

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

SUMMARY OR SYNOPSIS OF 2025 AUDIT REPORT
OF BOROUGH OF WATCHUNG AS REQUIRED BY N.J.S.40A:5-7

COMBINED COMPARATIVE BALANCE SHEETS-STATUTORY BASIS

	DECEMBER 31, 2025	DECEMBER 31, 2024
<u>A S S E T S</u>		
Cash and Investments	\$ 21,270,136.34	\$ 16,850,832.85
Taxes, Assessments and Liens Receivable	470,077.04	528,563.51
Accounts Receivable	445,159.65	107,094.49
Prepaid Taxes	191,483.00	160,002.00
Deferred Charges to Future Taxation - General Capital	15,810,993.70	17,764,599.51
General Fixed Assets	<u>29,518,000.05</u>	<u>29,126,617.78</u>
<u>TOTAL ASSETS</u>	<u>\$ 67,705,849.78</u>	<u>\$ 64,537,710.14</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bonds, Notes and Loans Payable	\$ 16,071,094.64	\$ 12,676,450.61
Improvement Authorizations	750,926.89	7,163,755.19
Other Liabilities and Special Funds	14,402,234.70	9,174,659.00
Reserve for Certain Assets Receivable	421,309.35	402,108.50
Reserve for Investment in General Fixed Assets	29,518,000.05	29,126,617.78
Fund Balance	<u>6,542,284.15</u>	<u>5,994,119.06</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>\$ 67,705,849.78</u>	<u>\$ 64,537,710.14</u>

BOROUGH OF WATCHUNG

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

	<u>YEAR 2025</u>	<u>YEAR 2024</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 2,400,000.00	\$ 4,800,000.00
Miscellaneous-From Other Than Local		
Property Tax Levies	5,604,455.93	5,904,033.29
Collections of Delinquent Taxes and		
Tax Title Liens	246,737.67	200,698.47
Collections of Current Tax Levy	<u>46,546,929.72</u>	<u>42,999,080.42</u>
<u>TOTAL INCOME</u>	\$ <u>54,798,123.32</u>	\$ <u>53,903,812.18</u>
<u>EXPENDITURES</u>		
Budget Expenditures:		
Municipal Purposes	\$ 19,637,025.79	\$ 20,681,635.63
County Taxes	8,039,208.70	7,680,004.54
Local and Regional School Taxes	23,730,525.00	22,092,449.00
Municipal Open Space Tax	469,296.80	431,545.54
Miscellaneous Other	<u>39,633.32</u>	<u>160,002.00</u>
<u>TOTAL EXPENDITURES</u>	\$ <u>51,915,689.61</u>	\$ <u>51,045,636.71</u>
Excess in Revenue	\$ 2,882,433.71	\$ 2,858,175.47
Fund Balance, January 1	<u>5,648,721.62</u>	<u>7,590,546.15</u>
	\$ 8,531,155.33	\$ 10,448,721.62
Less: Utilization as Anticipated Revenue	<u>2,400,000.00</u>	<u>4,800,000.00</u>
Fund Balance, December 31	\$ <u><u>6,131,155.33</u></u>	\$ <u><u>5,648,721.62</u></u>

RECOMMENDATION

That all 1099s be issued, where applicable.

A Corrective Action Plan, which outlines actions the Borough of Watchung will take to correct the findings listed above, will be prepared in accordance with federal and state requirements. A copy of it will be placed on file and made available for public inspection in the Office of the Borough Clerk in the Borough of Watchung.

The above summary or synopsis was prepared from the report of audit of the Borough of Watchung, County of Somerset, for the year 2025. This report of audit, submitted by Suplee, Clooney & Company LLC, Registered Municipal Accountants and Certified Public Accountants, is on file at the Borough Clerk's Office and may be inspected by any interested person.

Published at direction of: Colleen R. Lange, RMC
Borough of Watchung