TOWN OF GUTTENBERG

Financial Statements With
Supplementary Information

December 31, 2025

(With Independent Auditors' Reports Thereon)

TOWN OF GUTTENBERG

TABLE OF CONTENTS

PART I

Exhibit/ Schedules		Page
	Independent Auditor's Report	1
	FINANCIAL STATEMENTS	
	Current Fund	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	9
A-3	Statement of Expenditures - Regulatory Basis	12
	Trust Funds	
B	Comparative Balance Sheet - Regulatory Basis	21
	General Capital Fund	
C	Comparative Balance Sheet - Regulatory Basis	23
C-1	Comparative Schedule of Fund Balance - Regulatory Basis	24
	Payroll Account	
F	Comparative Balance Sheets - Regulatory Basis	25
	General Fixed Assets Account Group	
G	Statement of General Fixed Assets - Regulatory Basis	26
	Notes to Financial Statements	27
	Supplementary Data	69

TOWN OF GUTTENBERG

TABLE OF CONTENTS (Continued)

PART I, (Continued)

Exhibit Schedules		Page
	SUPPLEMENTARY INFORMATION	
	Current Fund	
A-4	Schedule of Cash - Collector/Treasurer	72
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	73
A-6	Schedule of Revenue Accounts Receivable	74
A-7	Schedule of Deferred Charges - Emergency Appropriations	75
A-8	Schedule of Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	76
A-9	Schedule of Local District School Taxes Payable	76
A-10	Schedule of County Taxes Payable	77
A-11	Schedule of Due County for Added and Omitted Taxes	77
A-12	Schedule of 2024 Appropriation Reserves	78
A-13	Schedule of Reserve for Encumbrances	81
A-14	Schedule of Tax Overpayments	81
A-15	Schedule of Prepaid Taxes	82
A-16	Schedule of Amount Due to the Hudson County Treasurer - Court Fines and Costs	82
A-17	Schedule of Interfunds Due from/(to) Other Funds	83
A-18	Schedule of Due from/(to) Current Fund - Federal and State Grant Fund	84
A-19	Schedule of Various Reserves	85
A-20	Schedule of Tax Title Liens	86
A-21	Schedule of Grants Receivable - Federal and State Grant Fund	87
A-22	Schedule of Appropriated Grant Reserves - Federal and State Grant Fund	88
A-23	Schedule of Unappropriated Grant Reserves - Federal and State Grant Fund	90
	Trust Funds	
B-1	Schedule of Cash - Treasurer	91
B-2	Schedule of Reserve for Expenditures - Animal License Fund	92
B-3	Schedule of Due to State of New Jersey - Animal License Fees	93
B-4	Schedule of Community Development Block Grants Receivable	94
B-5	Schedule of Reserve for Community Development Block Grants Expenditures	94

TOWN OF GUTTENBERG

TABLE OF CONTENTS (Continued)

PART I, (Continued)

Exhibit/ Schedules		Page
	SUPPLEMENTARY INFORMATION, (continued)	
	Trust Funds, (continued)	
B-6	Schedule of Amount Due to State of New Jersey	95
B-7	Schedule of Interfunds	96
B-8	Schedule of Miscellaneous Reserves	97
B-9	Schedule of Reserve for Unemployment Compensation Insurance	98
	General Capital Fund	
C-2	Schedule of Cash - Treasurer	99
C-3	Schedule of General Capital Fund Cash	100
C-4	Schedule of Deferred Charges to Future Taxation - Funded	101
C-5	Schedule of Deferred Charges to Future Taxation - Unfunded	102
C-6	Schedule of Grants Receivable - Hudson County Open Space Trust Fund	104
C-7	Schedule of Grants Receivable - State of New Jersey Department of Transportation	105
C-8	Schedule of Grants Receivable - State of New Jersey Green Acres Program	106
C-9	Schedule of Grants Receivable - Community Development Block Grant - Passed through Hudson County	106
C-10	Schedule of Grants Receivable - Community Development Block Grant - Disaster Recovery Funds - Passed through NJ Department of Community Affairs	107
C-11	Schedule of Grants Receivable - State of New Jersey Office of Law and Public Safety	107
C-12	Schedule of Serial Bonds	108
C-13	Schedule of Capital Improvement Fund	109
C-14	Schedule of Interfund (Receivable)/Payable - Due to Current Fund	109
C-15	Schedule of Contracts Payable	110
C-16	Schedule of Reserve for Payment of Debt/Bond Anticipation Notes	110
C-17	Schedule of Reserve for Grants Receivable	111
C-18	Schedule of Reserve for Green Acres	111
C-19	Schedule of Reserve for Sewer Improvements	112
C-20	Schedule of Interfund (Receivable)/Payable - Other Trust Fund	112
C-21	Schedule of Improvement Authorizations	113

TOWN OF GUTTENBERG

TABLE OF CONTENTS (Continued)

PART I, (Continued)

Exhibit/ Schedules		Page
	SUPPLEMENTARY INFORMATION, (continued)	
	General Capital Fund, (continued)	
C-22	Schedule of Bond Anticipation Notes Payable	115
C-23	Schedule of Bonds and Notes Authorized Not Issued	116

PART II

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	117
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by N.J. OMB Circular 2025-12	119
Schedule of Expenditures of Federal Awards	123
Schedule of Expenditures of State Awards and Other Financial Assistance	125
Notes to the Schedules of Expenditures of Federal and State Awards	128
Schedule of Findings and Questioned Costs	130
General Comments	134
Comments	137
Recommendations	138
Status of Prior Years Audit Findings/Recommendations	139
Acknowledgment	139

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, RMA, PSA, CMFO
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, PSA, CMFO
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
Guttenberg, NJ 07093

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Town of Guttenberg as of December 31, 2025, and 2024, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and 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 Town of Guttenberg, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

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

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

Opinion on Regulatory Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Guttenberg's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 and *Government Auditing Standards* 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Guttenberg's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. The schedule of expenditure of state financial assistance, as required by New Jersey OMB Circular 25-12, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

W&CO

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2026, on our consideration of the Town of Guttenberg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guttenberg's internal control over financial reporting and compliance.

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

W & Company, LLC

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

April 15, 2026

Exhibit A

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2025 and 2024

Assets	Ref.	2025	2023
Current Fund:			
Cash	A-4	$ 6,857,918	8,890,615
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-8	33,898	34,048
Marriage License Fees - Overpayment	A-19	500	
		6,892,316	8,924,663
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	714,685	505,919
Tax Title Liens	A-20	603,867	544,300
Revenue accounts receivable	A-6	63,066	98,622
Interfunds Receivable:			
Animal License Trust Fund	A-17	2,870	783
Community Development Trust Fund	A-17	927	492
Escrow Trust Fund	A-17	1,606	897
Unemployment Compensation Trust Fund	A-17	25,422	
Other Trust Fund	A-17	15,390	852
Other Trust Fund - Redemption Trust	A-17	7,712	240
Other Trust Fund - Asset Forfeiture - Justice	A-17	1,000	
Federal and State Grant Fund	A-17	19,655	
General Capital Fund	A-17	1,068,956	521,272
		2,525,156	1,673,377
Deferred Charges:			
Emergency Appropriations	A-7	300,000	
		9,717,472	10,598,040
State and Federal Grant Fund:			
Cash	A-4	54,045	142,047
Over-expenditure of Appropriated Grants	A-22	33,012	
Due from Current Fund	A-18		189,993
Grants Receivable	A-21	2,134,546	2,164,013
		2,221,603	2,496,053
		$ 11,939,075	13,094,093

Exhibit A

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2025 and 2024

	Ref.		2025	2023
Liabilities, Reserves and Fund Balance				
Current Fund:				
Appropriation reserves	A-3,A-12	$	247,345	177,287
Encumbrances payable	A-13		985,264	1,615,505
Tax overpayments	A-14		17,287	5,563
Prepaid taxes	A-15		375,404	313,156
County Added Taxes Payable	A-11		74,741	8,425
Reserve for Amount Due to the Hudson County Treasurer - Court Fines and Costs	A-16		6,764	6,764
Interfunds Payable:				
Federal State Grant Fund	A-17			189,993
Reserve for:				
Pension Deferral	A-19		228,137	228,137
Revaluation	A-19		17,130	17,130
Library Contribution	A-19		20,554	20,554
State Library Aid	A-19		11,262	11,262
Marriage License Fees Payable	A-19			1,375
Accounts Payable	A-19		47,000	47,000
Tax Appeals	A-19		46,932	400,780
			2,077,820	3,317,961
Reserve for receivables and other assets	A		2,525,156	1,673,377
Fund balance	A-1		5,114,496	5,881,732
			9,717,472	10,873,070
State and Federal Grant Fund:				
Matching Funds for Grants			95,000	95,000
Due to Current Fund	A-18		19,655	
Appropriated reserves	A-22		2,090,318	2,347,030
Unappropriated reserves	A-23		16,630	54,023
			2,221,603	1,773,906
		$	11,939,075	12,829,895

See accompanying notes to financial statements.

Exhibit A-1

TOWN OF GUTTENBERG

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

Current Fund

Year Ended December 31, 2025 and 2024

		Dec. 31, 2025	Dec. 31, 2024
Revenue and other income realized:			
Fund balance utilized	$	3,021,000	3,293,788
Miscellaneous revenue anticipated		7,199,939	9,783,713
Receipts from delinquent taxes		493,988	434,527
Receipts from current taxes		32,234,046	31,712,060
Nonbudget revenues		730,116	846,547
Other credits to income:			
Unexpended balance of appropriation reserves		128,460	329,352
Appropriated Grant Reserves Cancelled		34,441	
Liabilities Canceled		35,811	943
Interfunds Returned			474,886
Total revenue		43,877,801	46,875,816
Expenditures:			
Budget and emergency appropriations:			
Operations:			
Salaries and wages		7,035,653	6,609,541
Other expenses		13,645,083	15,662,389
Deferred charges and statutory expenditures		1,802,480	1,712,880
Municipal debt service		2,284,623	2,378,837
County taxes		4,662,833	4,959,867
Due county for added taxes		74,741	8,425
Local district school taxes		11,321,822	11,321,823
Interfunds advanced		1,008,274	543,373
Grant receivables cancelled		34,441	
Settlement		49,586	
Refunds		4,501	351
Total expenditures		41,924,037	43,197,486
Excess in Revenue		1,953,764	3,678,330

Exhibit A-1

TOWN OF GUTTENBERG

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

Current Fund

Year Ended December 31, 2025 and 2024

		Dec. 31, 2025	Dec. 31, 2024
Adjustments to income before fund balance-expenditures which are by statute deferred charges to budget of succeeding year		300,000	
Statutory excess to fund balance		2,253,764	3,678,330
Fund balance - January 1,		5,881,732	5,497,190
		8,135,496	9,175,520
Decreased by utilization as anticipated revenue		3,021,000	3,293,788
Fund balance - December 31,	$	5,114,496	5,881,732

See accompanying notes to financial statements.

Exhibit A-2

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Realized	Excess (deficit)
Surplus anticipated	$ 3,021,000	3,021,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	40,000	37,750	(2,250)
Other	100,000	141,490	41,490
Fees and permits:			
Other	100,000	86,487	(13,513)
Fines and costs municipal court	600,000	966,936	366,936
Parking meters	300,000	394,232	94,232
Interest and costs on taxes	75,000	145,688	70,688
Interest on investments and deposits	400,000	506,682	106,682
Energy Receipts Tax	431,823	432,270	447
State of New Jersey - Operational Grant	1,000,000	1,000,000	
Uniform Construction Code Fees	200,000	132,952	(67,048)
East Newark - Shared Services	93,250	129,925	36,675
Interlocal Service Agreements:			
Board of Education - Shared Services	1,800,000	1,800,000	
Public and Private Programs Offset by Revenues:			
Body Armor Replacement Fund	2,581	2,581	
Summer Food Program	45,955	45,955	
Summer Food Program	3,221	3,221	
Drunk Driving Enforcement Program	37,924	37,924	
Board of Education-Bus Service	34,441	34,441	
Distracted Driving - U Drive, U Text, U Pay	7,000	7,000	
Recycling Tonnage Grant	15,815	15,815	
Drive Sober or get Pulled Over	3,061	3,061	
Distracted Driving	3,792	3,792	
Municipal Alliance Against Alcoholism and Drug Abus(	3,533	3,533	
Clean Communities	21,875	21,875	
Local Arts Grant	10,117	10,117	
Opiod Settlement Funds	48,220	48,220	
CDBG-68th and 69th Palisades ave Improvements	88,833	88,833	
Body Worn Cameras	40,760	40,760	
Click it or Ticket	7,000	7,000	
Pedestrian Safety	20,000	20,000	
Alcohol Education Rehabilitation Fund	7,634	7,634	
Click it or Ticket	7,000	7,000	
Time Warner Franchise Fee	37,500	35,287	(2,213)

Exhibit A-2

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2025

	Budget	Realized	Excess (deficit)
Verizon Franchise Fee	30,000	27,742	(2,258)
Capital Fund Balance	153,736	153,736	
Due From General Capital	400,000	400,000	
Reserve for Payment of Debt	400,000	400,000	
Total miscellaneous revenues	6,570,071	7,199,939	629,868
Receipts from delinquent taxes	495,000	493,988	(1,012)
Amount to be raised by taxes for support of municipal budget	16,486,802	18,267,150	1,780,348
Budget total	$ 26,572,873	28,982,077	2,409,204
Nonbudget revenue		730,116	
		$ 29,712,193	

Analysis of Realized Revenue

Allocation of current tax collections; Revenue from collections	$ 32,234,046
Allocated to:	
Local district school tax	11,321,822
County taxes	4,737,574
	16,059,396
Balance for support of municipal budget appropriations	16,174,650
Reserve for uncollected taxes	2,092,500
	$ 18,267,150
Receipts from:	
Delinquent tax collections	$ 493,988

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2025

Analysis of Miscellaneous Revenue Not Anticipated

Miscellaneous	20,397
JIF Refund	10,000
Qual-lynx	4,327
PSEG	6,024
CARFAX	690
Death Certificates	4,150
Foreclosures	8,500
Birth Certificates	661
Wedding Fees	1,325
Abatements	4,000
Canceled Checks	2,487
Election Reimbursement	50
Vacant Property Registration	500
Police Off Duty Administrative Fee	59,078
Tax Collector - PILOTS	496,202
PILOT - Housing Authority	111,552
DMV Inspection Fines	173
	$ 730,116

See accompanying notes to financial statements.

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description		Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Operations-within "CAPS"						
Administrative and executive:						
Salaries and wages	$	490,000	484,261	484,261		
Other expenses		330,000	328,893	328,893		
Elections:						
Other expenses		12,500	13,010	13,010		
Financial administration:						
Salaries and wages		485,000	476,529	476,529		
Other expenses		180,000	226,525	226,525		
Assessment of taxes:						
Salaries and wages		28,000	25,750	25,750		
Other expenses		7,000	5,560	5,560		
Municipal Court:						
Salaries and wages		385,000	333,548	333,548		
Other Expenses		80,000	59,968	59,968		
Collection of taxes:						
Salaries and wages		65,000	68,595	68,595		
Other expenses		9,200	16,730	16,730		
Legal services and costs:						
Other expenses		350,000	362,758	362,758		
Public building and grounds:						
Other expenses		170,000	145,473	145,473		
Engineering:						
Other expenses		130,000	197,270	197,270		

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	14,000	10,300	10,300		
Other expenses	7,000	7,000	1,426	5,574	
Community Action Program:					
Other expenses	20,000	20,000	20,000		
Insurance:					
Insurance-Other	830,525	877,354	877,354		
Group Insurance for Employees	2,454,891	2,454,891	2,358,628	96,263	
Unemployment Insurance	1,000	29,167	29,167		
Insurance/Deductible	5,000	5,000		5,000	
PUBLIC SAFETY:					
Police:					
Salaries and wages	3,300,000	3,257,533	3,257,533		
Other expenses	175,000	449,155	449,155		
Emergency management services:					
Other expenses	5,000	738	738		
Volunteer Ambulance:					
Other expenses	51,450	51,450	51,450		
Fire Official/Inspector:					
Salaries and wages	120,000	109,024	109,024		
Other expenses	5,000	7,149	7,149		
GHA - Security					
Salaries and wages	85,000	86,616	86,616		

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Public Works:					
Street Cleaning:					
Salaries and wages	1,100,000	984,345	984,345		
Other expenses	250,000	259,059	259,059		
Recycling:					
Other expenses	153,000	161,403	161,403		
Solid Waste & Garbage Removal:					
Other expenses	960,000	880,431	869,461	10,970	
Snow Removal:					
Other expenses	25,000	27,706	27,706		
Health and Welfare:					
Public Health Services:					
Other expenses	55,000	55,000	46,534	8,466	
Recreation and Education:					
Recreation:					
Salaries and wages	400,000	496,791	496,791		
Other expenses	125,000	101,888	101,888		
Celebration of public event, anniversary or holiday - other expenses	85,000	53,127	53,127		
Senior Citizens Nutrition Program:					
Salaries and wages	265,000	280,318	280,318		
Other expenses	90,000	51,464	51,464		
Senior Citizens Tranportation:					
Other expenses	35,000	62,029	62,029		
Senior Recreation Program:					
Other expenses	50,000	96,365	96,365		

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform construction code official:					
Salaries and wages	250,000	258,787	258,787		
Other expenses	5,000	5,000	700	4,300	
License inspector:					
Salaries and wages	59,000	75,756	75,756		
Other expenses	2,500	480	480		
UNCLASSIFIED:					
Utilities:					
Electricity	103,000	132,676	132,676		
Street lighting	95,000	65,688	65,688		
Telephone	152,000	139,889	139,889		
Water	30,000	20,670	20,670		
Fire hydrant service	50,000	51,358	51,358		
Sewerage	30,000	5,040	5,040		
Gasoline	140,000	113,616	113,616		
Postage - all departments	38,000	26,217	26,217		
Technology	260,000	379,563	379,563		
Salary & Wage Adjustment	1				
Accumulated Absences	1				
Total Operations within "CAPS"	14,603,068	14,894,913	14,764,340	130,573	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Contingent	6,125	6,125		6,125	
Total Operations Including Contingent-within "CAPS"	14,609,193	14,901,038	14,764,340	136,698	
Detail:					
Salaries & Wages	7,046,002	6,948,153	6,948,153		
Other Expenses (Including Contingent)	7,563,191	7,952,885	7,816,187	136,698	
	14,609,193	14,901,038	14,764,340	136,698	
Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	455,000	435,746	435,746		
Public Employees Retirement system	450,832	450,832	450,832		
Police and Firemans Retirement System of N.J.	911,051	911,051	911,051		
DCRP	3,000	4,851	4,851		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,819,883	1,802,480	1,802,480		
Total General Appropriations for Municipal Purposes within "CAPS"	16,429,076	16,703,518	16,566,820	136,698	

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Operations-Excluded from "CAPS"					
Reserve for Tax Appeals	50,000	50,000	50,000		
911-Other Expenses	50,000	56,437	56,437		
Stormwater Management	20,000	20,000	13,347	6,653	
2025 CAP Exceptions:					
Health Insurance	270,109	270,109	270,109		
Library Service-North Bergen:					
Other expenses	487,035	487,035	425,907	61,128	
North Hudson Regional Communication:					
Other expenses	240,000	240,000	226,000	14,000	
North Hudson Regional Fire & Rescue:					
Other expenses	3,150,000	3,150,000	3,127,261	22,739	
East Newark:					
Clerk/Registrar/QPA	35,000	35,000	35,000		
CFO	25,000	25,000	25,000		
Payroll	27,500	27,500	26,822	678	
Animal Control	5,750	5,750	301	5,449	
Guttenberg Board of Education					
Garbage and Trash	154,100	155,988	155,988		
Electric and Gas	100,000	105,091	105,091		
Public Works	190,000	186,478	186,478		
Snow Removal	10,000	10,275	10,275		
Security	530,000	545,389	545,389		
Public and Private Programs Offset by Revenues					
Municipal Alliance Against Alcohol and Drug Abuse	3,533	3,533	3,533		
Match	883	883	883		

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Public and Private Programs Offset by Revenues, cont.					
Recycling Tonnage Grant	15,816	15,816	15,816		
Drunk Driving Enforcement Fund	37,924	37,924	37,924		
Body Armor Replacement Fund	2,581	2,581	2,581		
Summer Food Program	49,176	49,176	49,176		
FY2025 Guttenberg BOE Bus Services	34,441	34,441	34,441		
Body Worn Cameras	40,760	40,760	40,760		
Pedestrian Safety Grant	20,000	20,000	20,000		
Click It or Ticket	7,000	7,000	7,000		
Click It or Ticket	7,000	7,000	7,000		
Click It or Ticket	7,000	7,000	7,000		
Distracted Driving - U Text, U Drive, U Pay	3,792	3,792	3,792		
Drive Sober or Get Pulled Over	3,061	3,061	3,061		
Opioid Settlement	48,220	48,220	48,220		
CDBG 69th Street	88,833	88,833	88,833		
Local Arts Program	10,117	10,117	10,117		
Clean Communities	21,875	21,875	21,875		
Alcohol Education Rehabilitation	7,634	7,634	7,634		
Total Operations-Excluded from "CAPS"	5,754,140	5,779,698	5,669,051	110,647	
Detail:					
Salaries and Wages	87,500	87,500	86,822	678	
Other Expenses	5,666,640	5,692,198	5,582,229	109,969	
	5,754,140	5,779,698	5,669,051	110,647	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Total Operations-Excluded from "CAPS"	5,754,140	5,779,698	5,669,051	110,647	
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	620,000	620,000	620,000		
Payment of Bond Anticipation and Capital Notes	409,233	409,233	409,233		
Interest on Bonds	665,625	665,625	654,805		10,820
Interest on Notes	602,300	602,300	600,585		1,715
Total Municipal Debt Service-Excluded from "CAPS"	2,297,158	2,297,158	2,284,623		12,535
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	8,051,298	8,076,856	7,953,674	110,647	12,535
Subtotal General Appropriations	24,480,374	24,780,374	24,520,494	247,345	12,535

Exhibit A-3

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2025

Description	Budget	Budget after modifications	Paid or charged	Reserved	Unexpended Balance Canceled
Reserve for Uncollected Taxes	2,092,500	2,092,500	2,092,500		
Total General Appropriations	$ 26,572,874	26,872,874	26,612,994	247,345	12,535

Adopted Budget	26,492,588
Added by N.J.S.A. 40A:4-87	80,286
Emergency Appropriations	300,000
	$ 26,872,874

Analysis of Paid or Charged	
Reserve for Uncollected Taxes	2,092,500
Due to Federal and State Grant Fund	409,646
Reserve for Tax Appeals	31,730
Reserve for Encumbrances	985,264
Cash	23,093,854
	$ 26,612,994

Exhibit B

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2025 and 2024

Assets	Ref.	2025	2024
Animal License Fund:			
Cash	B-1	$ 6,847	5,183
Unemployment Compensation Trust Fund:			
Cash	B-1	29,464	10,723
Community Development Block Grant Trust Fund:			
Cash	B-1	11,767	11,332
Grants receivable	B-4	182,674	182,674
		194,441	194,006
Other Trust Funds:			
Cash	B-1	1,201,663	1,191,877
Intrafund Receivables:	B-7	2,200	200
Interfund Receivables:			
Due from Capital Fund	B-7	29,500	
		1,233,363	1,192,077
		$ 1,438,693	1,401,989

Exhibit B

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2025 and 2024

Liabilities and Reserves	Ref.	2025	2024
Animal License Fund:			
Reserve for Animal License Expenditures	B-2	3,961	4,230
Due to State of New Jersey	B-3	16	169
Due to Current Fund	B-7	2,870	783
		6,847	5,182
Unemployment Compensation Trust Fund:			
Interfund Receivables:			
Due from Current Fund	B-7	25,422	
Reserve for Expenditures	B-9	4,042	10,723
		29,464	194,006
Community Development Block Grant Trust Fund:			
Reserve for Grant Expenditures	B-5	193,514	193,514
Due to Current Fund	B-7	927	492
		194,441	194,006
Other Trust Funds:			
Due to State-Marriage Licenses	B-6		1,250
Intrafunds Payable:	B-7	2,200	200
Interfunds Payable:			
Current Fund - Escrow	B-7	1,606	897
Current Fund	B-7	24,102	1,092
General Capital Fund	B-7		28,000
Reserve for:			
Other Trust Deposits	B-8	1,205,455	1,160,639
		1,233,363	1,192,078
		$ 1,438,693	1,401,989

See accompanying notes to financial statements.

Exhibit C

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2025 and 2024

	Ref.		2025	2024
Assets				
Cash:				
Checking	C-2,C-3	$	5,056,201	5,831,849
Grants Receivable:				
Hudson County Open Space Grant	C-6		525,910	200,324
State of New Jersey - Dept. of Transportation	C-7		4,230,407	1,885,840
State of New Jersey - Department of Environmental Protection, Green Acres Program	C-8		64,172	64,172
Hudson County - Community Development Block Grant	C-9		268,314	268,314
State of New Jersey - Department of Community Affairs	C-10		1,480,605	1,480,605
State of New Jersey - Office of Law & Public Safety	C-11			40,760
Due from Other Trust Fund	C-19			28,000
Deferred charges to future taxation:				
Funded	C-4		14,905,000	15,525,000
Unfunded	C-5		21,862,670	18,084,737
		$	48,393,279	43,409,601
Liabilities, Reserves and Fund Balance				
Serial Bonds	C-12		14,905,000	15,525,000
Bond Anticipation notes	C-22		14,449,584	14,170,767
Capital Improvement Fund	C-13		657,796	728,196
Interfunds Payable:				
Current Fund	C-14		1,068,956	521,272
Other Trust Fund	C-20		29,500	
Reserve for:				
Contracts Payable	C-15		302,424	893,618
Payment of Debt	C-16		2,855,422	2,840,422
Grants Receivable	C-17		6,089,631	3,460,238
Green Acres	C-18		1,149	1,110
Sewer Improvements	C-19		115,000	102,500
Improvement authorizations:				
Funded	C-21		314,696	419,298
Unfunded	C-21		7,530,717	4,593,444
Fund Balance	C-1		73,404	153,736
		$	48,393,279	43,409,601

There were bonds and notes authorized but not issued at December 31, 2025 and December 31, 2024 of $7,413,086 and $3,913,970 respectively. See exhibit C-23.

See accompanying notes to financial statements.

Exhibit C-1

TOWN OF GUTTENBERG

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2025 and 2024

		2025	2024
Balance - December 31, 2024	$	153,736	97,347
Increased by:			
Premium received on Sale of Bond Anticipation Notes		73,404	153,736
		227,140	251,083
Decreased by:			
Budget Revenue - Due to Current Fund		153,736	97,347
Balance - December 31, 2025	$	73,404	153,736

See Accompanying Notes to Financial Statements

Exhibit F

TOWN OF GUTTENBERG

Comparative Balance Sheets-Regulatory Basis

Payroll Account

December 31, 2025 and 2024

		2025	2024
Assets			
Cash	$	11,686	6,278
Liabilities			
Reserve for:			
Agency Deductions and Withholdings	$	99	81
Net Payroll Payable		11,587	6,197
	$	11,686	6,278

See accompanying notes to the financial statements.

Exhibit G

TOWN OF GUTTENBERG

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2025 and 2024

		2025	2024
Land	$	4,455,800	4,455,800
Buildings		6,872,400	6,872,400
Vehicles and equipment		3,373,521	4,176,174
	$	14,701,721	15,504,374

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

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

The Town has the following funds and account group:

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

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

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

Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by N.J.S.A. 4:19-15.11.

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the State of New Jersey.

Community Development Block Grant - This fund is used to account for the award and receipt of grant monies and subsequent expenditure of grants awarded through the Department of Housing and Urban Development passed through the County of Hudson as required by the grant agreements.

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

General Fixed Assets Account Group - To account for all fixed assets of the Town. The Town's infrastructure is not reported in the group.

Payroll Account - This fund is used to account for the receipt and disbursement of net payroll and all deductions and withholdings.

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

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

Basis of Accounting

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

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

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

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

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

Basis of Accounting, (continued)

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

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

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

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than March 31, of the fiscal year. The budget shall be adopted not later than April 30, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line-item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line-item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line-item level. During the years ended December 31, 2025, and 2024, the Mayor and Council approved additional revenues and appropriations of $80,286 and $2,006,926, respectively, in accordance with N.J.S.A. 40A:4-87. An emergency appropriation to fund Police – Other Expenses of $300,000 was also approved in 2025. In addition, several budget transfers were approved by the governing body in both 2025 and 2024.

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

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

Basis of Accounting, (continued)

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

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

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

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

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

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

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

Basis of Accounting, (continued)

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

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

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Town of Guttenberg has developed a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

No depreciation has been provided for in the financial statements.

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

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

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

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

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

Use of Estimates

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

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

Recently Issued Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) statement became effective for the fiscal year ended December 31, 2025:

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating whether this Statement will have an impact on the basic financial statements of the Town.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

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

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

Recently Issued Accounting Pronouncements, (continued)

In September 2024, the Government Accounting Standards Board issued GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement will provide users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025. Management is currently reviewing the provisions of this Statement and its effect on the financial statements of the Borough.

In December 2025, the Government Accounting Standards Board issued GASB Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The Borough is determining what effects, if any, this pronouncement will have on future financial statements.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The Town presents the financial statements listed in the table of contents which are required by the Division, and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. PENSION PLANS

Description of Plans

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

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early

NOTE 2. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and 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.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

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

NOTE 2. PENSION PLANS, (continued)

Defined Contribution Retirement Program

Empower 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 expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

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

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

Year	PERS	PFRS	DCRP
2025	$ 444,117	$ 880,487	$ 4,851
2024	461,392	814,640	2,819
2023	376,773	829,456	2,622

NOTE 2. PENSION PLANS, (continued)

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

The following pension information is as of June 30, 2024, which is the latest information available. This information is eighteen months prior to December 31, 2025. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinions until such time current pension information is available.

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

Public Employees Retirement System (PERS)

At June 30, 2024, the Town had a liability of $4,434,917 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2024, the Town's proportion was .0326383713 percent, which was a decrease of .0018832591 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2025, the Town recognized pension expense of $444,117.

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

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

Year Ended June 30,		
2025	$	(188,296)
2026		145,698
2027		(83,823)
2028		(48,390)
2029		1,260

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16 and 5.21 for years 2024, 2023, 2022, 2021, 2020 and 2019, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2024 and June 30, 2023 are as follows:

	June 30, 2024	June 30, 2023
Collective deferred outflows of resources	$ 1,079,280,780	$ 1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net pension liability	13,588,045,796	14,484,374,047
Borough's Proportion	0.0326383713%	0.0345216304%

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

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

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 Percent

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-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 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets 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%

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Town's proportionate share of the pension liability	$ 5,905,187	$ 4,434,917	$ 3,183,725

Pension Plan Fiduciary Net Position

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

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS)

The following PFRS pension information is as of June 30, 2024, which is the latest information available. This information is eighteen months prior to December 31, 2025. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements Municipal, County and Library's to be issued with unmodified opinions until such time current pension information is available.

At June 30, 2024, the Town had a liability of $6,573,292 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2024, the Town's proportion was .06365399 percent, which was a increase of .002458130 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2025, the Town recognized pension expense of $880,487.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 414,112	$ 225,033
Changes in assumptions	10,391	193,047
Net difference between projected and actual earnings on pension plan investments	-	51,448
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	766,989	236,388
Total	$ 1,191,492	$ 705,916

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2024) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:		
2025	$	(318,395)
2026		366,866
2027		(92,079)
2028		(42,759)
2029		38,039
Thereafter		3,303

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.09, 6.16, 6.22, 6.17, 5.90 and 5.92 for years 2024, 2023, 2022, 2021, 2020 and 2019 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2024 and June 30, 2023 are as follows:

	June 30, 2024	June 30, 2023
Collective deferred outflows of resources	$ 1,350,388,724	$ 1,753,080,638
Collective deferred inflows of resources	1,421,121,200	1,966,439,601
Collective net pension liability	10,326,599,453	11,048,782,843
Town's Proportion	0.06365399%	0.06119586%

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-16.25% (based on years of service)
Thereafter	Not Applicable
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality 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 the actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real 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 Markets 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-Back Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Discount Rate

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Town's proportionate share of the pension liability	$ 9,947,430	$ 6,573,292	$ 3,763,376

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating unit by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

At June 30, 2024 and 2023, the State proportionate share of the net pension liability attributable to the Town for the PFRS special funding situation is $1,295,910 and $1,245,866, respectively. For the years ended June 30, 2024, and 2023, the pension system has determined the State's proportionate share of the pension expense attributable to the Town for the PFRS special funding situation is $149,084 and $141,715, respectively, which is more than the actual contributions the State made on behalf of the Town of $149,084 and $142,479, respectively. The State's proportionate share attributable to the Town was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Town's financial statements.

Pension Plan Fiduciary Net Position

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

NOTE 3. LONG-TERM DEBT

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

On January 5, 2026 (Sine-Die meeting), the Town adopted Ordinance 43-2025 which approved the guarantee of $1,200,000 in lease revenue bonds of the Hudson County Improvement Authority in connection with the financing by the Authority of costs relating to fire and rescue services provided by the North Hudson Regional Fire and Rescue including but not limited to the acquisition of equipment and making certain capital improvements consisting of the acquisition of fire trucks and communication equipment and the reconstruction and improvement of certain fire houses.

Summary of Municipal Debt (Excluding Current Operating Debt)

	Year 2025	Year 2024	Year 2023
Issued:			
General - Bonds, Notes and Loans	$ 30,554,584	$ 29,695,767	$ 29,665,000
Authorized not Issued			
General - Bond, Notes and Loans	7,413,086	3,913,970	1,545,706
Total Bonds, Notes and Loans Issued and Authorized not Issued	37,967,670	33,609,737	31,210,706
Less: Deductions			
Bonds/Notes authorized/issued by the Hudson County Improvement Authority to guaranteed by the Municipality	1,200,000	-	-
Funds Temporarily Held to Pay Bonds and Notes	2,855,422	2,840,422	2,521,080
	4,055,422	2,840,422	2,521,080
Net Bonds, Notes and Loans Issued and Authorized But Not Issued	$ 33,912,248	$ 30,769,315	$ 28,689,626

NOTE 3. LONG-TERM DEBT, (continued)

Long-term debt as of December 31, 2025, and 2024 consisted of the following:

	Balance Dec. 31, 2024	Additions		Reductions	Balance Dec. 31, 2025	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	$ 15,525,000			$ 620,000	$ 14,905,000	$ 620,000
Other Liabilities:						
Compensated Absences	67,081	97,126		21,272	142,935	
Deferred PERS/PFRS Pension Obligation	32,541	34,704	(*)	32,541	34,704	34,704
	$ 15,624,622	$ 131,830		$ 673,813	$ 15,082,639	$ 654,704

(*) - Adjustment was made to agree the ending balance with the billings for the subsequent year. Additional adjustments may be needed in the future for additional amounts owed which are unknown at this time.

	Balance Dec. 31, 2023	Additions		Reductions	Balance Dec. 31, 2024	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	$ 16,130,000	$ -		$ 605,000	$ 15,525,000	$ 620,000
Other Liabilities:						
Compensated Absences	-	67,081			67,081	-
Deferred PERS/PFRS Pension Obligation	15,398	47,329	(*)	30,186	32,541	32,541
	$ 16,145,398	$ 114,410		$ 635,186	$ 15,624,622	$ 652,541

(*) - Adjustment was made to agree the ending balance with the billings for the subsequent year. Additional adjustments may be needed in the future for additional amounts owed which are unknown at this time.

NOTE 3. LONG-TERM DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.434% for 2025.

2025	Gross Debt	Deductions	Net Debt
School District Debt	$ -	$ -	$ -
General Debt	37,967,670	4,055,422	33,912,248
	$ 37,967,670	$ 4,055,422	$ 33,912,248

Net debt of $33,912,248 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $1,393,219,195 equals 2.434%.

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 2.367% for 2024.

2024	Gross Debt	Deductions	Net Debt
School District Debt	$ -	$ -	$ -
General Debt	33,609,737	2,840,422	30,769,315
	$ 33,609,737	$ 2,840,422	$ 30,769,315

Net debt of $30,769,315 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of $1,299,831,150 equals 2.367%.

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

	2025	**2024**
3 1/2% of Equalized Valuation Basis (Municipal)	$ 48,762,672	$ 45,494,090
Net Debt	33,912,248	30,769,315
Remaining Borrowing Power	$ 14,850,424	$ 14,724,775

NOTE 3. LONG-TERM DEBT, (continued)

The Town's long-term debt consisted of the following on December 31, 2025 and 2024:

General Obligation Bonds - Paid by Current Fund	2025	2024
$19,150,000 General Obligation Bonds, due in annual installments of $600,000 to $1,900,000 through August of 2042, interest at 3.00%-5.00%	$ 14,905,000	$ 15,525,000

Aggregate bonded debt service requirements are as follows:

		General Capital Debt	
	Total	Serial Bonds	
Year	Debt Service	Principal	Interest
2026	$ 1,254,625	$ 620,000	$ 634,625
2027	1,253,625	650,000	603,625
2028	1,251,125	680,000	571,125
2029	1,252,125	715,000	537,125
2030	1,253,525	745,000	508,525
2031-35	6,253,750	4,175,000	2,078,750
2036-40	6,256,475	4,995,000	1,261,475
2041-42	2,500,750	2,325,000	175,750
	$ 21,276,000	$ 14,905,000	$ 6,371,000

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

At December 31, 2025 and 2024, the Town had authorized but not issued debt as follows:

	2025	2024
General Capital Fund	$ 7,413,086	$ 3,913,970

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2025, and 2024, the Town had $14,449,584 and $14,170,767 respectively, in outstanding General Capital Fund bond anticipation notes.

	Balance Dec. 31, 2024	Additions	Reductions	Balance Dec. 31, 2025
General Capital Notes Payable:				
TD Financial Products, LLC	$ -	$ 14,449,584	$ -	$ 14,449,584
BNY Mellon Capital Markets, LLC	14,170,767	-	14,170,767	-
	$ 14,170,767	$ 14,449,584	$ 14,170,767	$ 14,449,584

	Balance Dec. 31, 2023	Additions	Reductions	Balance Dec. 31, 2024
General Capital Notes Payable:				
BNY Mellon Capital Markets, LLC	$ 13,535,000	$ -	$ 13,535,000	$ -
BNY Mellon Capital Markets, LLC	-	14,170,767	-	14,170,767
	$ 13,535,000	$ 14,170,767	$ 13,535,000	$ 14,170,767

NOTE 5. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2025 and 2024 which has been appropriated as revenue in the 2026 and 2025 budgets is as follows:

	2026	2025
Current Fund	*	$3,201,000

*Budget not yet introduced

NOTE 6. ACCRUED SICK AND VACATION BENEFITS

As authorized by resolution and effective beginning in calendar year 2024, the Town permits employees to accrue (with certain restrictions) unused sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate in accordance with state law. It is estimated that the current cost of such unpaid compensation would approximate $142,935 and $67,081 as of December 31, 2025 and 2024. This amount is not reported either as an expenditure or liability.

NOTE 7. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2025, and 2024, $-0- of the Town's bank balance of $14,527,812 and $17,445,102, respectively, was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 8. LEASE OBLIGATIONS

The Borough, as a lessee, has entered into the following leases which meet the requirements of GASB 87:

M-10 - Office Space
On October 1, 2019, the Town entered into a lease agreement with Zhonghai Realty, L.L.C. for a five-year period (60) months to utilize space as an office/library resource room and annex. This lease runs through September 30, 2024, and the terms of the agreement include a monthly payment with a 3% increase each year compounded annually. This lease expired September 30, 2024, but was renewed for an additional 60-month term on October 1, 2024. The terms of the agreement include a monthly payment with a 3% increase each year compounded annually. This new lease expires on September 30, 2029.

M-4A - Office Space
On May 1, 2018, the Town entered into a lease agreement with Zhonghai Realty, L.L.C. for a five-year period (60) months to utilize space as an office/library resource room and annex. This lease expired April 30, 2023, but was renewed for an additional 60-month term on May 1, 2023. The terms of the agreement include a monthly payment with a 3% increase each year compounded annually. This new lease expires on April 30, 2028, with a new lessor, Yan Wang.

Under the provisions of GASB 87, as of December 31, 2025, the balance of the lease's payable was $314,866 and $106,183, respectively.

As a result of the regulatory basis of accounting previously describe in note 1, such balances are not recorded on the Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the Current Fund.

The following is a summary of the lease obligation principal and interest payments to maturity:

Year Ended	Principal	Interest	Total
2026	$ 117,806	$ 18,397	$ 136,203
2027	128,030	12,275	140,305
2028	104,495	6,126	110,621
2029	70,718	1,481	72,199
	$ 421,049	$ 38,279	$ 459,328

NOTE 9. FIXED ASSETS

The following is a summary of charges in the General Fixed Assets Account Group as of December 31, 2025, and 2024:

	Balance Dec. 31, 2024	Additions	Reductions		Balance Dec. 31, 2025
Land	$ 4,455,800	$ -	$ -		$ 4,455,800
Buildings	6,872,400	-	-		6,872,400
Equipment & Vehicles	4,176,174	249,491	1,052,144	(3)	3,373,521
	$ 15,504,374	$ 249,491	$ 1,052,144		$ 14,701,721

	Balance Dec. 31, 2023	Additions		Reductions		Balance Dec. 31, 2024
Land	$ 4,282,006	$ 173,794	(1)	$ -		$ 4,455,800
Buildings	3,378,500	3,493,900	(2)	-		6,872,400
Equipment & Vehicles	4,456,384	300,430		580,640	(3)	4,176,174
	$ 12,116,890	$ 3,968,124		$ 580,640		$ 15,504,374

(1) Land values were increased to agree to the amount reported in the annual fixed asset report. The appraisal company made updates for some properties based on the current assessed value. For continuity in reporting, the land value was updated to be in agreement with the fixed asset report.
(2) The appraisal company updated their report to reflect an accurate listing of buildings and building improvements owned by the Town.
(3) The Town increased the capitalization threshold to $5,000 via resolution 65-2024. The result is the substantial amount reported as deletions in the current year and prior year.

NOTE 10. DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2025 consist of the following:

$ 2,870	Due to the Current Fund from the Animal License Trust Fund for the current years' statutory excess, balance of current year interest earnings and the prior year interfund not liquidated.
927	Due to the Current Fund from the Community Development Trust Fund for accumulated interest earned on investments.
25,422	Due to the Current Fund from the Unemployment Compensation Fund to reimburse unemployment claims paid.
15,390	Due to the Current Fund from the Other Trust Fund for the balance of current years investment earnings less tax title lien premiums forfeited and marriage license fees paid from trust in error.
1,606	Due to the Current Fund from the Escrow Trust Fund for the town share of interest earned on developer deposits.
7,712	Due to the Current Fund from Other Trust - Redemption Account for the balance of current year investment earnings.
1,000	Due to the Current Fund from the Other Trust - Asset Forfeiture, Dept. of Justice Account to correct transfers made in error.
29,500	Due to the Other Trust Fund from the General Capital Fund for developer deposits paid to General Capital in excess of that received.
19,655	Due to the Current Fund from the Federal and State Grant Fund for interest earned on investments, less cash disbursements, unappropriated grants, and the budget match for Municipal Alliance not transferred.
1,068,956	Due to the Current Fund from the General Capital fund for budget revenue not transferred, the excess of the appropriation for interet on notes less the balance of current year investment earnings.
700	Due to the Public Defender Trust Fund from the POAA Trust fund to correct a prior year deposit error.
1,500	Due to the Law Enforcement Trust Fund from the Other Trust Fund to correct a prior year deposit error.
$ 1,175,238	

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB)

In addition to the pension described in Note 2, the Town provides post-employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

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

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

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

NOTE 11. <u>OTHER POST RETIREMENT BENEFITS (OPEB)</u>, (continued)

<u>General Information about the OPEB Plan</u>, (continued)

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

<u>Total OPEB Liability</u>

The following other post-employment benefit information for special funding situation is as of June 30, 2024, which is the latest information available. This information is eighteen months prior to December 31, 2025. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinions until such time current other post-employment benefit information for special funding situation is available.

At June 30, 2024, the Town had a liability of $21,480,984 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2024, the Town's proportion was .119969% which was a decrease of .003904% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2025, the Town recognized OPEB expense (benefit) of $84,061.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,087,860	$ 3,639,618
Changes of assumptions	3,591,214	3,565,708
Net difference between projected and actual earnings on OPEB plan investments		9,724
Changes in proportion	5,056,326	1,212,277
Total	$ 9,735,400	$ 8,427,327

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

Year ended June 30:	
2025	$ (1,348,423)
2026	(580,534)
2027	(99,762)
2028	(531,865)
2029	(338,850)
Thereafter	363,458

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 for the years 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

Actual Assumptions and Other Inputs

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

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.

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

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 Assumptions

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 is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend 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 trend 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.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	June 30, 2024		
	1% Decrease 2.93%	At Current Discount Rate 3.93%	1% Increase 4.93%
Town's proportionate share of the pension liability	$ 25,023,031	$ 21,480,984	$ 18,644,119

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

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

The following presents the Town's proportionate share of the net OPEB liability as of June 30, 2024, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Town's proportionate share of the pension liability	$ 18,168,528	$ 21,480,984	$ 25,739,872

NOTE 12. CONTINGENT LIABILITIES

A. Grants

The Town received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During 2025, the Town was not subject to the requirements of the Single Audit Act Amendments of 1996 which mandated that all Federal grant revenues and expenditures be audited in conjunction with a municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors.

B. Other Litigation

The Town is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters is not likely to have a material adverse effect on the financial position of the Town.

Tax Appeals

The Town has a substantial pending tax appeal case outstanding as of December 31, 2025 and settled two other substantial cases in 2025. These cases involve large assessments and there is substantial exposure as noted below:

NOTE 12. CONTINGENT LIABILITIES, (continued)

Summit House Corp. v. Guttenberg (Tax Years 2022, 2023 & 2024)

The Summit House Corp. is the owner of a 183 unit cooperative located at 7100 Boulevard East. At an assessment of $24,800,000, it is the largest single assessment of any property located in the Town. The Summit House case was amicably resolved in January of 2025 and all judgements were settled during 2025.

GSL Savings Bank v. Guttenberg (Tax Years 2025 and 2026)

GSL Savings Bank is a commercial property with 4 appeals pending (Block 13, Lots 10, 11, 12 & 33). Block 13, Lot 11 has a total property assessment of $2,077,600.

FCIO LLC C/O Luis Forero v. Guttenberg (Tax Years 2020, 2021, & 2022)

FCIO LLC is a multi-unit residential property (Block 23, Lot 15) with a property assessment valued at $1,180,000. This matter was settled in 2025 and all applicable refunds were processed.

NOTE 13. ECONOMIC DEPENDENCY

The Town 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 cause an increase in the local tax rate, and could also have a detrimental effect on the level of service that the Town would be able to provide.

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE

Second Amended and Restated Consolidated Municipal Services Agreement for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:48B-1 et seq., known as North Hudson Regional Fire and Rescue (the "Agreement")

Background of the Agreement

On December 30, 1998, the Town adopted a resolution approving it to enter a joint contract with the municipalities of North Bergen, Union City, Weehawken and West New York (the "Other Municipalities"), in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the "Act"). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (the "NHRFR"), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE, (continued)

to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

The NHRFR was in effect from October 1, 1998, as the Other Municipalities had already formed the Agreement before the Town entered on December 30, 1998. The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five-member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality's admission to or withdrawal from the NJFRF requires four votes from the management committee.

Required Contributions by the Town

The Town adopted an ordinance on December 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes. The Town has agreed to convey two parcels of its real property, the value of which will be determined by a qualified appraiser. The Town had also agreed to convey four items of its personal property, which consist of vehicles with an aggregate minimum purchase price of $341,000. The estimated proceeds of all property conveyed, real and personal, was approximately $1,000,000.

The Town was required to contribute $1,500,000 annually to the NHRFR. This annual contribution is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the Other Municipalities. The Agreement also contains provisions for cost and budget balance allocations, and a growth value adjustment to be made in calendar year 2001, but these provisions do not pertain to the Town. As of December 31, 2025, the Town budgeted $3,150,000 and contributed $3,127,261.

NOTE 15. TAXES COLLECTED IN ADVANCE

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

	Balance December 31, 2025	Balance December 31, 2024
Prepaid Taxes	$375,404	$313,156
Cash Liability for Taxes Collected in Advance	$375,404	$313,156

NOTE 16. RISK MANAGEMENT

The Town of Guttenberg is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance coverage to guard against these events which will provide minimum exposure to the Town should they occur. During the year ended December 31, 2025, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Town of Guttenberg is a member of the Garden State Municipal Joint Insurance Fund (the "GSMJIF"). The GSMJIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Town of Guttenberg pays an annual assessment to the GSMJIF and should it be determined that payments received by the GSMJIF are deficient, additional assessments may be levied.

The GSMJIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be sued to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The GSMJIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program.

NOTE 16. RISK MANAGEMENT, (continued)

Financial statements for the Funds are available at the office of the Funds' Executive Director, Garden State Municipal Joint Insurance Fund.

The Town of Guttenberg continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 17. TAX ABATEMENTS

As of December 31, 2025, the Town provides various tax abatements to properties undergoing redevelopment pursuant to the authority contained in the Redevelopment and Housing Law (NJSA 40A:12A-1) and Five-Year Exemption and Abatement Law (NJSA 40A:21 et.seq.)

The Five-Year Exemption and Abatement Law generally concerns rehabilitation of particular buildings and structures, with an abatement period that lasts no more than five years. These “short-term” property tax abatements can be structured as reduced property tax bills that exclude all or part of improvement value or as payments in lieu of taxes (PILOTS). Procedurally, a municipality must first adopt an ordinance invoking its five-year abatement authority and setting forth application procedures. This ordinance, referred to as the general ordinance, defines the eligibility criteria, which may include types of structures, types of permissible improvements, as well as qualifying geographic zones or similar designations. An applicant must satisfy all the criteria stipulated in the statue and general ordinance to be entitled to approval. Applications for individual short-term abatements are presented to the local governing body and must include a general description of the project, plans demonstrating the structure of the project, a statement of reasons for seeking the abatement, claimed benefits to be realized by the applicant and a statement of taxes currently being assessed and taxes to be paid during the period of abatement. The application is approved by an ordinance authorizing execution of a tax agreement. If, during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the property tax which would have otherwise been payable for each year shall become due and payable from the property owner as if no exemption and abatement had been granted.

The Township recognized revenue in the amount of $607,754 from this payment in lieu of taxes which is recorded as miscellaneous revenue in the Current Fund.

NOTE 18. DEFERRED CHARGES

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

	Balance Dec. 31, 2025	Subsequent Year Budget Appropriation	Balance to Succeeding Year Budget
2025			
Current Fund:			
Emergency Apporpriations:			
Police - Other Expenses	$ 300,000	$ 300,000	$ -
Federal and State Grant Fund:			
Over-expenditure of			
Appropriated Grant Reserves	$ 33,012	$ 33,012	$ -
Total Deferred Charges	$ 333,012	$ 333,012	$ -

NOTE 19. SUBSEQUENT EVENTS

The Town has evaluated subsequent events through April 15, 2026, the date which the financial statements were available to be issued, and no other items were noted for disclosure.

SUPPLEMENTARY DATA

TOWN OF GUTTENBERG

Supplementary Data

Comparative Schedule of Tax Rate Information

	2025	2024	2023
Tax rate	4.181	4.128	3.994
Apportionment of tax rate:			
Local school	1.457	1.447	1.446
County	0.602	0.635	0.560
Municipal	2.122	2.046	1.988

Year Ended December 31,	Assessed Valuation
2025	$ 776,656,035
2024	782,495,221
2023	783,493,221

Comparison of Tax Levies and Collections Currently

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

Year Ended December 31,	Tax Levy	Cash Collections	Percentage of Collections
2025	$ 33,069,637	$ 32,234,046	97.47%
2024	32,356,173	31,712,060	98.01%
2023	31,338,120	30,759,497	98.15%

TOWN OF GUTTENBERG

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

Year Ended December 31,	Amount of tax title liens	Amount of delinquent taxes	Total delinquent	Percentage of tax levy
2025	$ 603,867	$ 714,685	$ 1,318,552	3.99%
2024	544,300	505,919	1,050,219	3.25%
2023	490,744	424,961	915,705	2.92%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2025 by foreclosure or deed, as a result of liquidation of tax title liens.

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

Year	Amount
2025	None
2024	None
2023	None

Comparative Schedule of Fund Balances

	Year Ended December 31,	Year ended	Utilized in budget of succeding year
Current Fund:	2025	$ 5,114,496	$ *
	2024	5,881,732	3,300,000
	2023	5,497,191	3,293,788
	2022	6,001,134	3,300,000
	2021	6,048,631	2,600,000

* - Budget not yet introduced

TOWN OF GUTTENBERG

Supplementary Data

Official in Office and Surety Bonds

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

Name	Title	Amount of bond	Name of corporate surety
Wayne Zitt	Mayor		
William Hokien	Councilmember		
Richard Delafuente	Councilmember		
Monica Fundora	Councilmember		
Juana Malave	Councilmember		
John D. Habermann	Councilmember		
James Catania	Town Attorney		
Cosmo Cirillo	Town Administrator/Clerk		
Hiram Gonzalez	Director of Revenue & Finance,	1,000,000	(A)
Richard Anastasi	Deputy Tax Collector, Tax Search Officer		
Vincent Buono	CFO/Tax Collector	1,000,000	(A)
Johanna Fermaint	Deputy Town Clerk		
Lilia Munoz	Municipal Court Judge	1,000,000	(A)
Charles Daglian	Municipal Court Judge	1,000,000	(A)
Bleydeliz Collado	Court Administrator	1,000,000	(A)

(A) Coverage provided through the Garden State Municipal Joint Insurance Fund. Coverage is provided up to $1,000,000 per occurrence.

Exhibit A-4

TOWN OF GUTTENBERG

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2025

		Regular Fund	Federal and State Grant Fund
Balance - December 31, 2024	$	8,890,615	142,047
Increased by receipts:			
Revenue accounts receivable		5,837,441	
Miscellaneous revenues not anticipated		730,116	
Taxes receivable		32,407,378	
Senior citizens and veterans deductions		7,650	
Prepaid Taxes		375,404	
Interfunds		34,321	
Tax Overpayments		53,098	
Various Reserves		2,525	
Grants Receivable			349,767
Due to Current Fund			230,554
		39,447,933	580,321
		48,338,548	722,368
Decreased by disbursements:			
2025 Budget Appropriations		23,093,854	
2024 Appropriation Reserves		1,664,332	
Tax overpayment refunds		5,563	
Local district school tax		11,321,822	
County taxes		4,662,833	
County added taxes		8,425	
Various Reserves		389,853	
Interfunds		329,447	
Refunds		4,501	
Due to Current Fund			3,393
Appropriated Reserves			664,930
		41,480,630	668,323
Balance, December 31, 2025	$	6,857,918	54,045

Exhibit A-5

TOWN OF GUTTENBERG

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2025

Year	Balance, Dec. 31,	2025 Levy	Added Taxes	Collected 2024	Collected 2025	Senior & Veteran's Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2025
2024	$ 505,919				493,988			11,931	
2025		32,471,990	597,647	313,156	31,913,390	7,500	59,567	61,339	714,685
	$ 505,919	32,471,990	597,647	313,156	32,407,378	7,500	59,567	73,270	714,685
				Cash Receipts	32,407,378				
					$ 32,407,378				

Analysis of 2025 Tax Levy

Tax yield:	
General property tax	$ 32,471,990
Added tax (R.S.54:4-63.1 et seq.)	597,647
	$ 33,069,637
Tax levy:	
Local district school tax (abstract)	$ 11,321,822
County tax (abstract)	4,737,574
Local tax for municipal purpose (abstract)	16,486,802
Additional tax levies	523,439
	$ 33,069,637

Exhibit A-6

TOWN OF GUTTENBERG

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2025

	Balance, Dec. 31, 2024	Accrued in 2025	Collected	Balance, Dec. 31, 2025
Clerk:				
Licenses:				
Alcoholic beverages	$	37,750	37,750	
Other		141,490	141,490	
Fees and permits		86,487	86,487	
Construction Code Official-fees and permits		132,952	132,952	
Municipal Court fines and costs	77,497	952,505	966,936	63,066
Parking meters		394,232	394,232	
Interest and cost on taxes		145,688	145,688	
Interest on investments		506,682	506,682	
Energy Receipts Tax		432,270	432,270	
Board of Education - Shared Services		1,800,000	1,800,000	
East Newark - Shared Services	21,125	108,800	129,925	
Time Warner Franchise Fee		35,287	35,287	
Verizon Franchise Fee		27,742	27,742	
State of New Jersey - Operational Grant		1,000,000	1,000,000	
Capital Fund Balance		153,736	153,736	
Due From General Capital		400,000	400,000	
Reserve for payment of debt		400,000	400,000	
	$ 98,622	6,755,621	6,791,177	63,066

Due from General Capital	953,736
Cash	5,837,441
	$ 6,791,177

Exhibit A-7

TOWN OF GUTTENBERG

Schedule of Deferred Charges - Emergency Appropriations

Current Fund

Year Ended December 31, 2025

		Authorized	Balance Dec. 31, 2025
Emergency Appropriations:			
Police - Other Expenses	$	300,000	300,000
	$	300,000	300,000

Exhibit A-8

TOWN OF GUTTENBERG

Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$	34,048
Increased by:				
Senior citizens' and veterans' deductions per tax billings				8,750
				42,798
Decreased by:				
Deductions Disallowed	$	1,250		
Cash received		7,650		
				8,900
Balance - December 31, 2025			$	33,898

Exhibit A-9

Schedule of Local District School Taxes Payable

Current Fund

Year Ended December 31, 2025

Increased by:		
2025 Levy	$	11,321,822
Decreased by:		
Cash Disbursed	$	11,321,822

Exhibit A-10

TOWN OF GUTTENBERG

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2025

Increased by:		
County Tax Levy	$ 4,529,464	
County Open Space Preservation Levy	133,369	
		4,662,833
Decreased by:		
Cash Disbursed		$ 4,662,833

Exhibit A-11

Schedule of Due County for Added and Omitted Taxes

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$ 8,425
Increased by:	
2025 Added Levy	74,741
	83,166
Decreased by:	
Cash Disbursed	8,425
Balance - December 31, 2025	$ 74,741

Exhibit A-12

TOWN OF GUTTENBERG, N.J.

Schedule of 2024 Appropriation Reserves

Current Fund

Year Ended December 31, 2025

	Balance, Dec. 31, 2024	Balance after Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
Administrative and Executive	$ 96	96		96
Financial Administration	7	7		7
Assessment of Taxes	54	54		54
Municipal Court	41	41		41
Police	19	19		19
Streets and Roads	29	29		29
Recreation	59	59		59
Senior Citizens Nutrition Program	29	29		29
Uniform Construction Code	7	7		7
License Inspector	11	11		11
GHA Security	4	4		4
Accumulated Absences	1	1		1
Total Salaries and Wages Within "CAPS"	357	357		357
Salaries Excluded From "CAPS":				
East Newark - Clerk/Registrar/QPA	7,500	7,500		7,500
Payroll	17,908	17,908		17,908
Total Salaries and Wages Excluded from "CAPS"	25,408	25,408		25,408
Other Expenses Within "CAPS":				
Administrative and Executive	322	5,077	1,645	3,432
Elections	21	21		21
Financial Administration	517	694	694	
Collection of Taxes	6	6		6
Assessment of Taxes		2,207	2,207	
Municipal Court	75	6,407	1,342	5,065
Legal Services	9,241	13,517	6,259	7,258
Planning Board	9	3,009	3,000	9
Uniform Construction Code	5	3,005	3,000	5
License Inspector	9	2,009	2,000	9
Engineering	3,478	2,981	2,973	8
Insurance - Other	10	336	201	135
Group Insurance for Employees	31	31		31
Police	44	22,942	8,993	13,949
Emergency Management	2	4,002	4,000	2
Fire Inspector	17	17		17
Streets and Roads	63	24,057	12,648	11,409

Exhibit A-12

TOWN OF GUTTENBERG, N.J.

Schedule of 2024 Appropriation Reserves

Current Fund

Year Ended December 31, 2025

	Balance, Dec. 31, 2024	Balance after Transfers	Paid or Charged	Balance Lapsed
Snow Removal	34	34		34
Recycling	35	1,565	1,563	2
Solid Waste & Garbage Removal	43,958	48,758	48,751	7
Public Buildings and Grounds	3,894	4,010	4,003	7
Public Health Services	131	4,081	3,950	131
Recreation	1,049	9		9
Celebration of Public Events	63	1,118		1,118
Senior Citizens Nutrition Program	44	1,964	1,963	1
Senior Citizens Transportation	4,362	12		12
Senior Recreation Program	167	1,567	1,400	167
Electricity	355	355		355
Street Lighting	3,656	2,912	2,729	183
Telephone	51	51		51
Water	31	31		31
Fire Hydrant Service	1,236	1		1
Sewerage	46	46		46
Gasoline	13,880	9,355	9,355	
Postage - All Departments	1,591	1		1
Technology	68	68		68
Contingent	6,125	6,125		6,125
Total Other expenses Within "CAPS"	94,626	172,381	122,676	49,705
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	12	12		12
Unemployment Insurance	1,000	1,000	1,000	
DCRP	31	31		31
Total Deferred Charges and Statutory Expenditures Within "CAPS"	1,043	1,043	1,000	43
Total Reserves Within "CAPS"	96,026	173,781	123,676	50,105

Exhibit A-12

TOWN OF GUTTENBERG, N.J.

Schedule of 2024 Appropriation Reserves

Current Fund

Year Ended December 31, 2025

		Balance, Dec. 31, 2024	Balance after Transfers	Paid or Charged	Balance Lapsed
Other Expenses Excluded From "CAPS":					
911 Other Expenses		12,176	12,176		12,176
Stormwater Management		5,314	5,314		5,314
North Hudson Regional Fire and Rescue		20,500	1,558,250	1,537,750	20,500
Guttenberg Board of Education					
Snow Removal		10,000	10,000	2,906	7,094
Security		1,164	1,164		1,164
East Newark-Animal Control		4,250	4,250		4,250
Library Services-North Bergen		2,449	2,449		2,449
Total Other Expenses Excluded from "CAPS"		55,853	1,593,603	1,540,656	52,947
Total Reserves Excluded from "CAPS"		81,261	1,619,011	1,540,656	78,355
Total Reserves	$	177,287	1,792,792	1,664,332	128,460

Appropriation Reserves		177,287
Encumbrances		1,615,505
	$	1,792,792

Cash Disbursements	$	1,664,332

Exhibit A-13

TOWN OF GUTTENBERG

Schedule of Reserve for Encumbrances

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	1,615,505
Increased by:		
2025 Encumbrances		985,264
		2,600,769
Decreased by:		
Transferred to appropriation reserves		1,615,505
Balance - December 31, 2025	$	985,264

Exhibit A-14

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$	5,563
Increased by:				
Cash Receipts				53,098
				58,661
Decreased by:				
Cancelled to Operations	$	35,811		
Cash Disbursements		5,563		
				41,374
Balance - December 31, 2025			$	17,287

Exhibit A-15

TOWN OF GUTTENBERG

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	313,156
Increased by:		
Prepaid Taxes Collected		375,404
		688,560
Decreased by:		
Applied to 2025 Taxes		313,156
Balance - December 31, 2025	$	375,404

Exhibit A-16

Schedule of Amount Due to the Hudson County Treasurer - Court Fines and Costs

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	6,764
Balance - December 31, 2025	$	6,764

Exhibit A-17

TOWN OF GUTTENBERG

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2025

		Balance Dec. 31, 2024	Increased	Decreased	Balance Dec. 31, 2025
Trust Funds:					
Animal License Trust Fund	$	783	2,870	783	2,870
CDBG Trust Fund		492	435		927
Unemployment Compensation Fund			25,422		25,422
Other Trust Fund - Redemption Account		240	8,937	1,465	7,712
Other Trust Fund		852	109,614	95,076	15,390
Escrow Trust Fund		897	709		1,606
Asset Forfeiture, Dept. of Justice			1,000		1,000
General Capital Fund		521,272	709,087	161,403	1,068,956
Federal and State Grant Fund		(189,993)	230,554	20,906	19,655
	$	334,543	1,088,628	279,633	1,143,538

		Increased	Decreased
Cash Receipts	$		32,446
Budget Revenue		553,736	
Reimbursement for Expenses Paid		1,250	
Budget Match			883
Interfunds Returned - Cash Receipts			1,875
Cash Disbursements		329,447	
Tax Title Lien Premium Adjustment		7,600	
Deposit Errors		100	
Statutory Excess		2,085	
Miscellaneous Revenue Not Anticipated			60,915
Interest Earned		194,410	183,514
	$	1,088,628	279,633

Exhibit A-18

TOWN OF GUTTENBERG

Schedule of Due from/(to) Current Fund

Federal and State Grant Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$	189,993
Increased by:				
Interest on Investments				230,554
				(40,561)
Decreased by:				
Cash Disbursements	$	3,393		
Unappropriated Grant		16,630		
Budget Match - Municipal Alliance		883		
				20,906
Balance - December 31, 2025			$	(19,655)

Analysis of Balance		
Federal and State Grant Fund Account		(14,761)
Alcohol Education and Rehabilitation Account		(4,894)
	$	(19,655)

Exhibit A-19

TOWN OF GUTTENBERG

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2025

		Balance, Dec. 31, 2024	Increased	Decreased	Balance, Dec. 31, 2025
Reserve for:					
Pension Deferral	$	228,137			228,137
Revaluation		17,130			17,130
Library Contribution - North Bergen		20,554			20,554
State Library Aid		11,262			11,262
Marriage Licenses		1,375	2,525	4,400	(500)
Accounts Payable		47,000			47,000
Tax Appeals		400,780	31,730	385,578	46,932
	$	726,238	34,255	389,978	370,515

		Increased	Decreased
Cash Receipts		2,525	
Cash Disbursements			389,853
Liabilities Cancelled			125
Transfer from 2025 Budget Appropriations		31,730	
	$	34,255	389,978

Exhibit A-20

TOWN OF GUTTENBERG

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	544,300
Increased by:		
Transferred from taxes receivable		59,567
Balance - December 31, 2025	$	603,867

Exhibit A-21

TOWN OF GUTTENBERG

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2025

Purpose	Balance, Dec. 31, 2024	2025 Budget Revenue Realized	Received	Cancelled	Balance, Dec. 31, 2025
Alcohol Education and Rehabilitation Fund	$	7,634	7,634		
Board of Education - Shared Bus Service		34,441		(34,441)	
Body Armor Replacement Fund - 2025		2,581	2,581		
Body Worn Camera Grant		40,760	40,760		
Bulletproof Vest Partnership	3,468				3,468
Clean Communities		21,875	21,875		
Clean Communities	2				2
Click it or Ticket - 2024		7,000			7,000
Click it or Ticket - 2025		7,000	7,000		
CDBG-CV Funds - Food Pantry Program	57,902		57,902		
CDBG-CV Funds - Senior Bus Service	100,000		100,000		
Community Development Block Grant - 69th Street		88,833			88,833
Drunk Driving Enforcement Fund		37,924			37,924
Drunk Driving Enforcement Fund	56,629		29,933		26,696
Distracted Driving - U Text, U Drive, U Pay		3,792	3,792		
Drive Sober or Get Pulled Over		3,061			3,061
Drive Sober or Get Pulled Over - Year End Crackdown		7,000	3,061		3,939
Lead Grant	10,800				10,800
Local Arts Program		10,117	8,075		2,042
NJ Council on Arts	2,500				2,500
2024 Local Recreation Imps.	76,000				76,000
2024 Local Recreation Imps.	86,000				86,000
EPA Clean Water	1,353,752				1,353,752
Municipal Alliance		3,533	3,533		
Municipal Alliance	3,533		3,533		
Municipal Alliance - 2023	484				484
Municipal Alliance	3,533				3,533
BMHAS Municipal Alliance	2,562		1,281		1,281
National Endowment for the Arts - Promotion of the Arts Grant	25,000				25,000
National Opioid Settlement		48,221	48,221		
NJACCHO - Enhancing Local Public Health Infrastructure	11,788				11,788
Pedestrian Safety Grant		20,000			20,000
Summer Food Program - 2025		49,176	48,793		383
Recycling Tonnage Grant		15,816	15,816		
Urban Enterprise Zone - Remaining Balance - 2021	39,459				39,459
Urban Enterprise Zone - Remaining Balance -2023	22,783				22,783
Urban Enterprise Zone - Remaining Balance -2024	25,729				25,729
Urban Enterprise Zone - FY25 Balance of Funds	282,089				282,089
	$ 2,164,013	408,764	403,790	(34,441)	2,134,546

Unappropriated Grants	54,023
Cash Receipts	349,767
	$ 403,790

Exhibit A-22

TOWN OF GUTTENBERG

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2025

Purpose	Balance, Dec. 31, 2024	Budget Appropriations	Expended	Cancelled	Over-Expenditure	Balance, Dec. 31, 2025
Alcohol Education and Rehabilitation Grant	$					
2025		7,634				7,634
2024	12,381					12,381
2023	5,971					5,971
2022	6,159					6,159
2021	7,270					7,270
2020	3,418					3,418
2019	8,439		5,683			2,756
2018	5,127		5,127			
PY	240		240			
American Rescue Plan	169,578		169,578			
Body Worn Cameras		40,760	40,760			
Body Armor Replacement Fund						
2024		2,581				2,581
2023	4,317					4,317
2022	1,444					1,444
2021	2,096					2,096
2020	346					346
Board of Education - Bus Service		34,441		34,441		
CDBG-CV Funds - Food Pantry Program	4,515					4,515
Community Development Block Grant:						
69th Street		88,833				88,833
Clean Communities Grant						
2025		21,875				21,875
2024	22,057		20,294			1,763
2023	19,417		19,417			
2022	17,312		17,312			
2021	6,557		6,557			
Click it or Ticket - 2025		7,000	7,000			
Click it or Ticket - 2024		7,000				7,000
Distracted Driving - U Text, U Drive, U Pay		3,792	3,792			
Drunk Driving Enforcement Fund		37,924				37,924
Drunk Driving Enforcement Fund	33,806		7,071			26,735
Drive Sober or Get Pulled Over - 2025		3,061				3,061
Drive Sober or Get Pulled Over - Year End Crack		7,000	6,421			579
Bulletproof Vest Partnership Program	8,134					8,134
NJ Council On The Arts	250					250
Lead Grant	10,800					10,800
Local Arts Program		10,117	8,075			2,042
Municipal Alliance	3,533		1,281			2,252
Municipal Alliance - 2023	1,118		1,118			
Municipal Alliance						
Municipal Alliance - 2024	3,533		3,099			434
Match	883		883			
Municipal Alliance - 2025		3,533	2,649			884
Match		883	883			
National Endowment for the Arts -						
Promotion of the Arts Grant	3,373					3,373
National Opioid Settlement		48,221	35,556			12,665
Pedestrian Safety Grant		20,000				20,000

Exhibit A-22

TOWN OF GUTTENBERG

Schedule of Appropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2025

Purpose	Balance, Dec. 31, 2024	Budget Appropriations	Expended	Cancelled	Over-Expenditure	Balance, Dec. 31, 2025
Recycling Tonnage Grant -						
2025		15,816	15,816			
2024	1,150		17,023		15,873	
2023	379		17,518		17,139	
2022	15,530		15,530			
2021	14,840		14,840			
2019	13,330		13,330			
2017	1		1			
NJACCHO -						
Enhancing Local Public Health Infrastructure	11,788					11,788
Summer Food Program - 2023	3,420					3,420
Summer Food Program - 2024	39,911		36,300			3,611
Summer Food Program - 2025		49,176	39,480			9,696
NJDCA Local Recreation Imps.	76,000					76,000
NJDCA Local Recreation Imps.	86,000					86,000
EPA Clean Water Grant	1,353,752					1,353,752
Resilient Communities Grant						
Urban Enterprise Zone - Remaining Funds - FY25	282,089		80,145			201,944
Urban Enterprise Zone - Remaining Funds	28,373		28,354			19
Urban Enterprise Zone - Remaining Funds	58,393		23,797			34,596
	$ 2,347,030	409,647	664,930	34,441	33,012	2,090,318

Adopted Budget	328,477
Matching Appropriations	883
Added by N.J.S.A. 40A:4-87	80,286
	$ 409,646

Cash Disbursements - Alcohol Education & Rehabilitation Trust Fund	11,050
Cash Disbursements	653,880
	$ 664,930

Exhibit A-23

TOWN OF GUTTENBERG

Schedule of Unappropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2025

Purpose		Balance, Dec. 31, 2024	Received	Appropriated in 2025 Budget	Balance, Dec. 31, 2025
Body Armor Replacement Fund	$	2,581		2,581	
Summer Food Program		3,221		3,221	
National Opioid Settlement		48,221	16,630	48,221	16,630
	$	54,023	16,630	54,023	16,630

Due from Current Fund		16,630
	$	16,630

Exhibit B-1

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2025

	Animal License Fund	Unemployment Compensation Fund	Community Development Block Grant	Other Trust Funds
Balance - December 31, 2024	$ 5,183	10,723	11,332	1,191,877
Increased by:				
Employee payroll deductions		16,309		
Dog License Fees	1,791			
State Fees	229			
Interest Earned on investments	237	771	435	35,786
Interfunds		25,422		77,125
Miscellaneous Reserves				1,615,517
	2,257	72,669	435	1,728,428
	7,440	83,392	11,767	2,920,305
Decreased by:				
State Fees	213			
Interfunds	236			154,541
Reserve Expenditures	144			
Unemployment Claims payable		53,928		
Miscellaneous Reserves				1,564,101
	593	53,928		1,718,642
Balance - December 31, 2025	$ 6,847	29,464	11,767	1,201,663

Exhibit B-2

TOWN OF GUTTENBERG

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$	4,230
Increased by:				
Dog License Fees	$	1,791		
Liability Cancelled		169		
				1,960
				6,190
Decreased by:				
Reserve Expenditures	$	144		
Statutory Excess		2,085		
				2,229
Balance - December 31, 2025			$	3,961

Dog License Fees Collected		
2023		2,178
2024		1,783
	$	3,961

Exhibit B-3

TOWN OF GUTTENBERG

Schedule of Due to State of New Jersey-
Animal License Fees

Animal License Trust Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$	169
Increased by:				
2025 Fees Collected				229
				398
Decreased by:				
Canceled	$	169		
Paid to State Treasurer		213		
				382
Balance - December 31, 2025			$	16

Exhibit B-4

TOWN OF GUTTENBERG

Schedule of Community Development Block Grants Receivable

Community Development Block Grant Trust Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	182,674
Balance - December 31, 2025	$	182,674
Analysis of Balance		
2021 68-69th Street - Palisades Ave. Imps. - 3-03K1-21		94,146
2022 68-70th Street Imps. - 3-03K1-22		88,528
	$	182,674

Exhibit B-5

TOWN OF GUTTENBERG

Schedule of Reserve for Community Development Block Grants Expenditures

Community Development Block Grant Trust Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	193,514
Balance - December 31, 2025	$	193,514

Exhibit B-6

TOWN OF GUTTENBERG

Schedule of Amount Due to State of New Jersey

Other Trust Funds

Year Ended December 31, 2025

Balance - December 31, 2024	$	1,250
Decreased by:		
Cash Disbursements	$	1,250

Exhibit B-7

TOWN OF GUTTENBERG

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2025

	Balance Due from/(to) Dec. 31, 2024	Increased	Decreased	Balance, from/(to) Dec. 31, 2025
Animal License Fund:				
Current Fund	$ (783)	2,323	236	(2,870)
Community Development Block Grant Fund:				
Current Fund	(492)	435		(927)
Unemployment Compensation Trust Fund:				
Current Fund		25,422		(25,422)
Other Trust Fund:				
Escrow Trust - Current Fund	(897)	709		(1,606)
Current Fund - Redemption Account	(240)	8,937	1,465	(7,712)
Current Fund	(852)	109,614	95,076	(15,390)
Current Fund - Asset Forfeiture, Dept. of Justice		1,000		(1,000)
General Capital Fund	(28,000)		57,500	29,500
Intrafunds:				
Law Enforcement Trust - Due from Other Trust			1,500	1,500
Other Trust - Due to Law Enforcement Trust		1,500		(1,500)
Public Defender - Due from POAA Trust	200		500	700
POAA Trust Fund - Due to Public Defender	(200)	500		(700)
	$ (31,264)	150,440	156,277	(25,427)

	Increased	Decreased
Cash Receipts	$ 102,547	
Cash Disbursements		154,777
Deposit Errors		1,500
Statutory Excess	2,085	
Tax Title Lien Premium Adjustment	7,600	
Reimbursement for Expenses Paid	1,750	
Interest on Investments	36,458	
	$ 150,440	156,277

TOWN OF GUTTENBERG

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2025

	Balance, Dec. 31, 2024	Increased	Decreased	Balance, Dec. 31, 2025
Reserve for:				
Tax Redemptions	$ 15,526	487,591	487,591	15,526
Snow Removal	175,000			175,000
P.O.A.A.	29,091	23,827	13,390	39,528
Law Enforcement Trust	16,239	4,870	16,163	4,946
Fireman's Training	382			382
Lead Water Service	11,776	114,620	93,467	32,929
Recreation Trust	11,998	41,580	48,099	5,479
Annual Celebrations	21,332	1,390	150	22,572
Fire Prevention	38,422	24,156	3,876	58,702
71st & Broadway Project - Engineering	799			799
Builders Escrow Deposits	250,057	203,903	156,943	297,017
Police Special Detail	274,396	634,645	592,677	316,364
Public Defender	15,292	3,655	11,114	7,833
Piano Lessons - Library		200		200
Asset Forfeitures - Equitable Sharing				
Justice	2,697	1,872	3,543	1,026
Treasury	91	1		92
Senior Citizens	3,185	34,512	37,532	165
Tax Sale Premiums	264,800	20,000	70,500	214,300
Food Pantry	4,556	20,195	15,215	9,536
Accumulated Leave	25,000		21,941	3,059
	$ 1,160,639	1,617,017	1,572,201	1,205,455
Cash Receipts		1,615,517		
Cash Disbursements			1,564,101	
Interfund		1,500	8,100	
		$ 1,617,017	1,572,201	

Exhibit B-9

TOWN OF GUTTENBERG

Schedule of Reserve for Unemployment Compensation Insurance

Unemployment Insurance Compensation Trust

Year Ended December 31, 2025

Balance - December 31, 2024			$	10,723
Increased by:				
Employee Payroll Deductions	$	16,309		
Interest earnings		771		
Budget Appropriation		30,167		
				47,247
				57,970
Decreased by:				
Payment of Unemployment Insurance Claims				53,928
Balance - December 31, 2025			$	4,042

Exhibit C-2

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$ 5,831,849
Increased by receipts:		
Premium on Sale of Notes	$ 73,404	
Due to/(from) Current Fund	155,351	
Due to/(from) Other Trust	57,500	
Reserve for Sewer Improvments	12,500	
Grant Receipts	922,313	
Budget Appropriation - Paydown on Notes	409,233	
Reserve for Green Acres	39	
Bond Anticipation Notes	688,050	
		2,318,390
		8,150,239
Decreased by disbursements:		
Due to/(from) Current Fund	161,403	
Contracts Payable	893,618	
Bond Anticipation Notes	409,233	
Improvement Authorizations	1,629,784	
		3,094,038
Balance - December 31, 2025		$ 5,056,201

Exhibit C-3

TOWN OF GUTTENBERG

Schedule of General Capital Fund Cash

General Capital Fund

Year Ended December 31, 2025

Capital Improvement Fund		$	657,796
Reserve for Payment of Debt			2,855,422
Grants Receivable - NJ Department of Transportation			(4,230,407)
Grant Receivable - Hudson County Open Space			(525,910)
Grant Receivable - State of NJ, Green Acres Program			(64,172)
Grant Receivable - Hudson County Community Development			(268,314)
Grant Receivable - NJ Department of Community Affairs			(1,480,605)
Reserve for Grants Receivable			6,089,631
Reserve for Sewer Improvements			115,000
Due to Current Fund			1,068,956
Due to Other Trust Fund			29,500
Contracts Payable			302,424
Reserve for Green Acres			1,149
Fund Balance			73,404
	Improvement description		
6-2008/18-2012/ 26-2013/16-2014	Improvements to Waterfront Park		25,464
2-2012/8- 2018/28-2018	Construction of Building and Imps. to the Anna L. Klein School for Community, Recreational and Educational Purposes		363,830
17-2012/3-2013	Improvements to 68th Street, Sec. 4		67,143
25-2013	Various Street Improvements		60,149
13-2014	Improvements to 69th Street		6,386
16-2015/26- 2017/24-2019	Various Capital Improvements		884
7-2016	Acquisition and Installation of a Generator		41,417
22-2017	70th Street Road and Related Sewer Imps.		256
20-2018	Renovation of Monument Park		43,792
21-2018/14-2019	Renovations to Veteran's Park		(3,128)
25-2018	Sewer Improvements		1,239
12-2019	Road Imps. to Broadway & Bellevue		57,936
31-2019	Acquisition and Imps. to 506 70th Street - Park Development		26,493
28-2020	Traffic Signal & Road Improvements		648
20-2021	Various Capital Improvements		(1,005)
11-2022	Acquisition of Property		34,429
20-2022	Installation of Traffic Signals on Broadway at Various Intersections		139,532
8-2023	Various Sewer Improvements		87,255
18-2023	Roof Replacement - Town Hall		45,274
26-2023/13-2024	Various Capital Improvements		353,513
16-2024	Traffic Signal Imps. - Park and 70th		89,430
19-2024	JFK Blvd East Flood Mitigation Project		(310,349)
21-2024	Rehabilitation of 69th Street		(348,277)
22-2024	Traffic Signal Imps. - 68th and Polk Streets		(224,852)
7-2025	Traffic Signal Upgrades - 69th and Palisades Ave		(12,227)
8-2025	Pedestrian Safety Intersection Improvements		(157,905)
37-2025	Monument Park Renovation Project		45,000
		$	5,056,201

Exhibit C-4

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Funded

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	15,525,000
Decreased by:		
Budget appropriations:		
Serial Bonds		620,000
Balance - December 31, 2025	$	14,905,000

Exhibit C-5

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2025

Ordinance number	Improvement description	Balance, Dec. 31, 2024	2025 Authorizations	Decreased by:	Balance, Dec. 31, 2025	Analysis of Balance December 31, 2025: Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
2-2012	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	$ 666			666		666	
17-2012	Improvements to 68th Street, Section 4	104,154			104,154			104,154
16-2014	Improvements to Waterfront Park	49,368			49,368			49,368
26-2017	Various Capital Improvements	2			2			2
22-2017	70th Street Road and Sewer Imps.	151,429		23,947	127,482	127,482		
08-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	1,345,347		26,551	1,318,796	1,318,796		
20-2018	Renovation of Monument Park	16,029		6,945	9,084	9,084		
21-2018	Renovations to Veteran's Park	309,644		30,952	278,692	273,792	3,128	1,772
25-2018	Sewer Improvements	1,827,847		24,051	1,803,796	1,803,796		
28-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes	632,136		11,288	620,848	620,848		
12-2019	Road Imps. to Broadway & Bellevue	322,104		18,948	303,156	303,156		
24-2019	Various Capital Improvements	1,197,604		56,223	1,141,381	1,141,331	50	
31-2019	Acquisition & Improvements to 506 70th Street - Park Development	221,120		8,190	212,930	210,430		2,500
28-2020	Traffic Signal and Road Improvements	1,610,526		89,474	1,521,052	1,521,052		
18-2021	Combined Sewer Overflow Sewer System Imps.	1,406,962		18,038	1,388,924	1,388,924		
20-2021	Various Capital Improvements	1,934,035		94,626	1,839,409	1,835,748	1,005	2,656
11-2022	Acquisition of Property	332,500			332,500			332,500
20-2022	Installation of Traffic Signals on Broadway at Various Intersections	550,000			550,000	550,000		
8-2023	Various Sewer Improvements	950,000			950,000	950,000		
18-2023	Roof Replacement - Town Hall	665,000			665,000	662,095		2,905
26-2023	Various Capital Improvements	1,045,000			1,045,000	1,045,000		
13-2024	Amend 26-2023	588,050			588,050	588,050		-
16-2024	Traffic Signals	315,931		121,956	193,975	100,000		93,975

Exhibit C-5

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2025

Ordinance number	Improvement description	Balance, Dec. 31, 2024	2025 Authorizations	Decreased by:	Balance, Dec. 31, 2025	Analysis of Balance December 31, 2025: Funded by Bond Anticipation Notes	Expenditures	Unexpended improvement authorization
19-2024	JFK Blvd East Flood Mitigation Project	1,480,605			1,480,605		310,349	1,170,256
21-2024	Rehabilitation of 69th Street	750,000		385,357	364,643		348,277	16,366
22-2024	Traffic Signal Imps. on 68th and Polk St.	278,678			278,678		224,852	53,826
7-2025	Traffic Signal Upgrades - 69th & Palisades Ave		566,880.00		566,880		12,227	554,653
8-2025	Pedestrian Safety Imps.		2,790,000.00		2,790,000		157,905	2,632,095
16-2025	Amend 20-18: Renovation of Monument Park		482,599.00		482,599			482,599
37-2025	Monument Park Renovation Project		855,000.00		855,000			855,000
		$ 18,084,737	4,694,479	916,546	21,862,670	14,449,584	1,058,459	6,354,627

Budget Appropriation - Principal Paydown on Notes	409,233
Unappropriated Grant Proceeds Received	507,313
	$ 916,546

Improvement Authorizations - Unfunded		7,530,717
Less: Unexpended note proceeds		
Ord. 26-2017	934	
Ord. 22-2017	256	
Ord. 08-2018	364,496	
Ord. 20-2018	9,084	
Ord. 25-2018	1,239	
Ord. 12-2019	57,936	
Ord. 31-2019	26,493	
Ord. 28-2020	648	
Ord. 20-2022	139,532	
Ord. 08-2023	87,255	
Ord. 18-2023	45,274	
Ord. 26-2023	353,513	
Ord. 16-2024	89,430	
		1,176,090
		$ 6,354,627

Exhibit C-6

TOWN OF GUTTENBERG

Schedule of Grants Receivable
Hudson County Open Space Trust Fund

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024		$	200,324
Increased by:			
Grant Awards			325,586
Balance - December 31, 2025		$	525,910
	Analysis of Balance		
	Ord. 16-2025		422,804
	Ord. 35-2020		45,196
	Ord. 27-2023		57,910
		$	525,910

Exhibit C-7

TOWN OF GUTTENBERG

Schedule of Grants Receivable - State of New Jersey
Department of Transportation

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	1,885,840
Increased by:		
Grant Awards		3,266,880
		5,152,720
Decreased by:		
Cash Receipts		922,313
Balance - December 31, 2025	$	4,230,407

Analysis of Balance		
Ord 20-2022: Traffic Signals on Broadway at Various Intersections		150,000
Ord 20-2022: Traffic Signals on Broadway at Various Intersections		162,500
Ord. 16-2024 Traffic Signal Imps. Park Ave & 70th Street		96,234
Ord. 21-2024 Rehabilitation of 69th Street		364,643
Ord. 22-2024 Traffic Signal Imps. 68th & Polk St.		190,150
Ord. 7-2025: Traffic Signal Imps. 69th & Palisades Ave.		566,880
Ord. 8-2025: Pedestrian Safety Intersection Imp.		2,700,000
	$	4,230,407

Exhibit C-8

TOWN OF GUTTENBERG

Schedule of Grants Receivable - State of New Jersey
Green Acres Program

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	64,172
Balance - December 31, 2025	$	64,172
Analysis of Balance		
Ord. 6-2008/18-2012: Improvements to Waterfront Park	$	64,172

Exhibit C-9

Schedule of Grants Receivable -
Community Development Block Grant - Passed through Hudson County

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	268,314
Balance - December 31, 2025	$	268,314
Analysis of Balance		
Ord. 20-2022: Traffic Signals on Broadway at Various Intersections		94,146
Ord. 16-2024: Traffic Signal Imps. - Park Ave & 70th St.		85,640
Ord. 8-2025: Pedestrian Safety Intersection Imps.		88,528
	$	268,314

Exhibit C-10

TOWN OF GUTTENBERG

Schedule of Grants Receivable - Community Development Block Grant - Disaster Recovery Funds - Pass Through New Jersey Department of Community Affairs

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	1,480,605
Balance - December 31, 2025	$	1,480,605

Analysis of Balance		
Ord. 19-2024 - JFK Blvd. East Flood Mitigation Project	$	1,480,605

Exhibit C-11

Schedule of Grants Receivable - State of New Jersey Office of Law and Public Safety

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	40,760
Decreased by:		
Cancelled	$	40,760

Exhibit C-12

TOWN OF GUTTENBERG

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2025

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2024	Decreased	Balance, Dec. 31, 2025
			Date	Amount				
General Obligation Bonds	Jun. 7, 2018	19,150,000	Aug. 1, 2026	620,000	5.00%	15,525,000	620,000	14,905,000
			Aug. 1, 2027	650,000	5.00%			
			Aug. 1, 2028	680,000	5.00%			
			Aug. 1, 2029	715,000	4.00%			
			Aug. 1, 2030	745,000	4.00%			
			Aug. 1, 2031	770,000	4.00%			
			Aug. 1, 2032	805,000	4.00%			
			Aug. 1, 2033	835,000	4.00%			
			Aug. 1, 2034	870,000	3.25%			
			Aug. 1, 2035	895,000	3.50%			
			Aug. 1, 2036	930,000	3.50%			
			Aug. 1, 2037	960,000	3.50%			
			Aug. 1, 2038	995,000	3.50%			
			Aug. 1, 2039	1,030,000	5.00%			
			Aug. 1, 2040	1,080,000	5.00%			
			Aug. 1, 2041	1,135,000	5.00%			
			Aug. 1, 2042	1,190,000	5.00%			
						$ 15,525,000	620,000	14,905,000

Exhibit C-13

TOWN OF GUTTENBERG

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	728,196
Decreased by:		
Appropriated to Finance Improvement Authorizations		70,400
Balance - December 31, 2025	$	657,796

Exhibit C-14

Schedule of Interfund (Receivable)/Payable - Due to Current Fund

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$	521,272
Increased by:				
Interest on Investments	$	153,536		
Cash Receipts		100		
Budgeted Revenue				
Fund Balance		153,736		
Reserve for Payment of Debt		400,000		
Unexpended Budget Appropriation - Interest on Bond Anticipation Notes		1,715		
				709,087
				1,230,359
Decreased by:				
Cash Disbursements				161,403
Balance - December 31, 2025			$	1,068,956

Exhibit C-15

TOWN OF GUTTENBERG

Schedule of Contracts Payable

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	893,618
Increased by:		
Charges to Improvement Authorizations		302,424
		1,196,042
Decreased by:		
Cash Disbursements		893,618
Balance - December 31, 2025	$	302,424

Exhibit C-16

Schedule of Reserve for Payment of Debt/Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$	2,840,422
Increased by:				
Transferred from Reserve for Grants Receivable				922,313
				3,762,735
Decreased by:				
Utilized as:				
Budget Revenue - Due to Current	$	400,000		
Paydown Authorized not Issued		507,313		
				907,313
Balance - December 31, 2025			$	2,855,422

Ord. 2-2012		605,193
Ord. 27-2013		139,000
Ord. 24-2019 - Notes		160,089
Ord. 28-2020 - Notes		1,475,000
Ord. 20-2021 - Notes		61,140
Ord. 22-2017		287,518
Ord. 22-2017 - Notes		127,482
	$	2,855,422

Exhibit C-17

TOWN OF GUTTENBERG

Schedule of Reserve for Grants Receivable

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024			$	3,460,238
Increased by:				
Grants Awarded not Appropriated				3,592,466
				7,052,704
Decreased by:				
Unappropriated Grants Received	$	922,313		
Cancelled		40,760		
				963,073
Balance - December 31, 2025			$	6,089,631

Ord. 16-2024: DOT - Traffic Signal Imps. - Park Ave & 70th St.		96,235
Ord. 21-2024: DOT - Rehabilitation of 69th St.		364,643
Ord. 22-2024: DOT - Traffic Signal Imps. - 68th & Polk St.		190,150
Ord. 19-2024: DCA - JFK Blvd. East Flood Mitigation		1,480,605
Ord. 16-2025: Hudson County Open Space Trust Fund		97,218
Ord. 20-2022: Hudson County CDBG		94,146
Ord. 16-2024: CDBG - Traffic Signal Imps, - Park Ave & 70th St.		85,640
Ord. 8-2025: CDBG - Traffic Signal Imps, - 68th & Polk St.		88,528
Ord. 7-2025: DOT - Traffic Signal Imps		566,880
Ord. 8-2025: DOT - Pedestrian Safety Intersection Imps.		2,700,000
Ord. 16-2025: Hudson County Open Space Trust Fund		325,586
	$	6,089,631

Exhibit C-18

Schedule of Reserve for Green Acres

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	1,110
Increased by:		
Interest Earnings		39
Balance - December 31, 2025	$	1,149

Exhibit C-19

TOWN OF GUTTENBERG

Schedule of Reserve for Sewer Improvements

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	102,500
Increased by:		
Developer Deposits - Cash Receipts		12,500
Balance - December 31, 2025	$	115,000

Exhibit C-20

Schedule of Interfund (Receivable)/Payable - Other Trust Fund

General Capital Fund

Year Ended December 31, 2025

Balance - December 31, 2024	$	(28,000)
Decreased by:		
Cash Receipts		57,500
Balance - December 31, 2025	$	29,500

Exhibit C-21

TOWN OF GUTTENBERG

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2025

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2024 Funded	Balance, Dec. 31, 2024 Unfunded	Authorized	Expended	Balance, Dec. 31, 2025 Funded	Balance, Dec. 31, 2025 Unfunded
6-2008/18-2012/26-2013/16-2014	Improvements to Waterfront Park	Mar. 24, 2008	450,000	$ 25,464	49,370			25,464	49,370
2-2012/2-2018/28-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreation and Educational Purposes	May 29, 2012	20,335,000		364,496				364,496
		Mar. 28, 2018	1,500,000						
		Nov. 28, 2018	700,000						
17-2012/3-2013	Imprs. to 68th Street, Section 4	Oct. 22, 2012	250,000	67,143	104,154			67,143	104,154
		Feb. 25, 2013	120,000						
25-2013	Various Street Improvements	Sept. 23, 2013	850,000	60,149				60,149	
27-2013/1-2015	Sewer Repairs - Broadway & 70th Street	Dec. 30, 2013	744,680	6,386				6,386	
		Feb. 23, 2015	400,000						
13-2014	Improvements to 69th Street	Oct. 14, 2014	470,000	41,417				41,417	
16-2015/20-2015/26-2017/24-2019/35-2020	Various Capital Improvements	Oct. 26, 2015, Nov. 27, 2017, Oct. 30, 2019, Dec. 28, 2020	4,676,500		936				936
7-2016	Acq. and Installation of a Generator	Apr. 25, 2016	180,000	34,708				34,708	
22-2017	70th Street Road and related Sewer Imps.	Oct. 23, 2017	650,000		10,411		10,155		256
20-2018/16-2025	Renovations to Monument Park	Sept. 7, 2018, May 28, 2025	212,000		12,445	507,999	11,832	16,929	491,683
21-2018/14-2019/27-2023	Renovations to Veteran's Park	Sept. 7, 2018, Jun. 24, 2019, Nov. 27, 2023	725,000		29,788		28,016		1,772
25-2018/36-2020	Sewer Improvements	Oct. 29, 2018	2,000,000		1,238				1,238
		Dec. 28, 2020							
12-2019	Road Improvements to Broadway & Bellevue	Jun. 24, 2019	360,000		57,936				57,936
31-2019	Acquisition/Improvements to 506 70th Street - Park Development	Dec. 27, 2019	250,000		28,993				28,993
28-2020	Traffic Signal and Road Improvements	Dec. 28, 2020	1,700,000		648				648
20-2021	Various Capital Improvements	Jul. 29, 2021	2,130,073		267		(2,389)		2,656

Exhibit C-21

TOWN OF GUTTENBERG

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2025

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2024 Funded	Balance, Dec. 31, 2024 Unfunded	Authorized	Expended	Balance, Dec. 31, 2025 Funded	Balance, Dec. 31, 2025 Unfunded
11-2022	Acquisition of Property	Jul. 25, 2022	350,000	17,500	332,500			17,500	332,500
20-2022	Installation of Traffic Signals on Broadway at Various Intersections	Nov. 28, 2022	1,800,000		141,281		1,749		139,532
8-2023	Various Sewer Improvements	Mar. 27, 2023	1,000,000		235,912		148,658		87,254
18-2023	Roof Replacement - Town Hall	Jun. 26, 2023	700,000		51,943		3,764		48,179
26-2023/13-2024	Various Capital Improvements	Nov. 27, 2023 Aug. 28, 2024	1,719,000		541,109		187,596		353,513
16-2024	Traffic Signal Imps. - Park and 70th	Aug. 28, 2024	540,000		221,271		37,867		183,404
19-2024	JFK Blvd East Flood Mitigation Project	Sept. 23, 2024	1,480,605		1,445,573		275,316		1,170,257
21-2024	Rehabilitation of 69th Street	Nov. 13, 2024	750,000		684,495		668,129		16,366
22-2024	Traffic Signal Imps. - 68th and Polk Streets	Nov. 13, 2024	499,788	166,531	278,678		391,383		53,826
7-2025	Traffic Signal Upgrades - 69th and Palisades Ave	Mar. 26, 2025	566,880			566,880	12,227		554,653
8-2025	Pedestrian Safety Intersection Improvements	Mar. 26, 2025	2,790,000			2,790,000	157,905		2,632,095
37-2025	Monument Park Renovation Project	Dec. 17, 2025	900,000			900,000		45,000	855,000
				$ 419,298	4,593,444	4,764,879	1,932,208	314,696	7,530,717

Capital Improvement Fund	70,400
Deferred Charges Unfunded	4,694,479
	$ 4,764,879

Cash Disbursements	$ 1,629,784
Contracts Payable	302,424
	$ 1,932,208

Exhibit C-22

TOWN OF GUTTENBERG

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2025

Ord. Number	Purpose	Date of original issue	Original issue	Date of Maturity	Interest rate	Balance, Dec. 31, 2024	Increased	Decreased	Balance, Dec. 31, 2025
22-2017	70th Street Road and related Sewer Imps.	Oct. 24, 2019	455,000	Oct. 14, 2026	3.25%	151,429	127,482	151,429	127,482
8-2018	Amend 2-2012: Building Imps. - Anna L. Klein	Oct. 24, 2019	1,425,000	Oct. 14, 2026	3.25%	1,345,347	1,318,796	1,345,347	1,318,796
20-2018	Renovation of Monument Park	Oct. 24, 2019	201,400	Oct. 14, 2026	3.25%	16,029	9,084	16,029	9,084
21-2018/14-2019	Renovations to Veteran's Park	Oct. 24, 2019	897,600	Oct. 14, 2026	3.25%	304,744	273,792	304,744	273,792
25-2018	Sewer Improvements	Oct. 24, 2019	1,900,000	Oct. 14, 2026	3.25%	1,827,847	1,803,796	1,827,847	1,803,796
28-2018/2-2012	Amend 2-2012: Building Imps. - Anna L. Klein	Oct. 24, 2019	666,000	Oct. 14, 2026	3.25%	632,136	620,848	632,136	620,848
12-2019	Road Improvements to Broadway & Bellevue	Oct. 20, 2020	360,000	Oct. 14, 2026	3.25%	322,104	303,156	322,104	303,156
24-2019	Various Capital Improvements	Oct. 20, 2020	1,310,000	Oct. 14, 2026	3.25%	1,197,554	1,141,331	1,197,554	1,141,331
31-2019	Acquisition/Improvemens to 506 70th Street	Oct. 20, 2020	235,000	Oct. 14, 2026	3.25%	218,620	210,430	218,620	210,430
28-2020	Traffic Signal and Road Improvements	Oct. 20, 2021	1,700,000	Oct. 14, 2026	3.25%	1,610,526	1,521,052	1,610,526	1,521,052
18-2021	Combined Sewer Overflow Sewer System Imps.	Oct. 20, 2021	1,425,000	Oct. 14, 2026	3.25%	1,406,962	1,388,924	1,406,962	1,388,924
20-2021	Various Capital Improvements	Oct. 20, 2021	2,025,000	Oct. 14, 2026	3.25%	1,930,374	1,835,748	1,930,374	1,835,748
20-2022	Installation of Traffic Signals on Broadway at Various Intersections	Oct. 19, 2023	550,000	Oct. 14, 2026	3.25%	550,000	550,000	550,000	550,000
8-2023	Various Sewer Improvements	Oct. 19, 2023	950,000	Oct. 14, 2026	3.25%	950,000	950,000	950,000	950,000
18-2023	Roof Replacement - Town Hall Building	Oct. 19, 2023	662,095	Oct. 14, 2026	3.25%	662,095	662,095	662,095	662,095
26-2023	Various Capital Improvements	Oct. 17, 2024	1,045,000	Oct. 14, 2026	3.25%	1,045,000	1,045,000	1,045,000	1,045,000
26-2023	Various Capital Improvements	Oct. 15, 2025	588,050	Oct. 14, 2026	3.25%		588,050		588,050
16-2024	Traffic Signal and Road Improvements	Oct. 15, 2025	100,000	Oct. 14, 2026	3.25%		100,000		100,000
						$ 14,170,767	14,449,584	14,170,767	14,449,584
					Cash		688,050	-	
					Renewed		13,761,534	13,761,534	
					Budget Appropriation - Principal Paydown			409,233	
							$ 14,449,584	14,170,767	

Exhibit C-23

TOWN OF GUTTENBERG

Schedule of Bonds and Notes Authorized Not Issued

General Capital Fund

Year Ended December 31, 2025

Ordinance number	Improvement description	Balance, Dec. 31, 2024	Authorized	Decreased by:	Balance, Dec. 31, 2025
2-2012	Construction of Building and Imps. To the Anna L. Klein School for Community Recreational and Educational purposes	$ 666			666
17-2012	Improvements to 68th Street, Sec. 4	104,154			104,154
16-2014	Supplemental Approp: Waterfront Park, Phase I	49,368			49,368
26-2017	Additional Appropriation: Ord. 16-2015	2			2
21-2018	Renovations to Veteran's Park	4,900			4,900
24-2019	Various Capital Improvements	50			50
31-2019	Acquisition/Improvements to 506 70th Street - Park Development	2,500			2,500
20-2021	Various Capital Improvements	3,661			3,661
11-2022	Acquisition of Property	332,500			332,500
18-2023	Roof Replacement - Town Hall	2,905			2,905
13-2024	Amend 26-2023	588,050		588,050	
16-2024	Traffic Signals	315,931		221,956	93,975
19-2024	JFK Blvd East Flood Mitigation Project	1,480,605			1,480,605
21-2024	Rehabilitation of 69th Street	750,000		385,357	364,643
22-2024	Traffic Signal Imps. on 68th and Polk St.	278,678			278,678
7-2025	Traffic Signal Upgrades - 69th St. and Palisades Ave.		566,880		566,880
8-2025	Pedestrian Safety Intersection Improvements		2,790,000		2,790,000
16-2025	Renovation of Monument Park		482,599		482,599
37-2025	Monument Park Renovation Project		855,000		855,000
		$ 3,913,970	4,694,479	1,195,363	7,413,086

Unappropriated Grant Proceeds	$ 507,313
Bond Anticipation Notes Issued	688,050
	$ 1,195,363

TOWN OF GUTTENBERG

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, RMA, PSA, CMFO
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, PSA, CMFO
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

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

The Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Town of Guttenberg in the County of Hudson as of and for the year ended December 31, 2025 and the related notes to the financial statements, and have issued our report thereon dated April 15, 2026, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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

Honorable Mayor and
Members of the Town Council
Page 2.

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

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

Wielkotz & Company, LLC

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

April 15, 2026

W&CO

W&CO
WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, RMA, PSA, CMFO
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, PSA, CMFO
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY N.J. OMB CIRCULAR 2025-12

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of Guttenberg's compliance with the types of compliance requirements identified as subject to audit in the N.J. Office of Management and Budget Circular 2025-12 Compliance Supplement that could have a direct and material effect on each of the Town of Guttenberg's major state programs for the year ended December 31, 2025. The Town of Guttenberg's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Guttenberg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of N.J. OMB Circular 2025-12. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Guttenberg and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town of Guttenberg's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Guttenberg's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Guttenberg's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and N.J. OMB Circular 2025-12 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Guttenberg's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and N.J. OMB Circular 2025-12, we:

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

- Identify and assess the risks of material noncompliance, 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 Town of Guttenberg's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Town of Guttenberg's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with N.J. OMB Circular 2025-12, but not for the purpose of expressing an opinion on the effectiveness of the Town of Guttenberg's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

W&CO

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of N.J. OMB Circular 2025-12. Accordingly, this report is not suitable for any other purpose.

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

Wielkotz & Company, LLC

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

April 15, 2026

TOWN OF GUTTENBERG

Schedule of Expenditures of Federal Awards

Year ended December 31, 2025

Federal grantor	Program	Assistance Listing number	FAIN number	Grant or State Project number	Grant period	Award Amount	Cash Received	Expenditures	Adjustment/ Cancelled	(MEMO) Cumulative Expenditures
Federal and State Grant Fund:										
(1) Department of Transportation	State and Community Highway Safety									
	National Highway Traffic Safety Program									
	Distracted Driving - U Text, U Drive, U Pay	20.616	DD-25-45-01-DD-37	1160-100-165-1160-066	4/1/25-4/30/25	3,792	3,792	3,792		3,792
	Drive Sober Get Pulled Over	20.616	AL-25-45-09-MG-22	1160-100-165-1160-066	2025	3,061				
	Drive Sober Get Pulled Over-Year end Crackdown	20.616	AL-25-45-09-MG-22	1160-100-165-1160-066	12/6/24-1/1/25	7,000	3,061	6,421		6,421
	Pedestrian Safety Grant	20.616	PS-25-45-01-21	1160-100-165-1160-066	10/1/24-9/30/25	20,000				
	Click it or Ticket	20.600	OP-25-11-04-MC-25	1160-100-165-1160-066	5/19/25-6/1/25	7,000	7,000	7,000		7,000
	Click it or Ticket	20.600		1160-100-165-1160-066	2024	7,000				
U.S. Department of Justice	Bulletproof Vest Partnership	16.607			2024	3,468				
		16.607			2023	4,666				
(1) U.S. Department of Health and Human Services Centers for Disease Control and Prevention	NJACCHO Enhancing Local Public Health Infrastructure Grant	93.323			2024	101,910				
	National Opioid Settlement	93.788			1/1/23-12/31/23	12,079	16,630	35,556		35,556
U.S. Department of Environmental Protection Congressionally Designated Spending	Galaxy CSO Chamber Elimination Project	93.493			FY23	394,000				
	Combined Sewer Overflow Pipe Improvement Project				FY24	959,752				
(1) U.S. Department of Agriculture	Summer Food Program	10.559			2025	45,955	45,572	36,259		36,259
		10.559			10/1/23-9/30/24	39,911		36,300		36,300
		10.559			2024	3,221		3,221		3,221
		10.559			2023	33,656				33,656
U.S. Department of Housing and Urban Development Passed through County of Hudson	CDBG-CV Public Service Grant - Food Pantry Program	14.218			2021	57,902	57,902			53,388
	CDBG-CV Public Service Grant - Senior Bus Program	14.218			2021	100,000	100,000			100,000
	CDBG-69th Street	14.218			2025	88,833				
(1) U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds		21.017			3/3/21-12/31/24	864,019		169,578		868,053
National Endowment for the Arts	Promotion of the Arts Partnership Agreements	45.024			9/1/17-9/30/18	25,000				21,627
	Total Federal and State Grant Fund						233,957	298,127		
Trust Funds:										
U.S. Department of Justice	Equitable Sharing Program	16.922			2025		1,837	3,543	35	53,624
U.S. Department of Treasury	Equitable Sharing Program	21.016			2025				1	325
	Total Trust Funds						1,837	3,543	36	

TOWN OF GUTTENBERG

Schedule of Expenditures of Federal Awards

Year ended December 31, 2025

Federal grantor	Program	Assistance Listing number	FAIN number	Grant or State Project number	Grant period	Award Amount	Cash Received	Expenditures	Adjustment/ Cancelled	(MEMO) Cumulative Expenditures
General Capital Fund:										
U.S. Department of Housing and Urban Development										
Passed through the NJ Department of Community Affairs	Disaster Recovery - Resilient Communities Program	14.269		Ord. 19-2024	2024	1,480,605		275,316		275,316
Passed through County of Hudson	Community Development Block Grant:									
	Pedestrian Safety Intersection Imps.	14.218		Ord. 8-2025	2025	88,528				
	Park Avenue & 70th Street Signalization Project	14.218		Ord. 16-2024	2023	85,640				
	3-03K1-21 Traffic Signals at Various Intersections	14.218		Ord. 20-2022	2021	94,146				94,146
	Total General Capital Fund							275,316		
Total Federal Financial Assistance							$ 235,794	576,986	36	

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

(1) - Passed through the State of New Jersey

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2025

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustment		(MEMO) Cumulative Expenditures
Federal and State Grant Fund:									
Department of Commerce & Economic Development	Urban Enterprise Zone Assistance Fund		2025	282,089	$	80,145		*	80,145
			2024	238,233		23,797		*	23,797
			2023	78,479		28,354		*	78,460
			2022	39,459				*	39,459
						132,296		*	
								*	
Department of Community Affairs	Local Recreation Improvement 1		2024	76,000				*	
	Local Recreation Improvement 2	Boulevard East Dog Park	2023	86,000				*	
								*	
								*	
Department of Environmental Protection	Recycling Tonnage Grant	042-4900-752-001	2025	15,816	15,816	15,816		*	15,816
	Recycling Tonnage Grant	042-4900-752-001	2024	17,023		1,150		*	17,023
	Recycling Tonnage Grant	042-4900-752-001	2023	16,313		379		*	16,313
	Recycling Tonnage Grant	042-4900-752-001	2022	15,530		15,530		*	15,530
	Recycling Tonnage Grant	042-4900-752-001	2021	14,840		14,840		*	14,840
	Recycling Tonnage Grant	042-4900-752-001	2019	14,535		13,330		*	14,535
	Clean Communities Program	042-4900-765-004	2025	21,875	21,875			*	
	Clean Communities Program	042-4900-765-004	2024	22,057		20,294		*	20,294
	Clean Communities Program	042-4900-765-004	2023	19,417		19,417		*	19,417
	Clean Communities Program	042-4900-765-004	2022	17,312		17,312		*	17,312
	Clean Communities Program	042-4900-765-004	2021	16,642		6,557		*	15,324
					37,691	124,625		*	
								*	
Department of Law and Public Safety	Body Armor Grant	066-1020-718-001	2024	2,581				*	
	Body Armor Grant	066-1020-718-001	2023	1,897				*	
	Body Armor Grant	066-1020-718-001	2022	1,444				*	
	Body Armor Grant	066-1020-718-001	2021	2,096				*	
	Body Armor Grant	066-1020-718-001	2020	2,682				*	2,336
								*	
	Body-Worn Camera Grant	BFY21-100-066-1020-495	2025	40,760	40,760	40,760		*	40,760
								*	
	Drunk Driving Enforcement Fund	1110-448-031020-22	2025	37,924				*	
	Drunk Driving Enforcement Fund	1110-448-031020-22	2024	56,629	29,933	7,071		*	29,894
					70,693	47,831		*	
								*	
County of Hudson (1)	Municipal Alliance		2025	3,533	3,533	2,649		*	2,649
			Match	883	883	883		*	883
			2024-2025	3,533		3,099		*	3,099
			2023-2024	3,533	3,533	1,281		*	1,281
			2022	1,281	1,281			*	1,281
			2022-2023	8,831		1,118		*	1,118
			Match	883		883		*	883
					9,230	9,913		*	

Schedule 2

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2025

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustment	(MEMO) Cumulative Expenditures
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2025	7,634	7,634			
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2024	12,381				
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2023	5,971				
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2022	6,159				
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2021	7,270				
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2020	3,418				
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2019	8,439		5,683		5,683
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2018	6,078		5,127		6,078
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2017	4,439		240		3,979
					7,634	11,050		
New Jersey State Council on the Arts	Creative Aging Initiative		2025	10,117	8,075	8,075		8,075
			2023	10,000				9,750
					8,075	8,075		
NJ Department of Community Affairs Housing & Community Resources	Lead Assistance Grant	23-100-022-8020-304						
	Total State and Federal Grant Fund				133,323	333,790		
General Capital Fund: Department of Transportation State Aid Highway Projects Highway Planning and Construction	Pedestrian Safety Intersection Improvements - Ord. 8-2025		2025	2,700,000				
	Municipal Aid - Traffic Signal Improvements - 69th & Palisades Ave. Ord. 7-2025		2025	566,880				
	Municipal Aid - Traffic Signal Improvements - Park Ave & 70th Street - Ord. 16-2024		2024	442,260	121,956	235,041	2,959	346,025
	Municipal Aid - Rehabilitation of 69th Street - Ord. 21-2024		2024	750,000	385,357	474,159		474,159
	Municipal Aid -Traffic Signal Improvements - 68th & Polk Street - Ord. 22-2024		2024	411,260		321,450	(2,959)	321,450
	Municipal Aid - Traffic Signals on Broadway - Various Intersections - Ord. 20-2022		2022	650,000				650,000
	Municipal Aid - Traffic Signals on Broadway - Various Intersections - Ord. 20-2022		2021	600,000				600,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 12-2019		2019	240,000	8,270		231,730	240,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2015	200,000	200,000		(11,730)	200,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2016	215,000	215,000		(180,000)	215,000
					930,583	1,030,650	40,000	
Department of Law and Public Safety	Body Worn Cameras - Ord. 20-2021		2021	101,900			38,523	99,123
Department of Environmental Protection	Green Acres Program - Waterfront Park Imp. - Ord. 18-2012		2012	62,263				62,263
	Green Acres Program - Waterfront Park Imp. - Ord. 6-2008		2007-08	155,000				155,000
	Total General Capital Fund				930,583	1,030,650	78,523	
Total State Financial Assistance					$ 1,063,906	1,364,440	78,523	

Schedule 2

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2025

State grantor	Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustment		(MEMO) Cumulative Expenditures
Other Financial Assistance								*	
Hudson County Open Space	Renovations to Veterans Park	Ord. 27-2023		57,910				*	
	Acquisition/Imps. To All Access Park Property	Ord. 35-2020		500,000				*	454,804
	Acquisition/Imps. To 506 70th Street Park Development	Ord. 31-2019		97,218			58,106	*	58,106
	Monument Park Renovation Projects	Ord. 16-2025		422,804				*	
	Total Other Financial Assistance						58,106	*	
Total State and Other Financial Assistance					$ 1,063,906	1,364,440	136,629	*	

Note: This schedule was subject to an audit in accordance with N.J. OMB 2025-12.

(1) - Passed through the State of New Jersey

TOWN OF GUTTENBERG
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Town of Guttenberg, County of Hudson. The Town is defined in Note 1A to the Town's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Town's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules do not agree with amounts reported in the Town's financial statements because encumbrances are not reported in the accompanying schedules. Financial assistance awards are reported in the Town's financial statements on a basis of accounting described above as follows:

	Federal	State	Total
Federal and State Grant Fund	$ 298,127	$ 333,790	$ 631,917
General Capital Fund	275,316	1,030,650	1,305,966
Trust Fund	3,543	-	3,543
Total Expenditures	$ 576,986	$ 1,364,440	$ 1,941,426

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

TOWN OF GUTTENBERG
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(continued)

NOTE 5. INDIRECT COST RATE

The Town of Guttenberg has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results

Federal Awards

Not Applicable

TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section I - Summary of Auditor's Results, (continued)

State Awards Section

Dollar threshold used to determine type A programs:	$ 1,000,000	
Auditee qualified as low-risk auditee?	______ yes	X no
Type of auditors report on compliance for major programs:	unmodified	

Internal Control over compliance:

1. Material weakness(es) identified?	______ yes	X no
2. Were significant deficiencies identified that were not considered to be material weaknesses?	______ yes	X no
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 2025-12, as amended?	______ yes	X no

Identification of major programs:

6320-480-Various	(A)	State of New Jersey - Department of Transportation Municipal Aid

Note: (A) - Tested as a Major Type A Program.

TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Section II – Financial Statement Findings

NONE

Section III – Federal Awards and State Financial Assistance Finds and Questioned Costs

NONE

TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

STATUS OF PRIOR YEAR AUDIT FINDINGS

This section identifies the status of prior year audit findings related to the general-purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards,* the Uniform Guidance and New Jersey OMB's Circular 2025-12, as amended.

NONE

TOWN OF GUTTENBERG

GENERAL COMMENTS

Contracts and Agreements

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

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

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

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

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

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

Effective January 1, 2015, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is $17,500 and with a qualified purchasing agent the threshold may be up to $40,000. On July 1, 2020, this amount increased to $44,000. On July 1, 2025, this amount was increased to $53,000.

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

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

Palisades Ave. Traffic Signal Improvement Project
Computer Software Services

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

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

WHEREAS, Chapter 75 of the Public Laws of 1991 of the State of New Jersey authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent, and

GENERAL COMMENTS, (continued)

WHEREAS, the provisions of said statute provides that the rate of interest to be so charged may be fixed at a rate not to exceed 8% per annum on the first $1,500 of delinquency, and a rate of 18% per annum on any amount in excess of $1,500.

WHEREAS, the statute further provides that the governing body may provide that no interest shall be charged if payment is made within the tenth calendar day following the date which the same became payable, and

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 10, 2025, and was complete.

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

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

	Number of Liens
Year Ended December 31, 2025	5
Year Ended December 31, 2024	5
Year Ended December 31, 2023	7

TOWN OF GUTTENBERG
DECEMBER 31, 2025

GENERAL COMMENTS

Finance:

1. *Goods and services are being ordered prior to the execution of a purchase order in violation of Technical Accounting Directive #1.
2. *Claimant's certifications were not always obtained for expenditures prior to payment.
3. There was an over-expenditure of appropriated grants of $33,012.
4. A settlement payment related to litigation was erroneously wired from the Town's municipal fines account and not recorded in the accounting records.
5. There were various errors noted with regards to dog licenses issued and how those licenses were recorded and subsequently reported on the monthly dog license reports.
6. A bid packet selected for review did not contain all required documents.
    a. Certification of Non-Involvement in Prohibited Activities in Russia or Belarus
7. The following deficiencies were noted with respect to the Town's awarding of professional service contracts:
    a. Proposal documents did not contain a list of the criteria that would be used as the basis for the award.
    b. Not all professional service contract awarding resolutions contained the required "not to exceed" cost language as required by N.J.A.C. 5:30-5.5(b)(1).

TOWN OF GUTTENBERG
DECEMBER 31, 2025

RECOMMENDATIONS

Finance:

1. *An executed purchase order be obtained prior to the ordering of all goods and services.
2. *Purchasing policies be reviewed to ensure claimant's certifications are being obtained prior to purchase orders being processed for payment.
3. Subsidiary ledgers related to appropriated grant reserves be updated to reflect audit balances and a review of available balances be performed to ensure there is sufficient funding for expenditures.
4. All expenditures be processed through the Town's purchasing software to ensure proper approvals and adequate budget balances are obtained/reviewed prior to expenditures being made.
5. More care be taken to ensure that all issued dog licenses are properly recorded and reported to the State of New Jersey.
6. Bid specifications contain all required documents per N.J.S.A. 52:32-60.1 (P.L. 2022, c.3).
7. The Town comply with all Pay-to-Play Compliance Regulations when awarding a Professional Services contract.

TOWN OF GUTTENBERG

Status of Prior Year Audit Findings/Recommendations

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

Acknowledgment

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

Respectfully submitted,

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

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

April 15, 2026