbrances Payable		668,082.90
		$ 721,704.40

BOROUGH OF WHARTON
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
Body Armor Replacement Fund		$ 2,178.05		$ 2,178.05	
		$ 2,178.05	$ - 0 -	$ 2,178.05	$ - 0 -
	Ref.	A			A

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
TRUST FUNDS

BOROUGH OF WHARTON
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control Fund		Other Trust Funds	
Balance December 31, 2024	B		$ 7,827.76		$ 2,762,205.27
Increased by Receipts:					
Animal Control License Fees:					
Dog License Fees		$ 5,388.80			
Cat License Fees		2,021.00			
State Dog License Fees		721.20			
Animal Control Services Fees		9,339.50			
Late, Impound and Boarding Fees		1,295.00			
Due Current Fund:					
Interest Income		432.35		$ 36,370.34	
Municipal Open Space Tax Levy				149,153.55	
Interest on Municipal Open Space Deposits				17,864.33	
Due to State of New Jersey - Department of Community Affairs State Training Fees				8,130.00	
Special Deposits				747,677.40	
Special Deposits Receivable				19,565.19	
Police Outside Detail				799,916.26	
Police Outside Detail Receivable				17,480.57	
Municipal Court:					
Parking Offense Adjudication Act Late Parking Fees				490.00	
Public Defender				700.00	
Community Development Block Grants				129,000.00	
Deposits and Interest:					
Unemployment Insurance Fund				38,408.48	
Housing Trust				9,312.96	
Police Forfeited Assets				3,518.51	
Storm Recovery				17,378.20	
Wharton Pride				18,040.89	
Recreation Trust Fund				300.00	
			19,197.85		2,013,306.68
			27,025.61		4,775,511.95
Decreased by Disbursements:					
Administrative Expenses		16,149.38			
Due to State of New Jersey		721.20			
Due Current Fund - Interest Income		432.35		36,370.34	
Due to State of New Jersey - Department of Community Affairs State Training Fees				8,207.00	
Special Deposits - Refunds, Charges and Withdrawals				731,656.16	
Police Outside Detail				815,361.15	
Community Development Block Grants				129,000.00	
Wharton Pride				21,846.49	
Accumulated Absences				23,551.15	
Recreation Trust Fund				300.00	
Unemployment Insurance Fund				54,668.59	
Housing Trust Fund				16,283.75	
Municipal Open Space				83,509.55	
Storm Recovery				1,237.50	
			17,302.93		1,921,991.68
Balance December 31, 2025	B		$ 9,722.68		$ 2,853,520.27

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

NOT APPLICABLE

BOROUGH OF WHARTON
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2024	B		$ 7,763.36
Increased by:			
Animal Control License Fees:			
Received:			
Dog Licenses		$ 5,388.80	
Cat Licenses		2,021.00	
Animal Control Services Fees		9,339.50	
Late, Impound and Boarding Fees		1,295.00	
			18,044.30
			25,807.66
Decreased by:			
Animal Control Expenditures			16,149.38
Balance December 31, 2025	B		$ 9,658.28

License Fees Collected:

Year	
2023	$ 8,116.20
2024	7,416.20
Maximum Allowable Reserve	$ 15,532.40

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
GENERAL CAPITAL FUND

BOROUGH OF WHARTON
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2024	C		$ 3,216,818.22
Increased by Receipts:			
Grants Receivable:			
New Jersey Department of Transportation:			
Transportation Trust Fund		$ 61,750.00	
Transportation Alternatives Program		1,659,286.06	
Budget Appropriation:			
Capital Improvement Fund		3,324,805.00	
Due Current Fund - Interest Income		188,196.69	
			5,234,037.75
			8,450,855.97
Decreased by Disbursements:			
Improvement Authorization Expenditures		2,123,932.83	
Due Current Fund - Interest Income		188,196.69	
			2,312,129.52
Balance December 31, 2025	C		$ 6,138,726.45

BOROUGH OF WHARTON
GENERAL CAPITAL FUND
ANALYSIS OF CASH

Ordinance Date	Ordinance 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	$ 130,485.23							$ 130,485.23
		Capital Improvement Fund	84,532.82	$ 3,324,805.00				$ 2,506,305.00		903,032.82
		Grants Receivable:								
		New Jersey Department of Transportation:								
		Transportation Trust Fund	(700,305.00)		$ 61,750.00					(638,555.00)
		Transportation Alternatives Program	(1,685,771.31)		1,659,286.06					(26,485.25)
		Morris County Trails Construction Grant	(284,498.13)							(284,498.13)
		Due Current Fund			188,196.69		$ 188,196.69			
		Reserve for:								
		Emergency Service Vehicles	93,000.00							93,000.00
		Garbage Truck	14,500.00							14,500.00
		Main Street Improvement	25,037.41							25,037.41
		Senior Bus	55,526.00							55,526.00
		Purchase of Property	5,000.00							5,000.00
		Environmental Cleanup	62,567.78							62,567.78
Date	No.	Improvement Authorizations								
2/6/2017	01-17	Various Improvements	1,168.50							1,168.50
9/11/2017	11-17	Various Improvements	1,727.95							1,727.95
3/11/2019	03-19	Morris Canal Lock 2 East	10,713.99			$ 7,878.99				2,835.00
4/22/2019	09-19	Various Improvements	9,945.54							9,945.54
5/6/2019	13-19	Canal Restoration Project	18,475.00			14,000.00				4,475.00
12/30/2019	23-19	Canal Restoration Project	27,195.27							27,195.27
2/24/2020	01-20	Various Improvements	8,917.27			4,809.00				4,108.27
2/24/2020	04-20	St. Mary's Street Improvements	96,315.80							96,315.80
10/19/2020	16-20	Purchase of a Fire Truck	11,616.25							11,616.25
2/8/2021	01-21	Various Improvements	810.63							810.63
9/27/2021	16-21	Acquisition of Lands	290,045.91			138,439.38				151,606.53
6/13/2022	11-22	Various Improvements	110,411.84			58,254.15				52,157.69
5/8/2023	07-23	Various Improvements	920,058.76			287,828.49				632,230.27
6/12/2023	12-23	Real Property and Land Acquisition	100,751.98			3,500.00				97,251.98
2/5/2024	01-24	Various Improvements	3,493,155.73			575,621.05				2,917,534.68
9/23/2024	17-24	Various Road Improvements	315,433.00			249,155.12				66,277.88
2/10/2025	02-25	Various Improvements				784,446.65			$ 2,506,305.00	1,721,858.35
			$ 3,216,818.22	$ 3,324,805.00	$ 1,909,232.75	$ 2,123,932.83	$ 188,196.69	$ 2,506,305.00	$ 2,506,305.00	$ 6,138,726.45

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

NOT APPLICABLE

BOROUGH OF WHARTON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance No.	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2024 Funded	2025 Authorizations Capital Improvement Fund	Paid or Charged	Balance Dec. 31, 2025 Funded
Various Improvements	01-17	2/6/2017	$ 1,000,000.00	$ 1,168.50			$ 1,168.50
Various Improvements	11-17	9/11/2017	400,000.00	1,727.95			1,727.95
Morris Canal Lock 2 East	03-19	3/11/2019	38,250.00	10,713.99		$ 7,878.99	2,835.00
Various Improvements	09-19	4/22/2019	766,500.00	9,945.54			9,945.54
Canal Restoration Project	13-19	5/6/2019	38,790.00	18,475.00		14,000.00	4,475.00
Canal Restoration Project	23-19	12/30/2019	2,759,852.00	27,195.27			27,195.27
Various Improvements	01-20	2/24/2020	466,500.00	8,917.27		4,809.00	4,108.27
St. Mary's Street Improvements	04-20	2/24/2020	257,000.00	96,315.80			96,315.80
Purchase of a Fire Truck	16-20	10/19/2020	700,000.00	11,616.25			11,616.25
Various Improvements	01-21	2/8/2021	1,000,000.00	810.63			810.63
Acquisition of Lands	16-21	9/27/2021	2,000,000.00	290,045.91		138,439.38	151,606.53
Various Improvements	11-22	6/13/2022	235,165.00	110,411.84		58,254.15	52,157.69
Various Improvements	07-23	5/8/2023	2,278,500.00	920,058.76		287,828.49	632,230.27
Real Property and Land Acquisition	12-23	6/12/2023	1,000,000.00	100,751.98		3,500.00	97,251.98
Various Improvements	01-24	2/5/2024	3,775,000.00	3,493,155.73		575,621.05	2,917,534.68
Various Road Improvements	17-24	9/23/2024	315,433.00	315,433.00		249,155.12	66,277.88
Various Improvements	02-25	2/10/2025	2,506,305.00		$ 2,506,305.00	784,446.65	1,721,858.35
				$ 5,416,743.42	$ 2,506,305.00	$ 2,123,932.83	$ 5,799,115.59
			Ref.	C			C

BOROUGH OF WHARTON
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.		
Balance December 31, 2024	C	$	84,532.82
Increased by:			
2025 Budget Appropriation			3,324,805.00
			3,409,337.82
Decreased by:			
Appropriated to Finance Improvement Authorizations			2,506,305.00
Balance December 31, 2025	C	$	903,032.82

BOROUGH OF WHARTON
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF WHARTON
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

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

NOT APPLICABLE

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
WATER UTILITY FUND

BOROUGH OF WHARTON
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2024	D		$ 2,203,529.98		$ 2,339,999.05
Increased by Receipts:					
Water Utility Collector		$ 2,976,996.54			
Water Fund Capital Balance		225,000.00			
Due Water Utility Capital Fund:					
Interest Earned		110,488.37			
Interest Earned		59,287.06			
Miscellaneous		4,390.34			
Budget Appropriation:					
Capital Improvement Fund				$ 1,150,000.00	
Due Federal and State Grant Fund:					
Interfund Returned				666,634.01	
Due Water Utility Operating Fund:					
Interest Earned				110,488.37	
			3,376,162.31		1,927,122.38
			5,579,692.29		4,267,121.43
Decreased by Disbursements:					
2025 Appropriation Expenditures		2,827,156.20			
2024 Appropriation Reserve Expenditures		78,321.49			
Accrued Interest on NJIB Loan		547.60			
Fund Balance Anticipated in:					
Current Fund		612,000.00			
Water Utility Operating Fund				225,000.00	
Due Water Utility Operating Fund:					
Interest Earned				110,488.37	
Improvement Authorizations				277,896.43	
			3,518,025.29		613,384.80
Balance December 31, 2025	D		$ 2,061,667.00		$ 3,653,736.63

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

Increased by Receipts:	
Consumer Accounts Receivable:	
Water Rents	$ 2,935,520.10
Miscellaneous Revenue	22,029.58
Total Consumer Accounts Receivable	2,957,549.68
Water Rent Overpayments	19,446.86
	2,976,996.54
Decreased by Disbursements:	
Paid to Treasurer	$ 2,976,996.54

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

Ordinance Date	Ordinance No.	Improvement Authorizations	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	$ 248,462.37				$ 225,000.00			$ 23,462.37
		Capital Improvement Fund	5,227.37	$ 1,150,000.00				$ 1,150,000.00		5,227.37
		Due Federal and State Grant Fund	(666,634.01)		$ 666,634.01					
		Due Water Utility Operating Fund			129,705.50		129,705.50			
5/6/2019	12-19	Supervisory Control and Data Acquisition (SCADA) System	18.64							18.64
4/20/2020	08-20	Water System Improvements	68,720.19							68,720.19
6/28/2021	14-21	Single Axle Dump Truck	763.03							763.03
3/28/2022; 8/18/2025	05-22; 12-25	Water System Improvements	500,000.00							500,000.00
6/13/2022; 8/18/2025	13-22; 13-25	Water System Improvements	309,377.41			$ 3,685.50				305,691.91
5/8/2023	08-23	Water System Improvements	874,064.05			274,210.93				599,853.12
2/5/2024	03-24	Water System Improvements	1,000,000.00							1,000,000.00
2/10/2025	03-25	Water System Improvements							$ 1,150,000.00	1,150,000.00
			$ 2,339,999.05	$ 1,150,000.00	$ 796,339.51	$ 277,896.43	$ 354,705.50	$ 1,150,000.00	$ 1,150,000.00	$ 3,653,736.63

BOROUGH OF WHARTON
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2024	D		$ 68,222.90
Increased by:			
Water Rents Levied		$ 2,974,503.91	
Miscellaneous Fees Levied		22,029.58	
			2,996,533.49
			3,064,756.39
Decreased by:			
Collections:			
Water Rents:			
Received		$ 2,935,520.10	
Overpayments Applied		15,727.91	
		2,951,248.01	
Miscellaneous Fees		22,029.58	
			2,973,277.59
Balance December 31, 2025	D		$ 91,478.80

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Ref.	
Balance December 31, 2024	D	$ 16,924,846.69
Balance December 31, 2025	D	$ 16,924,846.69

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance No.	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2024	2025 Authorizations	Balance Dec. 31, 2025
Supervisory Control and Data Acquisition (SCADA) System	12-19	5/6/2019	$ 300,000.00	$ 300,000.00		$ 300,000.00
East Dewey Avenue Water Main	03-20	2/24/2020	500,000.00			
Water System Improvements	08-20	4/20/2020	250,000.00	250,000.00		250,000.00
Supervisory Control and Data Acquisition (SCADA) System	14-20	9/28/2020	300,000.00			
Single Axle Dump Truck	14-21	6/28/2021	225,000.00	225,000.00		225,000.00
Water System Improvements	05-22;	3/28/2022;	500,000.00;			
	12-25	8/18/2025	500,000.00	500,000.00	$ 500,000.00	1,000,000.00
Water System Improvements	13-22;	6/13/2022;	400,000.00;			
	13-25	8/18/2025	166,634.01	400,000.00	166,634.01	566,634.01
Water System Improvements	08-23	5/8/2023	1,225,000.00	1,225,000.00		1,225,000.00
Water System Improvements	03-24	2/5/2024	1,000,000.00	1,000,000.00		1,000,000.00
Water System Improvements	03-25	2/10/2025	1,150,000.00		1,150,000.00	1,150,000.00
				$ 3,900,000.00	$ 1,816,634.01	$ 5,716,634.01
			Ref.	D		D

D-8

BOROUGH OF WHARTON
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		$ 39,669.54	$ 39,669.54		$ 39,669.54
Other Expenses		416,645.94	416,645.94	$ 78,321.49	338,324.45
Capital Improvements:					
Capital Outlay		60,000.00	60,000.00		60,000.00
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		10,090.96	10,090.96		10,090.96
		$ 526,406.44	$ 526,406.44	$ 78,321.49	$ 448,084.95
	Ref.				
Analysis of Balance December 31, 2024:					
Appropriation Reserves:					
Unencumbered	D	$ 500,821.98			
Encumbered	D	25,584.46			
		$ 526,406.44			

BOROUGH OF WHARTON
WATER 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	Paid or Charged	Balance Dec. 31, 2025 Funded
Supervisory Control and Data Acquisition							
(SCADA) System	12-19	5/6/2019	$ 300,000.00	$ 18.64			$ 18.64
Water System Improvements	08-20	4/20/2020	250,000.00	68,720.19			68,720.19
Single Axle Dump Truck	14-21	6/28/2021	225,000.00	763.03			763.03
Water System Improvements	05-22;	3/28/2022;	500,000.00;				
	12-25	8/18/2025	500,000.00	500,000.00			500,000.00
Water System Improvements	13-22;	6/13/2022;	400,000.00;				
	13-25	8/18/2025	166,634.01	309,377.41		$ 3,685.50	305,691.91
Water System Improvements	08-23	5/8/2023	1,225,000.00	874,064.05		274,210.93	599,853.12
Water System Improvements	03-24	2/5/2024	1,000,000.00	1,000,000.00			1,000,000.00
Water System Improvements	03-25	2/10/2025	1,150,000.00		$ 1,150,000.00		1,150,000.00
				$ 2,752,943.32	$ 1,150,000.00	$ 277,896.43	$ 3,625,046.89
			Ref.	D			D

D-10

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2024	D	$ 5,227.37
Increased by:		
2025 Budget Appropriation		1,150,000.00
		1,155,227.37
Decreased by:		
Appropriated to Finance Improvement Authorizations		1,150,000.00
Balance December 31, 2025	D	$ 5,227.37

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2024	D	$ 16,899,719.54
Increased by:		
Paid by Water Utility Operating Budget:		
NJIB Loan		25,127.15
Balance December 31, 2025	D	$ 16,924,846.69

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Ordinance No.	Ordinance Date	Balance Dec. 31, 2024	2025 Authorizations	Balance Dec. 31, 2025
Supervisory Control and Data Acquisition					
(SCADA) System	12-19	5/6/2019	$ 300,000.00		$ 300,000.00
Water System Improvements	08-20	4/20/2020	250,000.00		250,000.00
Single Axle Dump Truck	14-21	6/28/2021	225,000.00		225,000.00
Water System Improvements	05-22;	3/28/2022;			
	12-25	8/8/2025	500,000.00	$ 500,000.00	1,000,000.00
Water System Improvements	13-22;	6/13/2022;			
	13-25	8/8/2025	400,000.00	166,634.01	566,634.01
Water System Improvements	08-23	5/8/2023	1,225,000.00		1,225,000.00
Water System Improvements	03-24	2/5/2024	1,000,000.00		1,000,000.00
Water System Improvements	03-25	2/10/2025		1,150,000.00	1,150,000.00
			$ 3,900,000.00	$ 1,816,634.01	$ 5,716,634.01
		Ref.	D		D

D-13

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

NOT APPLICABLE

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

NOT APPLICABLE

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY INFRASTRUCTURE BANK
(NJIB) LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2025

	Ref.		
Balance December 31, 2024	D	$	25,127.15
Decreased by:			
Principal Matured		$	25,127.15

BOROUGH OF WHARTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
SEWER UTILITY FUND

BOROUGH OF WHARTON
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2024	E		$ 1,720,973.98		$ 1,416,894.13
Increased by Receipts:					
Sewer Utility Collector		$ 2,548,761.93			
Due Sewer Utility Capital Fund:					
Interest Earned		60,849.77			
Interest Earned		58,908.31			
Budget Appropriation:					
Capital Improvement Fund				$ 390,000.00	
Due Sewer Utility Operating Fund:					
Interest Earned				60,849.77	
			2,668,520.01		450,849.77
			4,389,493.99		1,867,743.90
Decreased by Disbursements:					
2025 Appropriation Expenditures		2,113,524.43			
2024 Appropriation Reserve Expenditures		27,248.50			
Fund Balance Anticipated in Current Fund		432,000.00			
Due Sewer Utility Operating Fund:					
Interest Earned				60,849.77	
Improvement Authorizations				14,464.50	
			2,572,772.93		75,314.27
Balance December 31, 2025	E		$ 1,816,721.06		$ 1,792,429.63

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

Increased by Receipts:	
Consumer Accounts Receivable:	
Sewer User Charges	$ 2,515,336.44
Miscellaneous Revenue	29,352.99
Total Consumer Accounts Receivable	2,544,689.43
Sewer User Charge Overpayments	4,072.50
	2,548,761.93
Decreased by Disbursements:	
Paid to Treasurer	$ 2,548,761.93

BOROUGH OF WHARTON
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

Ord. Date	Ord. No.		Balance Dec. 31, 2024	Receipts: Budget Appropriation	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance Dec. 31, 2025
		Fund Balance	$ 591.92							$ 591.92
		Capital Improvement Fund	588,569.47	$ 390,000.00				$ 390,000.00		588,569.47
		Due Sewer Utility Operating Fund			$ 60,849.77		$ 60,849.77			
Date	No.	Improvement Authorizations								
3/28/2022	06-22	Sewer System Improvements	128,454.74							128,454.74
6/13/2022	12-22	Sewer System Improvements	65,000.00							65,000.00
5/8/2023	09-23	Sewer System Improvements	184,278.00			$ 14,464.50				169,813.50
2/5/2024	02-24	Sewer System Improvements	450,000.00							450,000.00
2/10/2025	04-25	Sewer System Improvements							$ 390,000.00	390,000.00
			$ 1,416,894.13	$ 390,000.00	$ 60,849.77	$ 14,464.50	$ 60,849.77	$ 390,000.00	$ 390,000.00	$ 1,792,429.63

BOROUGH OF WHARTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2024	E		$ 78,559.57
Increased by:			
Sewer Rents Levied		$ 2,569,527.97	
Miscellaneous Fees Levied		29,352.99	
			2,598,880.96
			2,677,440.53
Decreased by:			
Collections:			
Sewer User Charges:			
Received		2,515,336.44	
Overpayments Applied		15,808.18	
		2,531,144.62	
Miscellaneous Fees		29,352.99	
			2,560,497.61
Balance December 31, 2025	E		$ 116,942.92

BOROUGH OF WHARTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Ref.	
Balance December 31, 2024	E	$ 6,278,372.60
Balance December 31, 2025	E	$ 6,278,372.60

BOROUGH OF WHARTON
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	Balance Dec. 31, 2025
Sewer System Improvements	06-22	3/28/2022	$ 400,000.00	$ 400,000.00		$ 400,000.00
Sewer System Improvements	12-22	6/13/2022	65,000.00	65,000.00		65,000.00
Sewer System Improvements	09-23	5/8/2023	465,000.00	465,000.00		465,000.00
Sewer System Improvements	02-24	2/5/2024	450,000.00	450,000.00		450,000.00
Sewer System Improvements	04-25	2/10/2025	390,000.00		$ 390,000.00	390,000.00
				$ 1,380,000.00	$ 390,000.00	$ 1,770,000.00
			Ref.	E		E

BOROUGH OF WHARTON
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	$ 45,892.05	$ 45,892.05		$ 45,892.05
Other Expenses	416,743.20	416,743.20	$ 27,248.50	389,494.70
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	10,934.93	10,934.93		10,934.93
	$ 473,570.18	$ 473,570.18	$ 27,248.50	$ 446,321.68

	Ref.	
Analysis of Balance December 31, 2024:		
Appropriation Reserves:		
Unencumbered	E	$ 469,700.54
Encumbered	E	3,869.64
		$ 473,570.18

BOROUGH OF WHARTON
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	Paid or Charged	Balance Dec. 31, 2025 Funded
Sewer System Improvements	06-22	3/28/2022	$ 400,000.00	$ 128,454.74			$ 128,454.74
Sewer System Improvements	12-22	6/13/2022	65,000.00	65,000.00			65,000.00
Sewer System Improvements	09-23	5/8/2023	465,000.00	184,278.00		$ 14,464.50	169,813.50
Sewer System Improvements	02-24	2/5/2024	450,000.00	450,000.00			450,000.00
Sewer System Improvements	04-25	2/10/2025	390,000.00		$ 390,000.00		390,000.00
				$ 827,732.74	$ 390,000.00	$ 14,464.50	$ 1,203,268.24
			Ref.	E			E

BOROUGH OF WHARTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2024	E	$ 588,569.47
Increased by:		
2025 Budget Appropriation		390,000.00
		978,569.47
Decreased by:		
Appropriated to Finance Improvement Authorizations		390,000.00
Balance December 31, 2025	E	$ 588,569.47

BOROUGH OF WHARTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2024	E	$ 6,278,372.60
Balance December 31, 2025	E	$ 6,278,372.60

BOROUGH OF WHARTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Ordinance No.	Ordinance Date	Balance Dec. 31, 2024	2025 Authorizations	Balance Dec. 31, 2025
Sewer System Improvements	06-22	3/28/2022	$ 400,000.00		$ 400,000.00
Sewer System Improvements	12-22	6/13/2022	65,000.00		65,000.00
Sewer System Improvements	09-23	5/8/2023	465,000.00		465,000.00
Sewer System Improvements	02-24	2/5/2024	450,000.00		450,000.00
Sewer System Improvements	04-25	2/10/2025		$ 390,000.00	390,000.00
			$ 1,380,000.00	$ 390,000.00	$ 1,770,000.00
		Ref.	E		E

BOROUGH OF WHARTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

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

NOT APPLICABLE

BOROUGH OF WHARTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2025

NOT APPLICABLE

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
BOND AND INTEREST FUND

NOT APPLICABLE

BOROUGH OF WHARTON
COUNTY OF MORRIS
2025
SPECIAL GARBAGE DISTRICT FUND

BOROUGH OF WHARTON
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2024	H		$ 992,801.91
Increased by Receipts:			
Due Current Fund - District Taxes		$ 1,419,629.70	
Interlocal Service Agreements		85,000.00	
Miscellaneous Revenue		79,592.38	
			1,584,222.08
			2,577,023.99
Decreased by Disbursements:			
2025 Appropriation Expenditures		1,382,171.87	
2024 Appropriation Reserve Expenditures		65,388.18	
			1,447,560.05
Balance December 31, 2025	H		$ 1,129,463.94

BOROUGH OF WHARTON
SPECIAL GARBAGE DISTRICT FUND
SCHEDULE OF DISTRICT TAXES RECEIVABLE
YEAR ENDED DECEMBER 31, 2025

Increased by:	
2025 Tax Levy	$ 1,419,629.70
Decreased by:	
Received from Current Fund	$ 1,419,629.70

BOROUGH OF WHARTON
SPECIAL GARBAGE DISTRICT 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	$ 12,143.72	$ 12,143.72		$ 12,143.72
Other Expenses	137,200.22	137,200.22	$ 65,388.18	71,812.04
Capital Projects	39,282.70	39,282.70		39,282.70
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	5,320.17	5,320.17		5,320.17
	$ 193,946.81	$ 193,946.81	$ 65,388.18	$ 128,558.63

	Ref.	
Analysis of Balance December 31, 2024:		
Appropriation Reserves:		
Unencumbered	H	$ 192,744.88
Encumbered	H	1,201.93
		$ 193,946.81

BOROUGH OF WHARTON

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2025

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

Federal Department/ Pass Through Grantor/Cluster Title	Assistance Listing Number	State Program Account Number	Program	Project	Grant Award	Grant Receipts	Grant Period From	Grant Period To	Grant Expenditures	MEMO Cumulative Total Expenditures	Amounts Provided to Subrecipients
U.S. Department of Housing and Urban Development											
Community Development Block Grant Cluster:											
Entitlement/Special Purpose Grants (Passed through Morris County Office of Community Development)	14.218	N/A	Community Development Block Grant	Replacement of Library Roof and Windows	$ 129,000.00	$ 129,000.00	01/01/25	12/31/25	$ 129,000.00	$ 129,000.00	
Total U.S. Department of Housing and Urban Development						129,000.00			129,000.00	129,000.00	$ - 0 -
U.S. Department of Transportation:											
(Passed through NJ Department of Transportation)	20.205	480-078-6300-HSP-378367	Transportation Alternatives Program	Morris Canal Lock 2 East	2,759,852.00	536,226.06	11/17/19	12/31/26		2,732,656.73	
					1,442,390.09	1,123,060.00	02/08/21	12/31/24		1,442,390.09	
Subtotal Highway Planning and Construction Cluster						1,659,286.06			-0-	4,175,046.82	
Total U.S. Department of Transportation						1,659,286.06			- 0 -	4,175,046.82	- 0 -
TOTAL FEDERAL AWARDS						$ 1,788,286.06			$ 129,000.00	$ 5,005,680.83	$ - 0 -

N/A - Not Applicable/Available.

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

BOROUGH OF WHARTON
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

State Funding Department	State Program	Program Account No.	Grant Award	Grant Receipts	Grant Period From	Grant Period To	Grant Expenditures	MEMO Cumulative Total Expenditures
Department of Environmental Protection	Clean Communities Program	765-042-4900-004-178910	$ 11,860.15		01/01/21	12/31/25	$ 2,818.76	$ 11,860.15
			12,824.45		01/01/22	12/31/26	4,212.10	12,552.23
			16,338.00		01/01/24	12/31/26	3,422.30	3,422.30
			16,204.29	$ 16,204.29	01/01/25	12/31/26		
				16,204.29			10,453.16	27,834.68
	Recycling Tonnage Grant	752-042-4900-004-178840	32,857.19	32,857.19	01/01/25	12/31/25	32,857.19	32,857.19
Total Department of Environmental Protection				49,061.48			43,310.35	60,691.87
Department of Law and Public Safety	Safe and Secure Communities Program	100-066-1020-232-090940	30,000.00	8,089.38	10/01/23	09/30/25	8,089.38	22,575.00
	Drunk Driving Enforcement Fund	100-066-1110-260-YYYY	61,395.10		01/01/19	12/31/26	657.67	60,107.60
	Body Armor Replacement Fund	718-066-1020-001-090160	2,178.05		01/01/24	12/31/25	2,178.05	2,178.05
	Body-Worn Camera Grant Program	495-066-1020-100-092120	48,912.00		01/01/21	12/31/26	3,928.80	48,781.10
Total Department of Law and Public Safety				8,089.38			14,853.90	133,641.75
Department of Treasury (Passed through the County of Morris)	Governor's Council on Alcoholism and Drug Abuse - Municipal Alliance Program	100-082-2000-044-995120	5,946.00	5,946.00	07/01/24	06/30/25	3,832.40	5,946.00
			6,735.00		07/01/25	06/30/26	2,389.40	2,389.40
Total Department of Treasury				5,946.00			6,221.80	8,335.40
Department of Transportation	NJ Municipal Trust Fund Authority Act:							
	East Sterling Street	480-078-6320-AM2-605178	247,000.00	61,750.00	01/01/19	12/31/19		247,000.00
	Robert Street	480-078-6320-AO1-606282	271,200.00	67,800.00	01/01/23	12/31/24		271,200.00
	Baker Street	480-078-6320-APF-606283	149,855.00	112,391.25	01/01/24	12/31/26		
Total Department of Transportation				241,941.25			-0-	518,200.00
TOTAL STATE AWARDS				$ 305,038.11			$ 64,386.05	$ 720,869.02

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

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

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") includes the federal and state grant activity of the Borough of Wharton 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 of Wharton, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough of Wharton.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable 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 not elected to use the 15 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. 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 Wharton
Wharton, 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 Wharton, 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 14, 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 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 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 Wharton
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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.

Mount Arlington, New Jersey
June 14, 2026

NISIVOCCIA LLP

Raymond A. Sarinelli

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

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Borough's financial statements, 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 was disclosed during the audit of the financial statements as 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 Standards*. 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 federal and state grant expenditures were less than the single audit threshold of $1,000,000 identified 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

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; collection of taxes, permit and license fees; and recording of collections. The Chief Financial Officer is responsible for recording transactions, authorizing disbursements, reconciling cash and receivables, and preparing the general ledger.

Cause

This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of these situations and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

BOROUGH OF WHARTON
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)

The audit disclosed the following significant deficiency required to be reported under 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.

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 WHARTON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2025

The prior year finding 2024-001 regarding segregation of duties has not been resolved due to budgetary constraints and is included as current year Finding 2025-001.

BOROUGH OF WHARTON

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

<u>BOROUGH OF WHARTON</u>
<u>COMMENTS AND RECOMMENDATIONS</u>

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

N.J.S. 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. 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. 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. 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. 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 and 40A:11-3 were $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 Borough of Wharton has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

BOROUGH OF WHARTON
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. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

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

On January 2, 2025, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

> BE IT RESOLVED by the Borough Council of the Borough of Wharton, Morris County, New Jersey, that the rate of interest to be paid upon delinquent taxes and utility charges for the year 2025 shall be fixed at the rate of 8% per annum to $1,500 and any amount in excess of $1,500 shall be fixed at the rate of 18% per annum. However, interest shall not be collected upon taxes and utility charges that are not delinquent over ten (10) days. After the tenth day of "grace period", interest reverts back to the due date. An additional penalty of 6% will be imposed on delinquencies in excess of $10,000 at year end.

It appears from a test of the Tax Collector's and Water and Sewer Utility Collector's records that interest was generally collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 9, 2025 and all eligible properties were transferred to lien.

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	10
2024	9
2023	10

BOROUGH OF WHARTON
COMMENTS AND RECOMMENDATIONS
(Continued)

Accounting Requirements Under New Jersey Administrative Code

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 asset accounting and reporting system.
3. General ledger accounting system.

The Borough currently maintains an encumbrance accounting system, a fixed asset accounting and reporting system and a general ledger system.

Municipal Court

Wharton Municipal Court is served by another municipality as a Shared Municipal Court. The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2025.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

	Balance Dec. 31, 2024	Receipts	Disbursements	Balance Dec. 31, 2025
Municipal Treasurer:				
Fines and Fees	$ 13,632.20	$ 136,551.31	$ 140,584.90	$ 9,598.61
Parking Offense Adjudication Act	92.00	442.00	490.00	44.00
Public Defender		700.00	700.00	
State Treasurer	8,265.53	100,534.91	102,623.31	6,177.13
County Treasurer	4,139.00	48,555.92	50,008.75	2,686.17
Weights and Measures	4,350.00	55,200.00	50,050.00	9,500.00
Restitution		500.00	500.00	
Conditional Dismissal/Discharge		555.00	555.00	
Bail Account	3,000.00	19,141.00	20,791.00	1,350.00
Total Mount Arlington Shared Court	33,478.73	362,180.14	366,302.96	29,355.91
Municipal Treasurer:				
Fines and Fees - Dover Shared Court		137.04	137.04	
	$ 33,478.73	$ 362,317.18	$ 366,440.00	$ 29,355.91

BOROUGH OF WHARTON
COMMENTS AND RECOMMENDATIONS
(Continued)

Other Trust Funds – Police Outside Duty

The billings and collections activity for police salaries for special outside duties are not always occurring prior to the performance of services and payments of salaries to the police officers which is not in accordance with Local Finance Notice 2000-14. It is recommended that the Borough should ensure the billings and collections activity for police salaries for special outside duty occurs prior to the performance of services to ensure compliance with Local Finance Notice 2000-14.

Management Response:

The Borough's administration will take the according actions to ensure that the billings and collections activity for police salaries for special outside duty occurs prior to the performance of services to ensure compliance with Local Finance Notice 2000-14.

Management Suggestions

Grants Receivable

During our review of grants receivable, it was noted that there are several outstanding grants from the New Jersey Department of Transportation. It is suggested that the Borough continue to monitor the receivables from the New Jersey Department of Transportation and pursue collection of the grants outstanding.

Risk Management

The Borough is a member of the North Jersey Municipal Employee Benefits Fund (the "NJMEBF") and the financial position and results of the operations of the NJMEBF could affect the Borough's financial position. As a member of the NJMEBF, the Borough could be subject to supplemental assessments in the event of deficiencies. Our review of the most recent financial statements of the NJMEBF reflects a $5,816,409 Net Position, a decrease of $6,099,124. We suggest that the Borough continue to monitor the NJMEBF's operations and evaluate the possibility of any supplemental assessments that might be assessed to the Borough.

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. This statement is effective for the year ending December 31, 2026.

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. This statement is effective for the year ending December 31, 2027.

Status of Prior Year Recommendations

The prior year recommendation with regard to large grants receivable from the New Jersey Department of Transportation and Municipal Court tickets assigned being recalled and reissued to officers if they have not been issued in a six-month period were resolved. The prior year recommendations with regard to segregation of duties was not resolved and is included in the current year report.

BOROUGH OF WHARTON
SUMMARY OF RECOMMENDATIONS

It is recommended that:

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

2. The Borough should ensure the billings and collections activity for police salaries for special outside duty occurs prior to the performance of services to ensure compliance with Local Finance Notice 2000-14.

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