2025 AUDIT REPORT OF
BOROUGH OF DEMAREST
AS REQUIRED BY N.J.S.A. 40A:5-7
COMBINED COMPARATIVE BALANCE SHEET
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Investments	$17,100,146	$ 17,693,366
Taxes and Assessments Receivable	336,349	262,129
Property Acquired for Taxes-Assessed Valu	67,444	67,444
Grants and Accounts Receivable	2,414,679	2,975,665
Prepaid Regional High School Tax Levy	0	0
Fixed Assets	44,995,101	43,919,903
Deferred Charges to Future Taxation		
Current Fund	484,492	620,979
General Capital Fund	22,928,454	22,253,869
TOTAL AS	$88,326,665	$ 87,793,355
LIABILITIES, RESERVES AND FUND BALANCE		
Bonds and Notes Payable	$14,024,000	$ 14,929,000
Improvement Authorizations	11,607,421	12,005,245
Other Liabilities and Special Funds	14,361,994	13,810,793
Reserve for Certain Assets Receivable	877,405	1,503,056
Investments in General Fixed Assets	44,995,101	43,919,903
Fund Balance	2,460,744	1,625,358
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	$88,326,665	$ 87,793,355

BOROUGH OF DEMAREST
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Fund Balance Utilized	$ 850,000	$ 1,200,000
Miscellaneous-From Other Than Local Property Taxes	2,339,638	2,079,506
Collection of Delinquent Taxes and Tax Title Liens	262,129	280,223
Collection of Current Tax Levy	44,598,121	42,354,905
Other Credits to Income	1,066,487	754,474
TOTAL INCOME	49,116,375	46,669,108
EXPENDITURES		
Budget Appropriations:		
Municipal Purposes	13,287,624	12,600,039
County Taxes	5,468,056	4,680,309
Local and Regional School Taxes	28,562,989	27,838,792
Other Expenditures	433,123	643,893
TOTAL EXPENDITURES	47,751,792	45,763,033
Less: Expenditures to be Raised in Future Years	203,239	389,585
TOTAL ADJUSTED EXPENDITURES	47,548,553	45,373,448
Statutory Excess in Revenue	1,567,822	1,295,660
FUND BALANCE, JANUARY 1	1,534,577	1,438,917

	3,102,399	2,734,577
Less: Utilization as Anticipated Revenue	850,000	1,200,000
FUND BALANCE, DECEMBER 31	$ 2,252,399	$ 1,534,577

BOROUGH OF DEMAREST
RECOMMENDATIONS

It is recommended that:

1. Internal control procedures over purchasing be reviewed and revised to ensure that the Borough complies with the Division of Local Government Services Technical Directives, New Jersey Administrative Code and the Local Public Contracts Law.

2. The detailed Trust Fund escrow sub-ledger be reconciled with the general ledger on a monthly basis. Furthermore, the Trust Fund escrow accounts be reviewed to ensure sufficient funds exist prior to the payment of bills.

3. The Recreation Department fee schedule be submitted to the Governing Body for their approval.

4. Fixed asset records be currently updated and consideration be given to integrate the fixed asset accounting system with the Borough's purchasing system.

5. The Borough review its internal control procedures to ensure that sufficient funds are available prior to the expenditure of funds.

6. All employee Unemployment Insurance payroll withholdings be deposited into the Unemployment Insurance bank account.

7. The Borough take appropriate action to collect the prior year Current and General Capital Fund receivables and/or clear the receivables of record.

8. The Borough independently verify that all federal and state tax payments remitted by the payroll service provider are made by the required due dates.

9. A payroll agency ledger by deduction be implemented, currently maintained and be reconciled with the monthly bank reconciliations.

10. The employee's pension withholdings be reconciled with the State's quarterly pension reports.

11. The employee health insurance contributions be reviewed to ensure that the calculation is in agreement with the New Jersey statutes.

12. The amounts deposited in the payroll accounts agree with the payroll summaries.

13. Pension amounts be reviewed to ensure accuracy between quarterly state pension reports, quarterly payroll pension reports and amounts remitted to the State.

A Corrective Action Plan, which outlines actions the Borough of Demarest will take to correct the findings
A copy of it will be placed on file and made available for public inspection in the Office of the Borough

Clerk in the Borough of Demarest within 45 days of this notice.
The above synopsis was prepared from the audit of the Borough of Demarest, County of Bergen, for the fiscal year 2025. This report of audit, submitted by Gary J. Vinci, Registered Municipal Accountant, is on file at the Borough Clerk's office and may be inspected by any interested person.

Julie Falkenstern, RMC
Borough Clerk