

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 7, 2025

NEW ISSUE

RATING: S&P: "SP-1+"

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with its Tax Certificate described herein, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

**\$14,468,000 BOND ANTICIPATION NOTES
OF THE
BOROUGH OF FAIRVIEW
COUNTY OF BERGEN, NEW JERSEY
(Non-Callable)(Not Bank-Qualified)(Book-Entry Only)**

Dated: August 21, 2025

Due: August 21, 2026

The \$14,468,000 Bond Anticipation Notes (the "Notes") of the Borough of Fairview, in the County of Bergen, New Jersey (the "Borough"), shall be issued as fully registered book-entry notes registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of the beneficial ownership interests in the Notes may be in book-entry form only on the records of DTC and its Participants and only in the principal amount of \$1,000 or any integral multiple thereof with a minimum of \$5,000 required. Beneficial Owners of the Notes will not receive certificates representing their interests in the Notes. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Notes. See "THE NOTES - Book-Entry Only System" herein.

The Notes are general obligations of the Borough and are secured by a pledge of the full faith and credit of the Borough for the payment of the principal thereof and the interest thereon. The Borough is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

Interest on the Notes will be payable at maturity on August 21, 2026. Principal and interest on the Notes will be paid to DTC by the Borough. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity.

INTEREST RATE

____%

YIELD

____%

CUSIP NO.

305783____

The Notes are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Notes in definitive form will be available for delivery to DTC in Brooklyn, New York, on or about August 21, 2025.

**PROPOSALS FOR THE NOTES WILL BE RECEIVED
UNTIL 11:00 AM ON AUGUST 14, 2025
BY BOND COUNSEL ON BEHALF OF THE BOROUGH,
VIA ELECTRONIC MAIL AT SLR@ROGUTMCCARTHY.COM OR
VIA THE PARITY ELECTRONIC BID SYSTEM OF I-DEAL LLC
FOR MORE DETAILS REFER TO THE NOTICE OF SALE**

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

MAYOR

Violetta Berisha

COUNCIL MEMBERS

Stephen Burke, President
Floencia Asto
Jhon Gomez
Albert Lukin
Russell Martin
Kenneth Schmitt

BOROUGH ADMINISTRATOR/ CLERK

Diane T. Testa

CHIEF FINANCIAL OFFICER

Christopher Rutch

BOROUGH ATTORNEY

John L. Schettino, Esq.
Hackensack, New Jersey

BOROUGH AUDITOR

Wielkotz & Company, LLC
Pompton Lakes, New Jersey

BOND COUNSEL

Rogut McCarthy LLC
Cranford, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriter to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter.

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**OFFICIAL STATEMENT
OF THE BOROUGH OF FAIRVIEW
IN THE COUNTY OF BERGEN, NEW JERSEY
relating to**

\$14,468,000 BOND ANTICIPATION NOTES

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Fairview (the "Borough"), in the County of Bergen (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$14,468,000 Bond Anticipation Notes (the "Notes"). This Official Statement has been executed by and on behalf of the Borough by the Chief Financial Officer and the Borough Administrator/ Clerk and may be distributed in connection with the sale of the Notes.

This Preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriter and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

THE NOTES

General Description

The Notes shall be dated and shall bear interest from August 21, 2025 and shall mature on August 21, 2026. The Notes shall bear interest at the interest rate set forth on the cover hereof, which interest is payable on August 21, 2026. The Notes will be issued as fully registered notes in book-entry only form and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Notes. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$1,000 or any integral multiple thereof, with a minimum purchase of \$5,000 required. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its Direct Participants and transfers of the interests among its Direct Participants. The Direct Participants and Indirect Participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Borough or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to Direct Participants, which will in turn remit such payments to the Beneficial Owners of the Notes.

Book-Entry Only System

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Notes, in the principal amount of the Notes, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of the Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borough or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Borough or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

NEITHER THE BOROUGH NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Prior Redemption

The Notes are not subject to redemption prior to their stated maturity.

SECURITY AND SOURCE OF PAYMENT

The Notes are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. The Notes are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy *ad valorem* taxes upon all the real property taxable within the Borough for the payment of the principal of and the interest on the Notes without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Borough is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter

enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Notes or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services (the "Division") in the State of New Jersey Department of Community Affairs (the "Local Finance Board").

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended (the "Local Bond Law") and adopted bond ordinances of the Borough.

The bond ordinances included in the sale of the Notes were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty-day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale or the execution or the delivery of the Notes by the Borough.

The proceeds of the Notes will be used to currently refund \$9,362,209 of the Borough's \$9,700,000 outstanding bond anticipation notes maturing on August 22, 2025 (the "Outstanding Notes") and adding \$5,105,791 of new money.

<u>Ordinance No.</u>	<u>Description</u>	<u>Amount</u>
10-23/13-7/ 16-11/19-2/20-6	Municipal Complex	\$3,463,346
15-13	Various Public Improvements	64,330
16-7	Various Public Improvements	328,525
17-11	Various Public Improvements	263,050
18-3	Police and DPW Radio Communications Upgrade Project	368,420
19-4	Various Public Improvements	655,324
20-18	Acquisition of Property - Park	315,251
20-21	Various Public Imps., Repairs to Fire Engines & Acq. of Machinery/Equip.	538,059
20-30	Suppl. Funding for Acquisition of Property - Park	125,000
21-09	Various Public Improvements	1,241,492
22-07	Various Public Improvements	1,216,415
23-08	Various Public Improvements	593,794
23-10	Acquisition of Pumper Fire Engine & Rescue/Pumper Fire Engine	1,666,000
23-16	Various Public Improvements	109,500
24-04	Various Public Improvements	2,186,000
24-07	Acquisition of Various Equipment	142,800
25-04	Various Public Improvements	<u>1,190,694</u>
Total		<u>\$14,468,000</u>

NO DEFAULT

No principal or interest payments on Borough indebtedness are past due. The Borough has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION – BOND AND NOTE FINANCING

The Borough does not contemplate issuing any bonds or tax anticipation notes during the balance of 2025. The Borough may issue additional bond anticipation notes during 2025, as needed.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director of the Division (the “Director”), a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Borough's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

Debt Limits

The net authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last 3 years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

The Borough has not exceeded its statutory debt limit. On December 31, 2024 the statutory net debt as a percentage of average equalized valuation was 1.302%. As noted above, the statutory limit is 3.50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$25,000,000	\$25,000,000	\$0
General Debt	<u>26,142,816</u>	<u>890,295</u>	<u>25,252,521</u>
	<u>\$51,142,816</u>	<u>\$25,890,295</u>	<u>\$25,252,521</u>

Exceptions to Debt Limits - Extensions of Credit

The Borough may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing

The Borough may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year's principal payment for a bond issue.

School Debt (N.J.S.A. 18A:24-1 et seq.)

New Jersey's school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Borough's school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions

adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("U.S. Government Securities"); (2) government money market mutual funds invested in U.S. Government Securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less (a) constituting local obligations or (b) approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above or local obligations. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq., or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in U.S. Government Securities, Federal Government Agency obligations, certain short-term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving U.S. Government Securities and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Borough has no investments in derivatives.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Tax anticipation notes are limited in amount by law and must be paid in full within 120 days of the close of the fiscal year. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the 2011 budget for the Borough) reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Chapter 44 eliminated the process for obtaining waivers for additional spending under the tax levy limitation.

The Borough's appropriation and tax levy increase for 2011 through 2025, inclusive, were within the limits allowed under the CAP Law, taking into account applicable adjustments and without conducting a referendum to exceed the cap limits. The Borough's 2025 budget was adopted within the limits allowed under the CAP law.

Miscellaneous Revenues

The Local Budget Law (N.J.S.A. 40A:4-26) provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." See "INFECTIOUS DISEASE OUTBREAK – COVID-19" herein for a discussion of recent amendments to N.J.S.A. 40A:4-26 in response to the COVID-19 outbreak.

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected tax by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See “ASSESSMENT AND COLLECTION OF TAXES - Tax Collection Procedure” herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the municipality. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, property revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project. See “INFECTIOUS DISEASE OUTBREAK – COVID-19” herein for a discussion of recent amendments to the special emergency provisions in the Local Budget Law in response to the COVID-19 outbreak.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three (3) months of the year to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

Operation of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Fiscal Year

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, c. 92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

Budget Process

Primary responsibility for the Borough's budget process lies with the Borough Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

Capital Budget

In accordance with the Local Budget Law, the Borough must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period of the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Borough, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. 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, and an additional penalty of 6% on delinquent taxes in excess of \$10,000. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, is 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 Borough. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser

is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

In response to the \$10,000 annual limitation on an individual's federal income tax deduction for state and local taxes paid (beginning in 2018 and ending in 2025) contained in the federal "Tax Cuts and Jobs Act", Pub. L. No. 115-97, New Jersey Governor Murphy signed into law Senate Bill No. 1893 ("S-1893") on May 4, 2018. S-1893, which will take effect when implementing regulations are adopted by various State agencies, authorizes municipalities, counties and school districts ("local units") to establish one or more charitable funds, each for specific public purposes, and permits certain donations to those charitable funds to be credited toward the donor's property tax obligation. Moneys held in a charitable fund are immediately available to pay debt service. On June 13, 2019, the Internal Revenue Service issued final regulations, effective August 12, 2019, denying the deductibility (except for a de minimis amount) for federal income tax purposes of property tax credit donation mechanisms authorized by S-1893 and similar laws adopted in other states. The Borough makes no representations as to whether any local units will establish charitable funds pursuant to S-1893 or how S-1893 will be implemented.

Tax Appeals

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Bergen County Tax Board on or before the first day of April of the current tax year for review. The Bergen County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Bergen County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period. In addition, pursuant to Assembly Bill No. 2004, signed into law by Governor Phil Murphy on August 9, 2019, commercial tax appeal refunds exceeding \$100,000 may be paid to the property owner, with interest, in substantially equal payments within a three year period - rather than within sixty days of the final judgment (the standard period for refunds).

Further, pursuant to Assembly Bill No. 862, signed into law by Governor Murphy on January 18, 2022, residential tax appeal refunds, or commercial tax appeal refunds exceeding \$100,000, may be paid to the property owner, with interest, as a credit against the balance of property taxes that become due within a three-year period, with any excess after three years being paid immediately.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Notes and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Notes be

and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Notes, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. For other Federal tax information, see "Tax Matters - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of governmental obligations, such as the Notes, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Notes. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Proposals for Tax Changes

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further, such proposals may impact the marketability or market value of the Notes simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

STATEMENT OF LITIGATION

To the knowledge of the Borough Attorney, there is no litigation of any nature now pending or threatened that seeks to restrain or enjoin the issuance or the delivery of the Notes, the levy or the collection of any taxes to pay the principal of or the interest on the Notes or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of the taxes, affecting the validity of the Notes or the levy or the collection of taxes or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers of the Borough to their respective offices.

Additionally, there is at present no single action pending or threatened against the Borough which would impose an undue financial burden on the Borough. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Borough is a party-defendant in certain lawsuits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Borough Attorney, would adversely impair the Borough's ability to pay its noteholders. All of the Borough's tort actions are being defended by either an insurance company or insurance underwriters. Pending municipal real estate tax appeals are limited in number and based upon the Borough's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Borough, such resolution would not in any way endanger the Borough's ability to pay its noteholders.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Borough, including the Notes, and such Notes are authorized security for any and all public deposits.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (the "Rating Agency") has assigned a rating of "SP-1+" to the Notes.

The rating reflects only the view of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency at the following address: 55 Water Street, New York, New York 10041. The Borough forwarded to the Rating Agency certain information and materials concerning the Notes and the Borough. There can be no assurance that such rating will be maintained for any given period of time or that such rating will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of, such rating may have an adverse effect on the marketability or market price of the Notes.

UNDERWRITING

The Notes have been purchased at a public sale from the Borough for resale by _____ (the "Underwriter").

The Underwriter has agreed, subject to certain conditions, to purchase all but not less than all of the Notes. If all the Notes are sold at the public offering price or at the yield set forth on the cover page of this Official Statement, the Underwriter anticipates total selling compensation of \$_____. *. The public offering price or yield on the Notes may be changed from time to time by the Underwriter without notice. The Notes

may be offered and sold to dealers, including the Underwriter and dealers acquiring the Notes for their own account or any account managed by them, at prices lower than the public offering price.

* Information obtained from the Underwriter

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the Borough shall furnish a certificate of the Borough Attorney, dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Borough wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Borough, or adversely affect the power of the Borough to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Notes will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Notes have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough, enforceable in accordance with their terms, except as enforcement of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Notes, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such *ad valorem* taxes as may be necessary to pay the Notes and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix D – Proposed Form of Bond Counsel Opinion" herein.

Certificates of Borough Officials

The original purchasers of the Notes shall also receive a certificate, dated as of the date of delivery of the Notes and signed by the Chief Financial Officer and the Borough Administrator/ Clerk that (a) as of the date of the Official Statement furnished by the Borough in relation to the Notes, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Borough is not guaranteed as to accuracy, completeness or fairness, such officers have no reason to believe and do not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officers, since the date of said Official Statement and since the date of the sale of the Notes, there have been no material transactions not in the ordinary course of affairs entered into by the Borough and no material adverse change in the general affairs of the Borough or in its financial condition as shown in said Official

Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Notes. In addition, the original purchasers of the Notes shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Notes and receipt of payment therefor and a certificate, dated as of the date of delivery of the Notes and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes are issued, and that neither the corporate existence or boundaries of the Borough, nor the title of the said officers to their respective offices, is being contested.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, then President Trump declared a national emergency to unlock Federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminated most of the Governor’s pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place. See <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor’s various executive orders.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020, c. 74 (“Chapter 74”) on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year’s operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough’s finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough’s primary revenue source for supporting its budget. The Borough

cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak, or any resulting impact such costs could have on the operations of the Borough. However, as of the date hereof, even though the Borough's finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payments to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

For municipalities with populations less than 50,000, such as the Borough, the relief funds will be distributed by the State. The relief funds will be received from the State in two equal payments, one within 30 days of receipt of the funding by the State and the balance no earlier than 12 months from the initial payment. The deadline to obligate the funds is December 31, 2024, and to spend them is December 31, 2026. The Borough received the full amount of its relief funds in the amount of \$1,485,142.12. The Borough budgeted all of its relief funds to replace lost public sector revenues.

SECONDARY MARKET DISCLOSURE

The Borough has a limited secondary market disclosure obligation pursuant to Rule 15c2-12(d)(3) because the Notes have a stated maturity of 18 months or less. In accordance with such exemption from full secondary market disclosure, the Borough will agree, pursuant to a continuing disclosure certificate to be executed on the date of issuance of the Notes, to undertake for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format, as prescribed by the MSRB. Specifically, the Borough will do the following for the benefit of the holders of the Notes and the beneficial owners thereof:

Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Notes or financial obligations of the Borough:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of Noteholders, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property which secures the repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Borough (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borough in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borough, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borough);
- (13) The consummation of a merger, consolidation, or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borough, any of which affect Noteholders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borough, any of which reflect financial difficulties.

The Borough intends the words used in paragraphs (15) and (16) and the definition of "financial obligation" to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Borough fails to comply with the above-described undertaking, any Noteholder or beneficial owner of the Notes may pursue an action for specific performance to enforce the rights of all Noteholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Notes or any liability by the Borough for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Noteholders and beneficial owners of the Notes.

The Borough reserves the right to terminate its obligation to provide notice of material events, as set forth above, if and when the Borough no longer remains an "obligated person" with respect to the Notes within the meaning of Rule 15c2-12.

The undertaking may be amended by the Borough from time to time, without the consent of the Noteholders or the beneficial owners of the Notes, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Borough, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Noteholders and the beneficial owners of the Notes.

The Borough previously failed to file, in accordance with Rule 15c2-12, in a timely manner, under previous filing requirements its (i) annual audited financial statements for the fiscal years ending December 31, 2020, 2021, 2022 and 2023, (ii) annual operating data for the fiscal year ending December 31, 2020 and (iii) most recent adopted budget for the fiscal year ending December 31, 2021. Additionally, the Borough acknowledges that it previously failed to file, in a timely manner, late filing notices in connection with its late filings of such annual financial information. Such financial information and notices of late filings have been filed with the MSRB's Electronic Municipal Market Access Dataport ("EMMA") as of the date of this Official Statement. The Borough has appointed Wielkott & Company, LLC, Pompton Lakes, New Jersey, to serve as continuing disclosure agent/dissemination agent to assist in the filing of certain information with EMMA as required under its obligations.

FINANCIAL STATEMENTS

The financial statements of the Borough for the years ended December 31, 2024 and 2023 are presented in Appendix C to this Official Statement (the "Financial Statements"). The Financial Statements have been audited by Wielkott & Company, LLC, Pompton Lakes, New Jersey, an independent auditor (the "Auditor"), as stated in its report appearing in Appendix C to this Official Statement. See "Appendix C –Independent Auditor's Report and Financial Statements".

PREPARATION OF OFFICIAL STATEMENT

The Auditor takes responsibility for the financial statements to the extent specified in the Independent Auditor's Report.

The Auditor assisted in the preparation of information contained in this Official Statement and information has been obtained from sources which the Auditor considers to be reliable but they make no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

All other information has been obtained from sources which the Borough considers to be reliable and the Borough makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Borough of Fairview, 59 Anderson Avenue, Fairview, New Jersey, 07022, Christopher Rutch, Chief Financial Officer, 201-943-3300, ext. 224.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Chief Financial Officer and the Borough Administrator/ Clerk on behalf of the Borough.

BOROUGH OF FAIRVIEW, IN THE COUNTY OF BERGEN, NEW JERSEY

By: /s/ _____
Christopher Rutch
Chief Financial Officer

By: /s/ _____
Diane T. Testa
Borough Administrator/ Clerk

Dated: August ___, 2025

APPENDIX A

**DESCRIPTION OF
THE BOROUGH OF FAIRVIEW
TOGETHER WITH
CERTAIN ECONOMIC AND DEBT INFORMATION**

APPENDIX A

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BOROUGH OF FAIRVIEW

Size and Geographical Location

The Borough of Fairview is located in southeast Bergen County, New Jersey, and is situated between Cliffside Park, Ridgefield, Edgewater and North Bergen. The area of the Borough is 0.9 square miles.

The Borough is predominantly a residential community with residences being owner occupied, single family dwellings and a significant number of multiple family dwellings. Because of its close proximity to New York City, many residents are employed in the City of New York and commute through access to mass transportation and major highways. The Borough has a small industrial park as well as a local business area.

Population

1960 Census	9,399
1970 Census	10,698
1980 Census	10,519
1990 Census	10,733
2000 Census	13,255
2010 Census	13,835
2020 Census	15,025

Form of Government

The Borough was formed in 1894 under the borough form of government. There is a Mayor and a Council composed of six members. The Mayor is elected to serve a four-year term and may succeed that term by re-election. He is empowered, amongst his legal powers as head of the municipal government, to: (i) provide for the proper execution of local and State laws; (ii) recommend to the Borough Council measures he deems in the best interest of the Borough; (iii) nominate and, with the advice and consent of the Borough Council, appoint most subordinate officers of the Borough; and (iv) maintain peace and order. Although he presides over meetings of the Borough Council, the Mayor votes only in case of a tie. State law requires that he be a member of the Planning Board and the Board of Trustees of the municipal Public Library.

The six Council members are elected at-large, two each year, for terms of three years. The Council exercises general legislative powers conferred upon it by State law to protect and promote the general welfare of the Borough. Among these are the right to enact ordinances, approve resolutions, approve mayoral appointments, adopt the annual budget and determine the tax levy. The Council, acting in committees, oversees the various departments and functions of the Borough Government.

Educational Facilities

The Borough's school district, coterminous with the Borough, is a type II school district, an independent legal entity administered by a nine member Board of Education elected by the voters of the school district. The school district serves students in Kindergarten to eighth grade. The school district is authorized by law to issue debt for school purposes upon vote of the electorate.

The Board is a policy making body and has the general responsibility for providing an education program, the power to establish policies and supervise the public schools in the District, responsibility to draw up the annual budget and the power to appoint the Superintendent of Schools (the "Superintendent").

The administrative structure of the Board gives final responsibility for both the educative process and the business operation to the Superintendent. The Superintendent is the chief executive officer of the Board in charge of carrying out Board policies. The Board Secretary is the chief financial officer and must submit monthly financial reports to the Board and annual reports to the State Department of Education. State law requires a Treasurer of School Monies to hold in trust all school monies and to make a monthly report to the Board.

Personnel

<u>Classification</u>	<u>Number</u>
Instructional	156
Teacher Aides	43
Administrative	10
Clerical	15
Custodial/Maintenance	8
Part-time Van Drivers	4

Health Care Facilities

The Borough has a contract with Holy Name Hospital for Ambulance Services.

Emergency and acute medical care facilities are available at Englewood Hospital, Holy Name Hospital in Teaneck, the Hackensack University Medical Center in Hackensack and Riverside Medical Center in North Bergen.

Municipal Services

Police Department

The Police Department consists of a Chief of Police, Deputy Chief of Police, 1 Captain, 3 Lieutenants, 6 Sergeants, 17 Uniformed Officers and 16 School Guards.

Fire Department

The Fire Department is composed of 50 volunteer firemen. Fire apparatus consists of three engine trucks, one ladder truck, one heavy rescue truck, and two utility vehicles.

Public Works Department

The Department of Public Works (the "DPW") has 14 employees. The DPW is responsible for maintenance of roads and municipal facilities.

Utilities

Gas and electricity is supplied by Public Service Gas and Electric. Water is provided by Veolia Water. Wastewater treatment is provided by the Bergen County Utilities Authority. Solid waste pickup is done by Cali Carting, Inc. The annual charges for wastewater treatment and collection of solid waste are included in the tax rate.

Transportation Facilities

The New Jersey Department of Transportation - Bus Operations provides local service to surrounding communities from some of which there is available rail and bus interstate services. The George Washington Bridge in Fort Lee provides access to Manhattan.

RETIREMENT SYSTEMS

The Borough is enrolled in three retirement systems established by acts of the State Legislature. Benefits, contributions, means of funding and administration of the retirement systems are set by the State. The Division of Pensions within the Treasury Department of the State is the administrator of the systems with benefit and contribution levels set by the State. All full-time permanent or qualified employees who began employment after 1944 must enroll in one of two retirement systems, depending upon their employment status. Borough employees, employed or retired, are enrolled in either the Public Employees' Retirement System ("PERS"), or the Police and Firemen's Retirement System ("PFRS"), or if retired in the Consolidated Police and Firemen's Pension Fund ("CPFPPF"). Employee rates for contribution are normally determined by the Division of Pensions. The Borough is current in its payments to the retirement systems as well as the Federal Social Security System ("OASI").

COLLECTIVE BARGAINING REPRESENTATION

Certain Borough employees are a part of collective bargaining agreements whose termination dates of current contracts are shown below.

<u>Unit</u>	<u>Date</u>
Police	December 31, 2026
Department of Public Works	December 31, 2026
Clerical/Administrative	December 31, 2026

Source: The Borough.

TREND OF NEW CONSTRUCTION

Number of Permits

<u>Year</u>	<u>New Construction</u>	<u>Additions/ Alterations</u>	<u>Total</u>
2024	1	225	226
2023	6	237	243
2022	4	247	251
2021	5	280	285
2020	4	230	234

Estimated Construction Costs

<u>Year</u>	<u>Total</u>
2024	\$2,496,800
2023	16,233,750
2022	4,352,100
2021	9,217,560
2020	1,087,900

Source: Borough of Fairview Building Department.

MAJOR REAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>2025 Assessed Valuation</u>
Fairview Bergen Associates LLC	\$32,500,000
Cliff Investments LP	30,784,600
Fairview Spe LLC	30,075,100
Fairview Industrial Pk. Controller	23,700,000
Ronald Realty Co., L.L.C.	21,549,100
Store Space QR Fairview LP	20,024,600
Hlf Passaic, C/O Ryan LLC	18,074,500
RLF IV East LLC	12,423,600
175 Bergen LLC	8,453,300
Cubesmart LP	6,793,200

Source: The Borough's Assessor and the Borough's tax duplicates for 2025.

NET ASSESSED AND EQUALIZED PROPERTY VALUATIONS

Real Property Net Assessed Valuation by Classification

<u>Classification</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Apartment	\$245,736,800	\$235,005,800	\$227,108,400	\$223,133,300	\$210,294,100
Residential	1,111,417,200	1,056,962,300	1,019,294,400	951,811,800	895,325,600
Commercial	247,490,400	232,409,900	256,686,700	246,842,000	230,908,500
Industrial	169,140,700	163,058,800	128,643,000	116,781,700	101,372,700
Vacant Land	<u>10,627,300</u>	<u>11,582,700</u>	<u>10,548,200</u>	<u>10,336,900</u>	<u>9,391,400</u>
Total	1,784,412,400	1,699,019,500	1,642,280,700	1,548,905,700	1,447,292,300
Exempt Property	222,933,100	222,865,300	222,556,500	229,023,600	227,768,100
Public Utilities	<u>1,577,218</u>	<u>1,574,245</u>	<u>1,576,928</u>	<u>1,556,645</u>	<u>1,554,263</u>
Total	<u>\$2,008,922,718</u>	<u>\$1,923,459,045</u>	<u>\$1,866,414,128</u>	<u>\$1,779,485,945</u>	<u>\$1,676,614,663</u>

Net Assessed and Equalized Property Valuations

<u>Classification</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Assessed Valuation:					
Real Property	\$1,784,412,400	\$1,699,019,500	\$1,642,280,700	\$1,548,905,700	\$1,447,293,300
Personal Tangible Property	<u>1,577,218</u>	<u>1,574,245</u>	<u>1,576,928</u>	<u>1,556,645</u>	<u>1,554,263</u>
Total Net Assessed Valuation	<u>\$1,785,989,618</u>	<u>\$1,700,593,745</u>	<u>\$1,643,857,628</u>	<u>\$1,550,462,345</u>	<u>\$1,448,847,563</u>

Source: County of Bergen Abstract of Ratables for years shown, and Borough's Tax Duplicates for years shown.

LEVY AND COLLECTION OF TAXES

The levy and collection of taxes are based upon a calendar year. The Borough is the political entity responsible for the levying and collection of taxes on all taxable real property within its borders, including the tax levies for the County and the Local School District.

Property taxes are based on an assessor's valuation of real property. The taxes for Municipal, Local School District, Regional School District and County purposes are combined into one tax levy which is apportioned on the tax bill by rate and amount for taxpayer information only. Taxes levied for the purpose of the Local School District and the Regional School District cover the current calendar year. Turnover of tax monies by the Borough to a school district is based on school needs and are generally made on a periodic basis throughout the year. The Borough remits 100% of the County taxes, payable quarterly on the 15th days of February, May, August and November.

Tax bills for the second half of the current year's tax levy, and an estimate based on 50% of the levy for the first half of the following year, are mailed annually in June and are due in quarterly installments on the first days of August, November, February and May. Delinquent payments are subject to an interest penalty of 8% on the first \$1,500 of delinquency and 18% on amounts exceeding \$1,500. Unpaid taxes are subject to tax sale as of July 1 following the year of levy, in accordance with statutes of the State of New Jersey. Tax liens are subsequently subject to foreclosure proceedings in order to enforce tax collections or acquire title to property.

The last all-inclusive tax sale of unpaid delinquent taxes and assessments was held by the Borough on December 19, 2024.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Bergen County Tax Board on or before the first day of April of the current tax year for review. The Bergen County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Bergen County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period.

Tax Rate Apportionment

(Per \$100 of Assessed Valuation)

<u>Year</u>	<u>Municipal</u>	<u>Library</u>	<u>County</u>	<u>Local School</u>	<u>Tax Rate</u>
2024	1.065	.039	.255	.954	2.313
2023	.993	.035	.247	.986	2.261
2022	1.002	.033	.244	1.046	2.325
2021	1.075	.033	.252	1.119	2.479
2020	1.125	.034	.252	1.176	2.587

Tax Levy Apportionment

<u>Year</u>	<u>Municipal</u>	<u>County (1)</u>	<u>Local School (1)</u>	<u>Tax Levy</u>
2024	\$18,792,000	\$4,319,821	\$16,213,902	\$39,325,723
2023	16,905,029	4,041,965	16,213,902	37,160,896
2022	16,063,792	3,762,894	16,213,902	36,040,588
2021	16,062,813	3,633,517	16,213,902	35,910,232
2020	15,982,559	3,475,198	16,213,902	35,671,659

(1) The Borough is required, under State statutes, to remit to the County and the School Districts 100% of the respective tax levies.

Tax Collection Experience

<u>Year</u>	<u>Tax Levy</u>	<u>Current Tax Levy Collected</u>	
		<u>Amount</u>	<u>Percent</u>
2024	\$39,532,757	\$38,749,357	98.02%
2023	37,220,937	36,665,716	98.51
2022	36,107,056	35,524,775	98.39
2021	35,970,218	35,378,893	98.36
2020	35,809,666	35,238,378	98.40

(1) Includes added and omitted taxes.

Tax Title Liens and Delinquent Taxes

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percent of Tax Levy</u>
2024	\$ -	\$765,549	\$765,549	1.94%
2023	-	529,422	529,422	1.42
2022	-	545,031	545,031	1.51
2021	48,754	525,224	573,978	1.60
2020	39,723	497,192	536,915	1.50

Foreclosed Property

<u>Year</u>	<u>Balance December 31</u>
2024	\$92,400
2023	92,400
2022	92,400
2021	92,400
2020	92,400

**CURRENT FUND BALANCES
AND
AMOUNTS UTILIZED IN SUCCEEDING YEAR'S BUDGET**

<u>Year</u>	<u>Balance December</u>	<u>Utilized in Succeeding Year's Budget Amount</u>
2024	\$5,761,533	\$2,950,000
2023	6,207,637	2,950,000
2022	6,269,167	2,650,000
2021	6,358,577	2,493,000
2020	5,734,381	2,375,000

STATE AID

<u>Year</u>	<u>Energy Receipts Tax Received</u>	<u>Consolidated Municipal Property Tax Relief</u>	<u>Other Aid Received</u>	<u>Total</u>
2024	\$1,042,564	\$	\$107,464	\$1,150,028
2023	1,037,400		53,743	1,091,143
2022	1,021,761	8,517	0	1,030,278
2021	1,011,326	18,952	0	1,030,278
2020	942,844	87,434	0	1,030,278

DEBT INFORMATION

General Information

The State has enacted certain laws and statutes regulating the authorization and issuance of debt by tax levying local governmental units of the State. The statutory gross debt must include all debt authorized plus all debt issued which remains outstanding. Debt which has been refunded, and payment for which is made from escrowed U.S. Treasury securities or other permitted investments, is considered outstanding under State statutes until such outstanding debt has matured or has been called for redemption. However, any debt which is self-supporting or which is payable from other sources or debt issued for refunding purposes may be deducted from the statutory gross debt to arrive at the amount of statutory net debt. The statutory net debt figure is the amount used to determine if a local governmental unit is within the limit of its statutory borrowing power. The debt incurring capacity is limited by statute to 3.50% of a local governmental unit's statutory equalized valuation. The Borough's statutory net debt as of December 31, 2024 was 1.302%.

**STATUTORY DEBT INFORMATION
AS OF DECEMBER 31, 2024**

School Purpose:	
Authorized/Unissued Debt	\$25,000,000
Deduction	<u>25,000,000</u>
Net Debt for School Purpose	<u>-</u>
Municipal Purpose:	
Bonds Issued	11,367,000
Notes Issued	9,700,000
Authorized/Unissued Debt	<u>5,075,816</u>
Total Gross Debt	26,142,816
Deduction	<u>890,295</u>
Net Debt for Municipal Purpose	<u><u>\$25,252,521</u></u>
Total Gross Statutory Debt	51,142,816
Total Statutory Deductions	<u>25,890,295</u>
Total Net Statutory Debt	<u><u>\$25,252,521</u></u>

**STATUTORY BORROWING POWER
AS OF DECEMBER 31, 2024**

Statutory Equalized Valuation (1)	\$1,939,273,402
Statutory Borrowing Power (2)	67,874,569
Statutory Net Debt	<u>25,252,521</u>
Remaining Statutory Borrowing Power	<u>\$42,622,048</u>
Net Debt to Statutory Equalized Valuation	1.302%

(1) Average of the immediately preceding three years (2024, 2023 and 2022) as calculated by the State.

(2) 3 1/2% of the State's equalized valuation.

Source: The Borough.

**TREND OF STATUTORY REMAINING BORROWING POWER
FOR YEARS ENDING DECEMBER 31, 2024 - 2020**

Year	Statutory Equalized Valuation(1)	Borrowing Capacity(2)	Bonds and Notes Outstanding	Less Deductions	Net Debt Outstanding	Authorized Unissued Debt	Remaining Borrowing Power
2024	\$1,939,273,402	\$67,874,569	\$21,067,000	\$890,295	\$20,176,705	\$5,075,816	\$42,622,048
2023	1,768,076,214	61,882,667	22,427,000	893,034	21,533,966	3,061,219	37,287,482
2022	1,577,709,415	55,219,829	23,295,000	1,108,713	22,186,287	1,151,563	31,881,979
2021	1,467,490,215	51,362,158	23,972,000	1,197,650	22,774,350	1,276,769	27,311,039
2020	1,370,027,664	47,950,968	22,326,000	1,092,437	21,233,563	2,295,205	24,422,200

(1) Average of the immediately preceding three years as calculated by the State.

(2) 3 1/2% of the statutory equalized valuation.

Source: The Borough's audited financial statements for years shown.

**PERMANENT DEBT ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2024**

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
General Improvements - Refunding	Various	April 1, 2020	Feb. 15, 2026	\$1,140,000
General Improvements	Various	Feb. 15, 2014	Feb.15, 2030	2,612,000
General Improvements	Various	Feb. 1, 2019	Feb. 1, 2037	7,615,000
				<u>\$11,367,000</u>

Source: The Borough.

**COMBINED ANNUAL DEBT SERVICE SCHEDULE
FOR
GENERAL IMPROVEMENT BONDS OF 2014, 2019 AND 2020
AS OF DECEMBER 31, 2024**

	<u>General Capital</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$1,435,000	\$344,085	\$1,779,085
2026	1,490,000	288,810	1,778,810
2027	910,000	246,910	1,156,910
2028	932,000	219,280	1,151,280
2029	955,000	190,975	1,145,975
2030-2034	3,625,000	578,600	4,203,600
2035-2037	<u>2,020,000</u>	<u>101,825</u>	<u>2,121,825</u>
	<u>\$11,367,000</u>	<u>\$1,970,485</u>	<u>\$13,337,485</u>

**DIRECT AND OVERLAPPING DEBT
ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2024**

	<u>Direct Debt</u>	<u>Overlapping Debt</u>
Direct Debt:		
Bonds	\$11,367,000	
Notes	9,700,000	
Loans	-	
Overlapping Debt:		
Bergen County(1) (including Utilities Authority)		\$12,648,466
School Purpose		25,000,000
Total Direct Debt:		
Gross	21,067,000	
Deductions	<u>890,295</u>	
Net	<u>\$20,176,705</u>	
Total Overlapping Debt:		
Gross		<u>37,648,466</u>
Deductions		<u>25,000,000</u>
Net		<u>\$12,648,466</u>

(1) The County has \$1,042,720,595 in net long-term and temporary debt as of December 31, 2024. The Borough's net share is obtained by dividing the Borough's 2024 equalized valuation by the County's 2024 total equalized valuation as obtained from the County's abstract of ratables.

Source: The political entities shown.

DEBT RATIOS

	<u>Direct Debt</u>		<u>Overlapping Debt</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Per Capita(1)	\$1,402	\$1,343	\$2,506	\$842
Equalized Valuation	1.086%	1.040%	1.941%	.652%

(1) 2020 Census 15,025.

APPENDIX B

**BOROUGH OF FAIRVIEW
SUMMARY OF
2025 ADOPTED BUDGET**

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**BOROUGH OF FAIRVIEW
SUMMARY OF
2025 ADOPTED BUDGET**

Summary of General Revenues Anticipated:	
Surplus	<u>\$2,950,000</u>
Miscellaneous Revenues:	
Local Revenues	638,939
State Aid Without Offsetting Appropriations	1,042,564
Dedicated Uniform Construction Code Fees	
Offset With Appropriations	115,500
Special Items of General Revenue Anticipated	
With Prior Consent of Director of	
Local Government Services:	
Public and Private Revenues	236,034
Additional Revenues	501,680
Other Special Items	
Total Miscellaneous Revenues	<u>2,534,717</u>
Delinquent Taxes Receipts	<u>750,000</u>
Sub-total General Revenues	<u>6,234,717</u>
Amount to be Raised for Support of Municipal	
Budget, Including Reserve for Uncollected Taxes	<u>19,855,369</u>
 Total General Revenue	 <u><u>\$26,090,086</u></u>
 Summary of General Appropriations:	
Within "CAPS":	
Operations:	
Salaries and Wages	9,063,027
Other Expenses	<u>8,157,947</u>
Sub-total	<u>17,220,974</u>
 Deferred Charges, Statutory Expenditures and Judgments	 <u>2,410,400</u>
Total Operations Within "CAPS"	<u>19,631,374</u>
 Excluded From "CAPS":	
Operations:	
Salaries and Wages	42,216
Other Expenses	<u>2,883,708</u>
Sub-total	<u>2,925,924</u>
 Capital Improvements	 200,000
Municipal Debt Service	2,522,788
Deferred Charges Municipal	-
Total General Appropriations Excluded From "CAPS"	<u>5,648,712</u>
 Sub-total General Appropriations	 25,280,086
 Reserve for Uncollected Taxes	 <u>810,000</u>
 Total General Appropriations	 <u><u>\$26,090,086</u></u>

Source: The Borough's 2025 Adopted Budget.

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APPENDIX C

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
AND SELECTED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2024-2020**

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WIELKOTZ & COMPANY ^{CPA}

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Fairview
Fairview, NJ 07022

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 Borough of Fairview, as of December 31, 2024 and 2023, 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, 2024, and the related notes to the financial statements, which collectively comprise the Borough'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 Borough of Fairview as of December 31, 2024 and 2023, 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 Borough of Fairview, 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 Borough of Fairview 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, 2024 and 2023, 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, 2024 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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 Borough of Fairview'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 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fairview's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

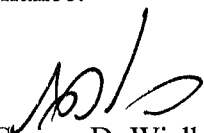
The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented 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 schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 7, 2025 on our consideration of the Borough of Fairview'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 Borough of Fairview's internal control over financial reporting and compliance.


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


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

April 7, 2025

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 9,858,577	10,209,434
Due to State of New Jersey: Ch. 73, P.L.			
Senior Citizens and Veterans Deduction	A-5	<u>31,815</u>	<u>30,315</u>
		<u>9,890,392</u>	<u>10,239,749</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	765,549	529,422
Property Acquired for Taxes -			
Assessed Valuation	A-7	92,400	92,400
Prepaid Payroll Advanced	A-1	165,537	
Revenue Accounts Receivable	A-8	51,734	31,856
Interfund Receivables	A-9	<u>398,556</u>	<u>30,905</u>
		<u>1,473,776</u>	<u>684,583</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-12		8,860
Special Emergency Authorizations	A-10		<u>30,000</u>
			<u>38,860</u>
Total Current Fund		<u>11,364,168</u>	<u>10,963,192</u>
Federal and State Grant Fund:			
Due from Current Fund	A-9	849,262	1,133,873
Federal and State Grants Receivable	A-19	<u>104,591</u>	<u>123,892</u>
Total Federal and State Grant Fund		<u>953,853</u>	<u>1,257,765</u>
		<u>\$ 12,318,021</u>	<u>12,220,957</u>

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-11 \$	1,676,920	1,532,702
Interfunds Payables	A-9	1,001,353	1,133,873
Encumbrances Payable	A-13	307,965	280,497
Prepaid Taxes	A-14	137,117	135,508
Due to County - Added/Omitted Taxes	A-16	21,822	5,805
Tax Overpayments	A-17	50,079	55,538
Reserve for:			
Revaluation	A-18	23,179	23,179
Disability	A-18	18,684	18,684
Tax Map	A-18	7,344	7,344
Due to Library	A-18	875,001	761,249
DMV Inspection Fines	A-18	3,402	3,402
Reassessment	A-18	3,500	3,500
Municipal Relief Aid	A-18		107,464
Due to State of New Jersey:			
DCA Fees Payable	A-18	1,093	1,577
Marriage/Domestic Partnerships	A-18	1,400	650
		<u>4,128,859</u>	<u>4,070,972</u>
Reserve for Receivables	Contra	1,473,776	684,583
Fund Balance	A-1	<u>5,761,533</u>	<u>6,207,637</u>
Total Current Fund		<u>11,364,168</u>	<u>10,963,192</u>
Federal and State Grant Fund:			
Reserve for:			
Appropriated Grants	A-20	810,529	714,907
Unappropriated Grants	A-21	<u>143,324</u>	<u>542,858</u>
Total Federal and State Grant Fund		<u>953,853</u>	<u>1,257,765</u>
		<u>\$ 12,318,021</u>	<u>12,220,957</u>

See accompanying notes to financial statements.

BOROUGH OF FAIRVIEW, N.J.

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

Current Fund

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 2,950,000	2,650,000
Miscellaneous Revenue Anticipated	3,184,886	3,633,272
Receipts from Delinquent Taxes	544,017	538,275
Receipts from Current Taxes	38,749,357	36,665,716
Non-Budget Revenue	917,651	1,162,203
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,441,770	1,194,592
Appropriated Grant Reserves - Cancelled	7,005	3,485
Interfunds Returned	30,905	361,614
	<hr/>	<hr/>
Total Revenues and Other Income	47,825,591	46,209,157
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	8,949,337	8,465,224
Other Expenses	10,451,177	9,863,543
Capital Improvement Fund	200,000	62,542
Municipal Debt Service	2,479,600	2,189,025
Deferred Charges and Statutory Expenditures -		
Municipal	2,470,911	2,424,029
Local District School Tax	16,213,902	16,213,902
County Taxes including Added Taxes	4,341,642	4,047,770
Prepaid Payroll Advanced	165,537	
Revenue Refunds		7,078
Tax Appeal and Overpayment Refunds	42,584	343,790
Grants Receivable - Cancelled	7,005	3,784
Over-Expenditure of Appropriations		8,860
	<hr/>	<hr/>
Total Expenditures	45,321,695	43,629,547
	<hr/>	<hr/>
Excess/(Deficit)	2,503,896	2,579,610

BOROUGH OF FAIRVIEW, N.J.

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

Current Fund

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Adjustment to Income Before Fund Balance - Expenditures		
Included above Which are by Statute Deferred		
Charges to Budget of Succeeding Year	<u> </u>	<u>8,860</u>
Statutory Excess to Fund Balance	2,503,896	2,588,470
Fund Balance, January 1,	<u>6,207,637</u>	<u>6,269,167</u>
	8,711,533	8,857,637
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>2,950,000</u>	<u>2,650,000</u>
Fund Balance, December 31,	<u>\$ 5,761,533</u>	<u>6,207,637</u>

See accompanying notes to financial statements.

BOROUGH OF FAIRVIEW, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 2,950,000	2,950,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	40,000	43,176	3,176
Other	31,000	32,666	1,666
Fees and Permits	64,000	83,715	19,715
Fines and Costs:			
Municipal Court	325,000	310,013	(14,987)
Interest and Costs on Taxes	106,000	108,707	2,707
Annual Service Charge in Lieu of Property Taxation -			
Senior Citizens' Housing Project - Eastview Tower	49,939	49,939	
Energy Receipts Taxes	1,042,564	1,042,564	
Municipal Relief Fund	107,464	107,464	
Uniform Construction Code Fees	209,000	115,553	(93,447)
Parking Meters	49,000	38,615	(10,385)
Payments in Lieu of Taxes on State Exempt Property	30,158	30,158	
Commercial Sewer User Fees	179,600	174,504	(5,096)
Police Administrative/Outside Duty	79,000	259,909	180,909
Reserve for Payment of Debt	102,309	102,309	
Capital Fund Balance	29,945	29,945	
American Rescue Plan - Revenue Loss	433,821	433,821	
Public and Private Revenues:			
Recycling Tonnage Grant	25,434	25,434	
Clean Communities Program	22,543	22,543	
Pedestrian Safety	20,000	20,000	
Body Armor	7,018	7,018	
ARP - Assistance to Firefighter's Grant	30,000	30,000	
Opioid Settlement	11,699	11,699	
Alcohol Education and Rehabilitation	5,841	5,841	
Drive Sober or Get Pulled Over			
Drive Sober or Get Pulled Over	20,979	20,979	
Click it or Ticket	7,000	7,000	
U Text U Drive U Pay	7,000	7,000	
Monsanto Settlement	17,414	17,414	
Lead Grant	31,900	31,900	
Stormwater Management Grant	15,000	15,000	
Total Miscellaneous Revenues	3,100,628	3,184,886	84,258

BOROUGH OF FAIRVIEW, N.J.
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2024

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	525,000	544,017	19,017
Subtotal General Revenues	6,575,628	6,678,903	103,275
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	18,792,000	19,003,813	211,813
Budget Totals	25,367,628	25,682,716	315,088
Non-Budget Revenue		917,651	917,651
	\$ 25,367,628	26,600,367	1,232,739
Adopted Budget	25,317,249		
Appropriated by N.J.S.A. 40A:4-87	50,379		
	\$ 25,367,628		

Allocation of Current Year Tax Collections:

Revenue from Collections	\$ 38,749,357
Allocated to:	
School Taxes	\$ 16,213,902
County Taxes	4,341,642
	20,555,544
Balance for Support of Municipal Budget Appropriations	18,193,813
Add: Appropriation - Reserve for Uncollected Taxes	810,000
Amount for Support of Municipal Budget Appropriations	\$ 19,003,813
Receipts from Delinquent Taxes:	
Delinquent Taxes	\$ 544,017

BOROUGH OF FAIRVIEW, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2024

Analysis of Non-budget Revenues

Miscellaneous Revenues Not Anticipated:

Interest on Investments	\$	337,919
Assessor Lists		190
BCUA Sewer Connection		9,677
JIF Dividends		4,400
Cable TV		87,708
PILOT-Bergen Blvd		422,928
Offsets not Applied		36,352
Duplicate Bills		105
Police		419
Administrative Fee - Senior and Veteran Deductions		495
Bad Check Fees		260
Bus Shelter		738
Rental of Polling Places		2,748
Insurance Claims		84
Administrative Fees - Marriages		560
DMV Inspection Fines		1,000
Miscellaneous		<u>12,068</u>
	\$	<u><u>917,651-</u></u>
Cash Receipts	\$	<u><u>917,651</u></u>

See accompanying notes to financial statements.

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administrative and Executive:					
Salaries and Wages	466,770	466,770	382,118	84,652	
Other Expenses	208,000	208,000	151,370	56,630	
Financial Administration:					
Salaries and Wages	170,000	170,000	169,008	992	
Other Expenses:					
Miscellaneous Other Expenses	137,000	137,000	116,317	20,683	
Single Audit Act of 1984	2,000	2,000		2,000	
Collection of Taxes:					
Salaries and Wages	95,000	81,325	78,380	2,945	
Other Expenses	21,000	21,000	14,213	6,787	
Assessment of Taxes:					
Salaries and Wages	28,000	28,000	16,986	11,014	
Other Expenses	76,000	76,000	48,039	27,961	
Legal Services and Costs:					
Salaries and Wages	245,000	245,000	242,325	2,675	
Other Expenses	70,000	70,000	22,887	47,113	
Engineering Services and Costs:					
Other Expenses	15,000	15,000	78	14,922	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	19,000	19,000	18,573	427	
Other Expenses	200	200		200	
Zoning Board of Adjustment:					
Salaries and Wages	17,000	17,000	13,541	3,459	
Other Expenses	200	200		200	

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Rent Leveling Board:					
Salaries and Wages	10,857	10,857		10,857	
Other Expenses	200	200	179	21	
Insurance:					
Other Insurance Premiums	928,454	928,454	928,453	1	
Group Insurance for Employees	3,251,549	3,249,609	3,160,726	88,883	
Public Safety:					
Police:					
Salaries and Wages	4,510,179	4,510,179	4,408,760	101,419	
Salaries And Wages - Revenue Loss ARP	433,821	433,821	433,821		
Other Expenses	382,300	382,300	312,927	69,373	
Special Police:					
Salaries and Wages	147,000	147,000	90,961	56,039	
Other Expenses	18,500	18,500	15,206	3,294	
911 Communication	11,000	11,000	3,521	7,479	
Alliance to Prevent Alcoholism and Drug Abuse:					
Other Expenses	10,000	10,000	1,537	8,463	
Emergency Management Services					
Salaries and Wages	13,191	13,191	13,191		
Other Expenses	10,700	10,700	1,661	9,039	
Fire:					
Stipends	288,000	288,000	225,600	62,400	
Miscellaneous Other Expenses	128,960	128,960	127,528	1,432	
Fire Hydrant Service	90,000	78,948	76,638	2,310	
Uniform Fire Safety Act:					
Salaries and Wages	117,000	117,000	60,212	56,788	
Other Expenses	32,700	32,700	30,884	1,816	

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Prosecutor:					
Salaries and Wages	12,000	12,811	12,811		
Other Expenses	500	500		500	
Streets and Roads:					
Road Repairs and Maintenance:					
Salaries and Wages	1,375,934	1,375,934	1,177,647	198,287	
Other Expenses	105,500	105,500	100,000	5,500	
Fleet Maintenance	110,000	110,000	68,085	41,915	
Recycling:					
Other Expenses	167,400	167,400	153,450	13,950	
Sanitation:					
Garbage and Trash Removal:					
Other Expenses	315,000	315,000	311,696	3,304	
Sanitary Landfill:					
Contractual - Bergen County	30,000	30,000		30,000	
Public Buildings and Grounds:					
Other Expenses	112,000	112,000	86,893	25,107	
Sewer System:					
Other Expenses	25,000	25,000	5,477	19,523	
Wastewater Supervision					
Salaries and Wages	8,647	8,647		8,647	
Health and Welfare:					
Board of Health:					
Salaries and Wages	125,000	125,000	86,022	38,978	
Other Expenses	103,650	103,650	101,110	2,540	
Redevelopment:					
Other Expenses	25,000	25,000		25,000	

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Recreation and Education:					
Parks and Playgrounds:					
Other Expenses	16,500	16,500	16,441	59	
Parking Meters:					
Salaries and Wages	59,500	63,581	63,048	533	
Other Expenses	17,000	17,000		17,000	
Recreation:					
Salaries and Wages	199,000	199,000	158,036	40,964	
Other Expenses	51,900	51,900	49,064	2,836	
Senior Citizen:					
Other Expenses	20,000	20,000	12,750	7,250	
Municipal Court:					
Salaries and Wages	255,000	263,599	263,599		
Other Expenses	47,900	47,900	23,595	24,305	
Public Defender (P.L., C. 256)					
Salaries and Wages	13,000	13,184	13,184		
Other Expenses	500	500		500	
Occupational Safety and Health Act (N.J.S.A. 40A:40-45.3):					
Other Expenses	23,200	23,200		23,200	
Hepatitis B	3,750	3,750		3,750	
Construction Code Official:					
Salaries and Wages	232,560	232,560	167,667	64,893	
Other Expenses	16,525	16,525	10,791	5,734	

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Code Enforcement:					
Salaries and Wages	27,899	27,899		27,899	
Other Expenses	5,000	5,000		5,000	
UNCLASSIFIED:					
Salary and Wage Adjustment Program	25,000	25,000		25,000	
Celebration of Public Events:					
Other Expenses	30,000	30,000	29,920	80	
Utilities:					
Street Lighting	125,000	129,343	129,343		
Telephone	180,000	185,984	185,984		
Water	55,000	55,725	55,725		
Natural Gas & Electricity	190,000	190,000	178,900	11,100	
Fuel Oil	20,000	20,000	12,268	7,732	
Heating Oil	2,000	2,000		2,000	
Gasoline	85,000	85,000	46,829	38,171	
Third Party Ambulance	531,000	531,000	512,001	18,999	
Total Operations within "CAPS"	16,702,446	16,700,506	15,197,976	1,502,530	
B. Contingent					
Total Operations Including Contingent-within "CAPS"	16,702,446	16,700,506	15,197,976	1,502,530	
Detail:					
Salaries & Wages	8,894,358	8,894,358	8,095,490	798,868	
Other Expenses (Including Contingent)	7,808,088	7,806,148	7,102,486	703,662	
	16,702,446	16,700,506	15,197,976	1,502,530	
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
DEFERRED CHARGES:					
Overexpenditure of Appropriations	8,860	8,860	8,860		

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	464,552	464,552	464,552		
Police and Firemen's Retirement System	1,568,559	1,568,559	1,568,559		
Social Security System (O.A.S.I.)	342,000	353,002	353,002		
Unemployment Compensation Insurance	25,000	21,938	21,938		
DCRP	30,000	24,000	24,000		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>2,438,971</u>	<u>2,440,911</u>	<u>2,440,911</u>		
Total General Appropriations for Municipal Purposes within "CAPS"	<u>19,141,417</u>	<u>19,141,417</u>	<u>17,638,887</u>	<u>1,502,530</u>	
Operations - Excluded from "CAPS"					
Maintenance of Free Public Library (Ch. 82 & 541, P.L. 1985)					
Other Expenses	699,435	699,435	525,045	174,390	
Bergen County Utility Authority Sewer Sewer service charges - contractual	1,708,554	1,708,554	1,708,554		
2024 CAP Exceptions:					
Health Benefits	30,175	30,175	30,175		
Liability Insurance	39,591	39,591	39,591		
Workers Comp Insurance	425	425	425		
Total Other Operations - Excluded from "CAPS"	<u>2,478,180</u>	<u>2,478,180</u>	<u>2,303,790</u>	<u>174,390</u>	

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public and Private Programs Offset by Revenues:					
Clean Communities Program:	22,543	22,543	22,543		
Impaired Driving	6,979	6,979	6,979		
Alcohol Education and Rehabilitation Fund	5,841	5,841	5,841		
Recycling Tonnage Grant	25,434	25,434	25,434		
ARP Fire Grant	30,000	30,000	30,000		
Body Armor	4,639	4,639	4,639		
Stormwater Management	15,000	15,000	15,000		
Lead Program	31,900	31,900	31,900		
Opioid Settlement	11,699	11,699	11,699		
Monsanto Settlement	17,414	17,414	17,414		
Body Armor	2,379	2,379	2,379		
Distracted Driving	7,000	7,000	7,000		
Drive Sober	14,000	14,000	14,000		
Click it or Ticket	7,000	7,000	7,000		
Pedestrian Safety	20,000	20,000	20,000		
Total Public and Private Programs Offset by Revenues	221,828	221,828	221,828		
Total Operations-Excluded from "CAPS"	2,700,008	2,700,008	2,525,618	174,390	
Detail:					
Salaries and Wages	54,979	54,979	54,979		
Other Expenses	2,645,029	2,645,029	2,470,639	174,390	
	2,700,008	2,700,008	2,525,618	174,390	

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	200,000	200,000	200,000		
Total Capital Improvements Excluded from "CAPS"	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	1,370,000	1,370,000	1,370,000		
Payment of Bond Anticipation Notes & Capital Notes	304,203	304,203	304,203	-	4,140
Interest on Bonds	400,000	400,000	395,860		2,463
Interest on Notes	412,000	412,000	409,537		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest					
BCIA Payments					6,603
Total Municipal Debt Service-Excluded from "CAPS"	<u>2,486,203</u>	<u>2,486,203</u>	<u>2,479,600</u>		<u>6,603</u>
Deferred Charges:					
Special Emergency Authorizations	30,000	30,000	30,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>5,416,211</u>	<u>5,416,211</u>	<u>5,235,218</u>	<u>174,390</u>	<u>6,603</u>

BOROUGH OF FAIRVIEW, N.J.

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Subtotal General Appropriations	24,557,628	24,557,628	22,874,105	1,676,920	6,603
Reserve for Uncollected Taxes	810,000	810,000	810,000		
Total General Appropriations	<u>\$ 25,367,628</u>	<u>25,367,628</u>	<u>23,684,105</u>	<u>1,676,920</u>	<u>6,603</u>
Adopted Budget		25,317,249			
Amended by N.J.S.A. 40A:4-87		<u>50,379</u>			
		<u>\$ 25,367,628</u>			
Reserve for Uncollected Taxes			810,000		
Reserve for Encumbrances			307,965		
Deferred Charges			38,860		
Federal and State Grant Fund			221,828		
Cash			22,305,452		
			<u>\$ 23,684,105</u>		

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2024 and 2023

<u>Assets</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Animal License Fund:			
Cash	B-1	\$ 2,512	2,972
Other Trust Funds:			
Cash - Other Trust	B-1	2,532,781	2,559,477
Cash - Library Trust Fund	B-1	320,854	311,982
Accounts Receivable	B-4	65,280	
		<u>2,918,915</u>	<u>2,871,459</u>
Unemployment Insurance Compensation Trust Fund:			
Cash	B-1	412	5,071
Community Development Trust Fund:			
Cash - Community Development	B-1	2	2
Total Assets		<u>\$ 2,921,841</u>	<u>2,879,504</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal License Fund:			
Reserve for Expenditures	B-2	\$ 1,608	1,787
Prepaid Licenses	B-1	101	112
Due to State of New Jersey	B-3	17	27
Interfund - Current Fund	B-5	786	1,046
		<u>2,512</u>	<u>2,972</u>
Other Trust Fund:			
Due to Current Fund	B-5	15,173	11,406
Reserve for:			
Various Trust Reserves	B-6	2,582,888	2,548,072
Library Expenditures	B-7	320,854	311,982
		<u>2,918,915</u>	<u>2,871,460</u>
Unemployment Insurance Compensation Trust Fund:			
Reserve for Expenditures	B-8	412	5,071
Community Development Trust Fund:			
Reserve for Community Development	B-9	2	2
Total Liabilities, Reserves & Fund Balance		<u>\$ 2,921,841</u>	<u>2,879,505</u>

See accompanying notes to financial statements.

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2024 and 2023

<u>Assets</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Cash	C-2/C-3	\$ 1,403,238	1,940,973
Grants Receivable	C-4	5,086,481	5,064,907
Deferred Charges to Future Taxation:			
Funded	C-5	11,367,000	12,737,000
Unfunded	C-6	14,775,816	12,751,219
Interfund Receivable - Current Fund	C-11	152,091	
		<u>\$ 32,784,626</u>	<u>32,494,099</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	\$ 11,367,000	12,737,000
Bond Anticipation Notes	C-8	9,700,000	9,690,000
Improvement Authorizations:			
Funded	C-9	1,133,184	1,625,961
Unfunded	C-9	5,802,450	4,213,548
Capital Improvement Fund	C-10	84,863	2,352
Interfund Payable	C-11		5,442
Encumbrances Payable	C-12	3,095,637	2,534,369
Reserve for:			
Park Improvements	C-13	31,000	31,000
Payment of Debt	C-14	643,295	646,034
Payment of Notes	C-15	247,000	247,000
Grants Receivable	C-16	673,212	673,212
Pistol Range Repairs	C-17		58,235
Fund Balance	C-1	6,985	29,946
		<u>\$ 32,784,626</u>	<u>32,494,099</u>

There were bonds and notes authorized but not issued on December 31, 2024 and December 31, 2023 of \$5,075,816 and \$3,061,219. (Exhibit C-18).

See accompanying notes to financial statements.

BOROUGH OF FAIRVIEW, N.J.

Comparative Statement of Changes in Fund Balance-Regulatory Basis

General Capital Fund

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Balance - January 1,	\$ 29,946	3
Increased by:		
Premium on Sale of Notes/Bonds	<u>6,984</u>	<u>29,943</u>
	36,930	29,946
Decreased by:		
Utilized as Budget Revenue	<u>29,945</u>	<u> </u>
Balance - December 31,	\$ <u><u>6,985</u></u>	<u><u>29,946</u></u>

See accompanying notes to financial statements.

BOROUGH OF FAIRVIEW, N.J.

Balance Sheet-Regulatory Basis

Public Assistance Trust Fund

December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Cash - Public Assistance Trust Fund I	E-1	\$ <u>1,448</u>	<u>83,667</u>
<u>Liabilities</u>			
Reserve for Public Assistance	E-4	\$ <u>1,448</u>	<u>83,667</u>

See accompanying notes to the financial statements.

BOROUGH OF FAIRVIEW, N.J.

Comparative Balance Sheets - Regulatory Basis

Payroll Account

December 31, 2024 and 2023

	<u>2024</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ <u>496,326</u>	<u>38,847</u>
<u>Liabilities</u>		
Due to Current Fund	\$ 382,597	13,011
Reserve for:		
Payroll Deductions and Withholdings	9,044	25,836
Net Payroll	<u>104,685</u>	<u> </u>
	\$ <u>496,326</u>	<u>38,847</u>

See accompanying notes to the financial statements.

BOROUGH OF FAIRVIEW, N.J.

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>General Fixed Assets:</u>		
Land and Land Improvements	\$ 4,276,712	4,250,634
Buildings and Building Improvements	15,041,929	15,013,314
Machinery and Equipment	<u>7,489,939</u>	<u>8,858,162</u>
	<u>\$ 26,808,580</u>	<u>28,122,110</u>
 Investment in Fixed Assets	 \$ <u>26,808,580</u>	 <u>28,122,110</u>

See accompanying notes to financial statements.

**BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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 Borough of Fairview 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 a 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 Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

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

GASB 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 NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department 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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

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

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

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. 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 Borough 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 Borough 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 Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

Library Trust Fund - This fund is used to account for Library state aid received from the State of New Jersey.

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.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough that do not meet the requirements to be eligible for General Assistance pursuant to Title 44 of New Jersey statutes.

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

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

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 Borough of Fairview. 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 Borough. 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 Borough. 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 Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

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 Borough'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 Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

- General Capital Fund
- Trust Fund
- Public Assistance 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 28, 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, 2024 and 2023, the Governing body approved additional revenues and appropriations of \$50,379 and \$42,750, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2024 and 2023.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

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 December 31, 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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

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 which approximates cost 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 Borough 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 nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough 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 - The Borough of Fairview has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

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

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

Basis of Accounting, (continued)

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

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

Recent Accounting Pronouncements

The following GASB statement became effective for the fiscal year ended December 31, 2024:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of the regulatory basis of accounting described in note 1, this Statement will have no impact on the financial statements of the Borough.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

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

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

Recent Accounting Pronouncements, (continued)

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 or not this Statement will have an impact on the basic financial statements of the Borough.

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.

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 Borough 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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 2. CASH, 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 Borough'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, 2024, \$-0- of the Borough's bank balance of \$15,440,727 was exposed to custodial credit risk and as of December 31, 2023, \$-0- of the Borough's bank balance of \$17,289,476 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. 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 towns or bonds or other obligations of the local unit or units within which the town 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 Borough places no limit on the amount the Borough may invest in any one issuer.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2024 and 2023 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$12,737,000	\$	\$1,370,000	\$11,367,000	\$1,435,000
Other Liabilities:					
Deferred PERS/PFRS Pension					
Obligation	56,931	61,357 (*)	56,931	61,357	61,357
Compensated Absences Payable	<u>1,146,734</u>	<u>153,971</u>	<u>241,105</u>	<u>1,059,600</u>	
	<u>\$13,940,665</u>	<u>\$215,328</u>	<u>\$1,668,036</u>	<u>\$12,487,957</u>	<u>\$1,496,357</u>

(*) - 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.

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$14,012,000	\$	\$1,275,000	\$12,737,000	\$1,370,000
Other Liabilities:					
Deferred PERS/PFRS	77,303	32,115 (*)	52,487	56,931	56,931
Compensated Absences					
Payable	1,437,604	424,995	715,865	1,146,734	
Capital Leases	<u>28,000</u>		<u>28,000</u>	<u>-</u>	
	<u>\$15,554,907</u>	<u>\$457,110</u>	<u>\$2,071,352</u>	<u>\$13,940,665</u>	<u>\$1,426,931</u>

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 Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	Year Ended December 31, <u>2024</u>	Year Ended December 31, <u>2023</u>	Year Ended December 31, <u>2022</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	<u>\$21,067,000</u>	<u>\$22,427,000</u>	<u>\$23,295,000</u>
Total Issued	21,067,000	22,427,000	23,295,000
<u>Less:</u>			
Funds Temporarily Held to Pay Bonds and Notes	<u>890,295</u>	<u>893,034</u>	<u>1,108,713</u>
Net Debt Issued	<u>20,176,705</u>	<u>21,533,966</u>	<u>22,186,287</u>
<u>Authorized But Not Issued:</u>			
General - Bonds, Notes and Loans	<u>5,075,816</u>	<u>3,061,219</u>	<u>1,151,563</u>
Total Authorized But Not Issued	<u>5,075,816</u>	<u>3,061,219</u>	<u>1,151,563</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$25,252,521</u>	<u>\$24,595,185</u>	<u>\$23,337,850</u>

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BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 3. MUNICIPAL 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 1.302% for 2024:

	<u>Gross debt</u>	<u>Deductions</u>	<u>Net debt</u>
School District Debt	\$25,000,000	\$25,000,000	\$ -0-
General debt	<u>26,142,816</u>	<u>890,295</u>	<u>25,252,521</u>
	<u>\$51,142,816</u>	<u>\$25,890,295</u>	<u>\$25,252,521</u>

Net debt of \$25,252,521 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,939,273,402 equals 1.302%.

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 1.391% for 2023:

	<u>Gross debt</u>	<u>Deductions</u>	<u>Net debt</u>
School District Debt			
General debt	<u>\$25,488,219</u>	<u>\$893,034</u>	<u>\$24,595,185</u>
	<u>\$25,488,219</u>	<u>\$893,034</u>	<u>\$24,595,185</u>

Net debt of \$24,595,185 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,768,076,214 equals 1.391%.

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

	<u>2024</u>	<u>2023</u>
3-1/2% of equalized valuation basis (municipal)	\$67,874,569	\$61,882,667
Net debt	<u>25,252,521</u>	<u>24,595,185</u>
Remaining Borrowing Power	<u>\$42,622,048</u>	<u>\$37,287,482</u>

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long-term debt consisted of the following at December 31, 2024:

Paid by Current Fund:

<u>General Serial Bonds:</u>	<u>2024</u>	<u>2023</u>
\$5,607,000 General Improvement Bonds with variable interest rates, issued August 15, 2014, due through February 15, 2030	\$2,612,000	\$3,012,000
\$9,675,000 General Improvement Bonds with variable interest rates, issued February 1, 2020, due through February 1, 2037	7,615,000	8,065,000
\$2,985,000 General Improvement Refunding Bonds with variable interest rates, issued April 1, 2021, due through February 15, 2026	<u>1,140,000</u>	<u>1,660,000</u>
	<u>\$11,367,000</u>	<u>\$12,737,000</u>

Aggregate debt service requirements are as follows:

	<u>General Capital</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$1,435,000	\$344,085	\$1,779,085
2026	1,490,000	288,810	1,778,810
2027	910,000	246,910	1,156,910
2028	932,000	219,280	1,151,280
2029	955,000	190,975	1,145,975
2030-2034	3,625,000	578,600	4,203,600
2035-2037	<u>2,020,000</u>	<u>101,825</u>	<u>2,121,825</u>
	<u>\$11,367,000</u>	<u>\$1,970,485</u>	<u>\$13,337,485</u>

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

At December 31, 2024 and 2023, the Borough had authorized but not issued debt of \$5,075,816 and \$3,061,219, respectively.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 4. BOND ANTICIPATION NOTES

The Borough 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 first day of the fifth month following the close of the tenth fiscal year next following 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, 2024 and 2023, the Borough had \$9,700,000 and \$9,690,000, respectively, in outstanding General Capital Bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2024 and 2023:

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Notes Payable:				
Piper Sandler & Co.	\$9,690,000	\$9,700,000	\$9,690,000	\$9,700,000
	<u>\$9,690,000</u>	<u>\$9,700,000</u>	<u>\$9,690,000</u>	<u>\$9,700,000</u>
	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Notes Payable:				
Amboy Bank	\$9,283,000	\$	\$	\$ -0-
Piper Sandler & Co.	<u>0</u>	<u>9,690,000</u>	<u>9,283,000</u>	<u>9,690,000</u>
	<u>\$9,283,000</u>	<u>\$9,690,000</u>	<u>\$9,283,000</u>	<u>\$9,690,000</u>

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 5. FUND BALANCE APPROPRIATED

The Current Fund balance at December 31, 2024 and 2023 which has been appropriated as revenue in the 2025 and 2024 budgets are as follows:

	<u>2025</u>	<u>2024</u>
Current Fund	<u>\$2,950,000</u>	<u>\$2,950,000</u>

NOTE 6. ACCRUED SICK AND VACATION BENEFITS

The Borough permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. This amount is not reported either as an expenditure or liability.

The estimated accumulated unpaid compensation as of December 31, 2024 and 2023 was \$1,059,600 and \$1,146,734, respectively.

NOTE 7. PENSION PLANS

Description of Plans:

Borough 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).

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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Benefits Provided

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

<u>Tier</u>	<u>Definition</u>
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

Public Employees' Retirement System (PERS)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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 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 Firemens' 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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

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:

<u>Tier</u>	<u>Definition</u>
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.

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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Fairview opted for this deferral in the amount of \$445,673. The outstanding balance at December 31, 2024 was \$61,357.

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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Contribution Requirements, (continued)

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2024	\$447,609	\$1,515,725	\$21,938
2023	433,167	1,415,369	21,476
2022	419,543	1,282,764	20,786

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, 2023 which is the latest information available. This information is eighteen months prior to December 31, 2024. 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 opinion's 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 December 31, 2024, the Borough had a liability of \$4,850,882 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Borough's proportion was .0334904505 percent, which was a decrease of .0009965447 percent from its proportion measured as of June 30, 2022.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. 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)

For the year ended December 31, 2024, the Borough recognized pension expense of \$447,609.

At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$46,381	\$19,829
Changes of assumptions	10,656	293,984
Net difference between projected and actual earnings on pension plan investments	22,339	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>232,768</u>	<u>284,189</u>
Total	<u>\$312,144</u>	<u>\$598,002</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) 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:

2024	\$(256,108)
2025	(142,950)
2026	199,763
2027	(35,750)
2028	608

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, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Borough's Proportion	.03349045058%	.0344869952%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. 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

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2023) 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, 2023 are summarized in the following table:

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

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, 2023 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, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$6,327,159	\$4,850,882	\$3,594,376

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.

The following PFRS pension information is as of June 30, 2023 which is the latest information available. This information is eighteen months prior to December 31, 2024. 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 opinion's until such time current pension information is available.

Police and Firemen's Retirement System (PFRS)

At December 31, 2024, the Borough had a liability of \$12,580,306 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Borough's proportion was .1138614600 percent, which was an increase of .00503324 percent from its proportion measured as of June 30, 2022.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

For the year ended December 31, 2024, the Borough recognized pension expense of \$1,515,725.

At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$538,663	\$599,969
Changes of assumptions	27,153	849,472
Net difference between projected and actual earnings on pension plan investments	640,691	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,171,359</u>	<u>551,359</u>
Total	<u>\$2,377,866</u>	<u>\$2,000,800</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) 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:	
2024	\$(489,582)
2025	(469,840)
2026	755,925
2027	(65,016)
2028	23,206
Thereafter	2,373

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

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 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,753,080,638	\$2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability	13,084,649,602	13,483,472,009
Borough's Proportion	.1138614600%	.10882822008%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. 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%

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2023) 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, 2023 are summarized in the following table:

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BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

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, 2023, 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, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$18,440,206	\$12,580,305	\$7,700,408

Special Funding Situation - PFRS

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

At June 30, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,318,668 and \$2,216,957, respectively. For the years ended June 30, 2023 and 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$263,675 and \$255,778, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$265,098 and \$276,000, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

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 8. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2024.

	Balance Dec. 31, 2023	Additions	Deletions	Balance Dec. 31, 2024
Land and Land Improvements	\$4,250,634	\$26,078	\$	\$4,276,712
Buildings and Building Improvements	15,013,314	28,615		15,041,929
Machinery and Equipment	<u>8,858,162</u>	<u>755,866</u>	<u>2,124,089</u>	<u>7,489,939</u>
	<u>\$28,122,110</u>	<u>\$810,559</u>	<u>\$2,124,089</u>	<u>\$26,808,580</u>

	Balance Dec. 31, 2022	Additions	Deletions	Balance Dec. 31, 2023
Land	\$4,250,634	\$	\$	\$4,250,634
Buildings and Building Improvements	15,013,314			15,013,314
Machinery and Equipment	<u>8,525,411</u>	<u>332,751</u>		<u>8,858,162</u>
	<u>\$27,789,359</u>	<u>\$332,751</u>	<u>\$0</u>	<u>\$28,122,110</u>

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 9. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2024 consist of the following:

\$786	Due to the Current Fund from the Animal License Trust Fund for the statutory excess calculation.
152,091	Due to the General Capital Fund from the Current Fund for grant receipts posted to current in error less the balance of interest on investments.
15,100	Due to the Current Fund from the Other Trust Fund for forfeited lien premiums less deposit errors.
73	Due to Current Fund from the Affordable Housing Trust Fund for interest not turned over.
382,597	Due to the Current Fund from the Payroll Agency for the current year balance of employee health benefit deductions.
<u>849,262</u>	Due to the Federal and State Grant Fund from the current fund for grants received less reimbursement of expenses paid.
<u>\$1,399,909</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 10. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024 the following deferred charges are shown on the balance sheet of the various funds:

	Balance <u>Dec. 31, 2024</u>	2025 Budget <u>Appropriation</u>	Balance to Succeeding <u>Year's Budget</u>
Trust Fund:			
Deficit in Reserve for Police Outside Duty	\$7,687	\$7,687	\$ -
Total Deferred Charges	<u>\$7,687</u>	<u>\$7,687</u>	<u>\$ -</u>
	Balance <u>Dec. 31, 2023</u>	2024 Budget <u>Appropriation</u>	Balance to Succeeding <u>Year's Budget</u>
Current Fund:			
Special Emergency Authorizations - (40A:4-53)			
Reassessment of Property	\$30,000	\$30,000	\$ -
Over-expenditure of Budget Appropriations			
	<u>8,860</u>	<u>8,860</u>	<u>-</u>
Total Current Fund	<u>38,860</u>	<u>38,860</u>	<u>-</u>
Total Deferred Charges	<u>\$38,860</u>	<u>\$38,860</u>	<u>\$0</u>

NOTE 11. RISK MANAGEMENT

The Borough 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 Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2024 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 11. RISK MANAGEMENT, (continued)

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

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

NOTE 12. 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 years:

	Balance <u>Dec 31, 2024</u>	Balance <u>Dec 31, 2023</u>
Prepaid Taxes	<u>\$137,117</u>	<u>\$135,508</u>
Cash Liability for Taxes Collected in Advance	<u>\$137,117</u>	<u>\$135,508</u>

NOTE 13. LITIGATION

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation. The Borough expects such amounts, if any, to be immaterial.

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 8, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

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

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

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement 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.

Total OPEB Liability

The following other post employment benefit information is as of June 30, 2023 which is the latest information available. This information is eighteen months prior to December 31, 2024. 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 opinion's until such time current other post employment benefit information is available.

At December 31, 2024, the Borough had a liability of \$20,892,104 proportionate share of the non-special funding net OPEB liability. The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Borough's proportion of the net OPEB liability was based on a projection of the Borough'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, 2023 the Borough's proportion was .139220000 percent.

For the year ended December 31, 2024, the Borough recognized OPEB benefit of \$367,084.

At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$963,436	\$5,673,613
Changes of assumptions	2,706,311	5,905,529
Net difference between projected and actual earnings on OPEB plan investments		3,447
Changes in proportion	<u>5,142,010</u>	<u>1,890,459</u>
Total	<u>\$8,811,757</u>	<u>\$13,473,048</u>

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

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:	
2024	\$(2,370,197)
2025	(1,941,340)
2026	(1,050,232)
2027	(492,312)
2028	(993,752)
Thereafter	(1,065,009)

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 7.89, 7.82, 7.82, 7.87, 8.05, 8.14, and 8.04 years for 2023, 2022, 2021, 2020, 2019, 2018, and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. 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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

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

Mortality:

PERS

Pub-2010 General classification headcount weighted
mortality with fully generational mortality improvement
projections from the central year using Scale MP-2021

PFRS

Pub-2010 Safety classification headcount weighted
mortality with fully generational mortality improvement
projections from the central year using Scale MP-2021

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Actuarial assumptions used in the July 1, 2022 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 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. 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.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, 2023, as well as what the Borough'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, 2023		
	1% Decrease <u>2.65%</u>	At Current Discount Rate <u>3.65%</u>	1% Increase <u>4.65%</u>
Borough's proportionate share of Net OPEB liability	\$24,199,716	\$20,892,104	\$18,231,641

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

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, 2023, as well as what the Borough'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, 2023		
	1% <u>Decrease</u>	Healthcare Cost Trend Rate	1% <u>Increase</u>
Borough's proportionate share of Net OPEB liability	\$17,755,830	\$20,892,104	\$24,907,493

NOTE 16. COMMITMENTS AND CONTINGENCIES

There are numerous tax appeal litigations pending at December 31, 2024. The Borough's tax appeal attorney is rigorously defending the Borough's interest in those appeals. Any successful appeals would be raised through future taxation.

BOROUGH OF FAIRVIEW
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(continued)

NOTE 17. OTHER MATTERS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Fairview is \$1,485,142.12 which was available for use until December 31, 2024.

NOTE 18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through April 7, 2025, the date which the financial statements were available to be issued and noted no items for disclosure.

As of December 31, 2024, the Borough has committed all available funds.

BOROUGH OF FAIRVIEW
COMPARATIVE ASSETS, LIABILITIES, RESERVES AND FUND BALANCE

<u>Assets</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current Fund					
Cash	9,858,577	10,209,434	10,332,986	10,310,200	9,038,954
Cash - Change Fund					
Due from State of New Jersey	31,815	30,315	27,815	26,565	26,795
	<u>9,890,392</u>	<u>10,239,749</u>	<u>10,360,801</u>	<u>10,336,765</u>	<u>9,065,749</u>
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	765,549	529,422	545,031	525,224	497,192
Foreclosed Property - Property Acquired for Taxes					
Assessed Valuation	92,400	92,400	92,400	92,400	92,400
Revenue Accounts Receivable	51,734	31,856	35,729	77,808	32,031
Tax Title Liens Receivable				48,754	39,723
Interfunds Receivable	398,556	30,905	361,614	406,417	618,434
Due From Fairview Board of Education				75,493	
Prepaid Payroll	165,537				
	<u>1,473,776</u>	<u>684,583</u>	<u>1,034,774</u>	<u>1,226,096</u>	<u>1,279,780</u>
Deferred Charges:					
Emergency Authorization					
Overexpenditure of Appropriations		8,860			
Overexpenditure of Appropriation Reserves			163,428		
Special Emergency Authorization		30,000	60,000	90,000	120,000
	<u>0</u>	<u>38,860</u>	<u>223,428</u>	<u>90,000</u>	<u>120,000</u>
Total Assets	<u>11,364,168</u>	<u>10,963,192</u>	<u>11,619,003</u>	<u>11,652,861</u>	<u>10,465,529</u>

BOROUGH OF FAIRVIEW
COMPARATIVE ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
CURRENT FUND

<u>Liabilities, Reserves and Fund Balance</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Appropriation Reserves	1,676,920	1,532,702	1,358,263	1,232,358	1,552,166
Reserve for Encumbrances	307,965	280,497	168,488	274,197	529,059
School Taxes Payable				12,088	12,088
Prepaid Taxes	137,117	135,508	162,792	202,035	202,765
Tax Overpayments	50,079	55,538	8,347	26,995	58,767
Accounts Payable				130,112	130,112
Due to State of New Jersey - Senior Citizens and Veterans					
County Taxes Payable	21,822	5,805	6,171	5,382	12,525
Inspection Fees Payable	2,493	2,227	2,219	6,519	1,256
Reserve for:					
Disability	18,684	18,684	18,684	18,684	18,684
Tax Maps	7,344	7,344	7,344	7,344	7,344
Revaluation	23,179	23,179	23,179	23,179	23,179
DMV Inspection Fines	3,402	3,402	3,402	3,402	3,402
Reassessment	3,500	3,500	3,500	3,500	3,500
Municipal Relief Aid		107,464	53,743		
Due to Library	875,001	761,249	617,892	465,297	327,167
Interfunds Payable	1,001,353	1,133,873	1,881,038	1,657,096	569,354
	<u>4,128,859</u>	<u>4,070,972</u>	<u>4,315,062</u>	<u>4,068,188</u>	<u>3,451,368</u>
Reserve for Receivables and Other Assets	1,473,776	684,583	1,034,774	1,226,096	1,279,780
Fund Balance	<u>5,761,533</u>	<u>6,207,637</u>	<u>6,269,167</u>	<u>6,358,577</u>	<u>5,734,381</u>
Total Liabilities, Reserves and Fund Balance	<u><u>11,364,168</u></u>	<u><u>10,963,192</u></u>	<u><u>11,619,003</u></u>	<u><u>11,652,861</u></u>	<u><u>10,465,529</u></u>

BOROUGH OF FAIRVIEW
COMPARATIVE OPERATIONS AND CHANGES IN FUND BALANCE
CURRENT FUND

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:					
Fund Balance Utilized	2,950,000	2,650,000	2,493,000	2,375,000	1,600,000
Miscellaneous Revenue	3,184,886	3,633,272	3,473,828	3,173,337	3,203,872
Receipts from Delinquent Taxes	544,017	538,275	556,484	484,040	508,548
Receipts from Current Taxes	38,749,357	36,665,716	35,524,775	35,378,893	35,238,378
Non-Budget Revenue	917,651	1,162,203	445,004	286,485	345,856
Other Credits to Income:					
Unexpended Balance of Appropriation Reserves	1,441,770	1,194,592	984,807	1,359,571	1,555,743
Liabilities Canceled	7,005	3,485	136,355	102,349	31,065
Interfund Loans Returned	30,905	361,614	433,124	618,434	124,173
	<u>47,825,591</u>	<u>46,209,157</u>	<u>44,047,377</u>	<u>43,778,109</u>	<u>42,607,635</u>
Expenditures - Budget Appropriations:					
Appropriations:					
Salaries and Wages	8,949,337	8,465,224	8,357,626	7,996,092	7,974,091
Other Expenses	10,451,177	9,863,543	8,940,715	8,735,196	8,174,076
Deferred Charges and Statutory Expenditures	2,470,911	2,424,029	2,203,785	2,092,318	1,948,706
Capital Improvements	200,000	62,542	50,000	50,000	50,000
Municipal Debt Service	2,479,600	2,189,025	1,985,226	1,900,825	1,808,655
County Taxes	4,341,642	4,047,770	3,769,065	3,638,899	3,487,723
Local District School Tax	16,213,902	16,213,902	16,213,902	16,213,902	16,213,902
Refunds	42,584	350,868	21,684	4,689	28,492
Interfund Advances	165,537		101,784	146,992	115,685
Overexpenditures		8,860	163,428		
Receivables canceled	7,005	3,784			
	<u>45,321,695</u>	<u>43,629,547</u>	<u>41,807,215</u>	<u>40,778,913</u>	<u>39,801,330</u>
Excess/(Deficit) in Revenue	2,503,896	2,579,610	2,240,162	2,999,196	2,806,305
Adjustment to Income Before Fund Balance:					
Expenditures Included Above Which are by Statute					
Deferred Charges to Budget of Succeeding Years		8,860	163,428		
Statutory Excess to Fund Balance	2,503,896	2,588,470	2,403,590	2,999,196	2,806,305
Fund Balance, January 1,	<u>6,207,637</u>	<u>6,269,167</u>	<u>6,358,577</u>	<u>5,734,381</u>	<u>4,528,076</u>
	8,711,533	8,857,637	8,762,167	8,733,577	7,334,381
Decreased by Utilization as Anticipated Revenue	<u>2,950,000</u>	<u>2,650,000</u>	<u>2,493,000</u>	<u>2,375,000</u>	<u>1,600,000</u>
Fund Balance, December 31,	<u><u>5,761,533</u></u>	<u><u>6,207,637</u></u>	<u><u>6,269,167</u></u>	<u><u>6,358,577</u></u>	<u><u>5,734,381</u></u>

BOROUGH OF FAIRVIEW
COMPARATIVE ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
GENERAL CAPITAL FUND

<u>Assets</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash	1,403,238	1,940,973	2,604,915	2,098,841	1,856,126
Grants Receivable	5,086,481	5,064,907	3,530,706	2,388,248	2,342,989
Interfunds Receivable	152,091		81,842	581,265	250,000
Overexpenditure of Ordinance				8,088	41,910
Deferred Charges to Future Taxation:					
Funded	11,367,000	12,737,000	14,040,000	15,287,000	16,476,000
Unfunded	14,775,816	12,751,219	10,434,563	10,016,769	8,259,205
	<u>32,784,626</u>	<u>32,494,099</u>	<u>30,692,026</u>	<u>30,380,211</u>	<u>29,226,230</u>
<u>Liabilities, Reserves and Fund Balance</u>					
General Serial Bonds Payable	11,367,000	12,737,000	14,012,000	15,232,000	16,362,000
Reserve for Improvements	31,000	31,000	31,000	31,000	31,000
Bond Anticipation Notes	9,700,000	9,690,000	9,283,000	8,740,000	5,964,000
Improvement Authorizations:					
Funded	1,133,184	1,625,961	1,570,875	332,050	426,615
Unfunded	5,802,450	4,213,548	3,743,458	3,352,002	3,609,232
Capital Improvement Fund	84,863	2,352	65,750	78,292	124,292
Capital Lease Payable			28,000	55,000	114,000
Contracts Payable	3,095,637	2,534,369	176,015	146,614	606,972
Reserve for:					
Payment of Bonds	643,295	646,034	861,713	950,650	845,437
Payment of Notes	247,000	247,000	247,000	247,000	247,000
Pistol Range Repairs		58,235			
Grants Receivable	673,212	673,212	673,212	1,153,212	730,000
Interfunds Payable		5,442			118,351
Fund Balance	6,985	29,946	3	62,391	47,331
	<u>32,784,626</u>	<u>32,494,099</u>	<u>30,692,026</u>	<u>30,380,211</u>	<u>29,226,230</u>

BOROUGH OF FAIRVIEW
COMPARATIVE SCHEDULE OF FUND BALANCE
GENERAL CAPITAL FUND

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Fund Balance, January 1	29,946	3	62,391	47,331	264,827
Increased by:					
Premium on Sale of Debt	<u>6,984</u>	<u>29,943</u>	<u>2</u>	<u>62,390</u>	<u>32,504</u>
	36,930	29,946	62,393	109,721	297,331
Decreased by:					
Appropriated as Budget Revenue	<u>29,945</u>	<u>0</u>	<u>62,390</u>	<u>47,330</u>	<u>250,000</u>
Fund Balance, December 31	<u><u>6,985</u></u>	<u><u>29,946</u></u>	<u><u>3</u></u>	<u><u>62,391</u></u>	<u><u>47,331</u></u>

APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

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STEVEN L. ROGUT
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APPENDIX D

[Proposed Form of Bond Counsel Opinion]

August __, 2025

Borough Council
Borough of Fairview
County of Bergen
State of New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of a \$14,468,000 Bond Anticipation Note (the "Note") by the Borough of Fairview, a municipal corporation of the State of New Jersey, located in the County of Bergen (the "Borough"). The Note is dated August 21, 2025, is payable August 21, 2026, bears interest from its date at the rate of _____% per annum, payable at maturity, and is numbered 25-1R.

The Note has been issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to and in anticipation of the issuance of bonds authorized by seventeen bond ordinances adopted by the Borough Council of the Borough on October 5, 2010 (Ord. No. 10-23, as amended by the following four bond ordinances: Ord. No. 13-7 adopted on April 1, 2013; Ord. No. 16-11 adopted on May 10, 2016; Ord. No. 19-2 adopted on March 4, 2019; and Ord. No. 20-6 adopted on February 18, 2020), September 15, 2015 (Ord. No. 15-13), April 4, 2016 (Ord. No. 16-7), September 7, 2017 (Ord. No. 17-11), May 7, 2018 (Ord. No. 18-3), March 19, 2019 (Ord. No. 19-4), August 18, 2020 (two ordinances: Ord. Nos. 20-18 and 20-21), December 15, 2020 (Ord. No. 20-30), May 18, 2021 (Ord. No. 21-09), June 21, 2022 (Ord. No. 22-07), May 16, 2023 (Ord. No. 23-08), July 18, 2023 (Ord. No. 23-10), November 21, 2023 (Ord. No. 23-16), March 19, 2024 (Ord. No. 24-04), June 18, 2024 (Ord. No. 24-07) and April 15, 2025 (Ord. No. 25-04) (the "Bond Ordinances") to finance the making of various public improvements in, by and for the Borough.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Note and other amounts and the rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Note to be included in gross income of the owners thereof retroactive to the date of issuance of the Note, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Note be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Note, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the Bond Ordinances and a copy of the form of Note. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below including the Tax Certificate executed by the Chief Financial Officer of the Borough of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and any exhibits thereto. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents. We have relied, as to the execution and delivery of the Note, on a certificate of the Borough.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Borough in connection with the sale and issuance of the Note, or (ii) other documents of the Borough delivered to the purchaser of the Note, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Note has been duly authorized, executed and delivered and constitutes a valid and legally binding obligation of the Borough enforceable in accordance with its terms, except as enforcement of the Note may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Note, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such ad valorem taxes as may be necessary to pay the Note and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Note is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Note is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Note that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Note and any gain from the sale of the Note are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

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