`

BOROUGH OF HARRINGTON PARK

BERGEN COUNTY, NEW JERSEY

REPORT OF AUDIT

YEARS ENDED DECEMBER 31, 2025 AND 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

BOROUGH OF HARRINGTON PARK

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BOROUGH OF HARRINGTON PARK

BERGEN COUNTY

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

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

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Borough of Harrington Park (the "Borough"), County of Bergen, New Jersey, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and changes in fund balance and the statements of changes in fund balance for the years then ended, the statements of revenues and statements of expenditures for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Borough as of December 31, 2025 and 2024, and the regulatory basis revenues, expenditures, and changes in fund balances for the years then ended, the statement of changes in fund balance for the years then ended, the statements of revenues and statements of expenditures for the year ended December 31, 2025 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2025 and 2024, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

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Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough**,** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by Borough on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, requirements prescribed by the Division and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our 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.

Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The information included in Part II – Supplementary Information Required by the Division, Part III – Supplementary Information and Part IV – General Comments and Recommendations, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2026 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
April 24, 2026

Gary W. Higgins, CPA
Registered Municipal Accountant, No. 405

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated April 24, 2026 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
April 24, 2026

Gary W. Higgins, CPA
Registered Municipal Accountant, No. 405

FINANCIAL STATEMENTS – REGULATORY BASIS

BOROUGH OF HARRINGTON PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
ASSETS AND DEFERRED CHARGES			
Cash and Cash Equivalents	A-4	$ 2,738,115	$ 2,620,255
Cash - Change Funds	A-6	200	200
Cash - Petty Cash Funds	A-7	500	500
Grants Receivable	A-22	282,303	305,446
		3,021,118	2,926,401
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-9	197,651	198,099
Tax Title Liens Receivable	A-10	56,648	48,467
Property Acquired for Taxes - At Assessed Valuation	A-11	59,720	59,720
Revenue Accounts Receivable	A-12	3,267	1,555
Due from General Capital Fund	A-13	200,000	-
Due from Other Trust Fund	B-6	250	250
		517,536	308,091
Deferred Charges			
Special Emergency Authorizations (N.J.S.A. 40A:4-53)	A-27	150,000	-
Total Assets		$ 3,688,654	$ 3,234,492

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF HARRINGTON PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-14	$ 626,617	$ 457,383
Encumbrances Payable	A-15	33,796	22,635
Prepaid Taxes	A-16	112,985	84,815
Tax Overpayments	A-25	29,210	31,943
Local District School Tax Payable	A-19	92,729	92,729
Due to State of New Jersey			
Senior Citizens and Veterans Deductions	A-8	10,387	10,322
DCA Fees Payable	A-26	3,419	2,831
Reserve for Tax Appeals	A-21	1,345	1,345
Due to Municipal Open Space Trust Fund and Recreation	A-17	384	315
Reserve for Approved Digital Tax Maps	A-28	150,000	-
Appropriated Grant Reserves	A-23	292,910	332,729
Unappropriated Grant Reserves	A-24	33,628	20,172
		1,387,410	1,057,219
Reserve for Receivables	A	517,536	308,091
Fund Balance	A-1	1,783,708	1,869,182
Total Liabilities, Reserves and Fund Balance		$ 3,688,654	$ 3,234,492

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF HARRINGTON PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	$ 755,000	$ 740,000
Miscellaneous Revenues Anticipated	A-2	1,370,954	1,815,972
Receipts from Delinquent Taxes	A-2	207,053	137,721
Receipts from Current Taxes	A-2	30,625,000	29,432,010
Non-Budget Revenues	A-2	60,223	40,310
Other Credits to Income			
Reserved for Prepaid Regional High School Tax		-	181
Unexpended Balance of Appropriation Reserves	A-14	201,853	346,287
Total Revenues and Other Income Realized		33,220,083	32,512,481
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	3,283,110	3,178,444
Other Expenses	A-3	4,076,871	4,078,278
Capital Improvements	A-3	40,000	40,000
Municipal Debt Service	A-3	714,550	827,322
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	917,625	969,121
County Taxes	A-18	3,011,063	2,851,707
County Taxes- Open Space Preservation	A-18	134,808	128,180
Due County for Added and Omitted Taxes	A-18	2,217	2,404
Local District School Tax	A-19	14,214,792	13,649,507
Regional High School Tax	A-20	5,975,278	5,983,344
Municipal Open Space Tax	A-17	94,291	94,790
Refund of Prior Year Revenue	A-4	35,952	-
Interfunds Advanced	A-13	200,000	-
Total Expenditures		32,700,557	31,803,097
Excess of Revenue over Expenditures (Brought Forward)		519,526	709,384

BOROUGH OF HARRINGTON PARK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
Excess of Revenue over Expenditures (Carried Forward)		$ 519,526	$ 709,384
Adjustments to Income Before Surplus:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years	A-27	150,000	-
Statutory Excess to Fund Balance		669,526	709,384
FUND BALANCE, January 1	A	1,869,182	1,899,798
		2,538,708	2,609,182
Decreased by:			
Utilization as Anticipated Revenues	A-1	755,000	740,000
FUND BALANCE, December 31	A	$ 1,783,708	$ 1,869,182

BOROUGH OF HARRINGTON PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Reference	Anticipated Budget	Added by: 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1,A-2	$ 755,000	-	$ 755,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-12	1,620		1,620	
Other	A-12	4,140		5,465	$ 1,325
Fees and Permits					
Other	A-12	32,000		39,793	7,793
Fines and Costs					
Municipal Court	A-12	25,000		27,465	2,465
Interest and Costs on Taxes	A-12	40,000		56,354	16,354
Interest on Investments and Deposits	A-12	175,000		213,676	38,676
Energy Receipts Taxes	A-12	453,077		453,077	
Watershed Moratorium Offset Aid	A-12	20,257		20,257	
Uniform Construction Code Fees	A-12	120,000		203,607	83,607
Recycling Tonnage Grant	A-24	5,656		5,656	
Reserve for Body Armor Grant	A-24	1,238		1,238	
Reserve for Clean Communities Grant	A-24	13,278		13,278	
Municipal Alliance on Alcoholism	A-24	1,287		1,287	
National Volunteer Fire Council	A-24		$ 10,000	10,000	
Uniform Fire Safety Act	A-12	7,550		8,159	609
Lease of Real Property - Cell Tower	A-12	92,715		93,262	547
Donations - Borough Newsletter	A-12	3,500		1,875	(1,625)
Fund Balance - General Capital Fund	A-12	107,000		107,000	
Cablevision Fess	A-12	24,977		24,977	
Verizon Video Fees	A-12	34,977		34,980	3
Reimbursement BOE - Garbage / Trash	A-12	18,000		32,487	14,487
Sewer Payments - Old Tappan	A-12	15,000	-	15,441	441
Total Miscellaneous Revenues	A-1	1,196,272	10,000	1,370,954	164,682
RECEIPTS FROM DELINQUENT TAXES	A-9	123,000	-	207,053	84,053
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax for Municipal Purposes		6,544,023		6,549,140	5,117
Minimum Library Tax		451,537	-	451,537	-
	A-2	6,995,560	-	7,000,677	5,117
Total General Revenues		$ 9,069,832	$ 10,000	9,333,684	$ 253,852
Non-Budget Revenues	Ref. A-1,A-2	A-3	A-3	60,223	
				$ 9,393,907	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF HARRINGTON PARK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Reference	
Analysis of Realized Revenue		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-9	$ 30,625,000
Allocated to		
School, County, and Municipal Open Space Taxes	A-17,18,19,20	23,821,999
		6,803,001
Add: Appropriation for Reserve for Uncollected Taxes	A-3	197,676
Balance for Supporting Municipal and Library Budget Appropriations	A-2	$ 7,000,677
Non-Budget Revenue		
Police Outside Detail		$ 55,960
Miscellaneous Fees		4,263
	A-2, A-4	$ 60,223

BOROUGH OF HARRINGTON PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
OPERATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT				
Administrative and Executive				
Salaries and Wages	$ 31,681	$ 6,681	$ 3,152	$ 3,529
Other Expenses	33,000	43,000	39,154	3,846
Mayor and Council				
Other Expenses	2,759	2,759	2,755	4
Municipal Clerk				
Salaries and Wages	72,828	82,828	81,319	1,509
Other Expenses	10,000	10,000	6,434	3,566
Financial Administration				
Salaries and Wages	220,099	220,099	212,783	7,316
Other Expenses	28,154	28,154	25,292	2,862
Audit Services				
Other Expenses	36,414	36,414	6,100	30,314
Computerized Data Processing				
Other Expenses	26,530	41,530	41,484	46
Website	5,722	5,722	-	5,722
Revenue Administration (Tax Collection)				
Salaries and Wages	1	1	-	1
Other Expenses	4,775	4,775	3,315	1,460
Assessment of Taxes				
Salaries and Wages	24,896	24,896	24,896	-
Other Expenses	3,864	3,864	1,619	2,245
Special Emergency Authorizations - Digital Tax Maps	-	150,000	150,000	-
Legal Services and Costs				
Special Counsel	33,000	33,000	33,000	-
Other Expenses	57,020	57,020	26,193	30,827
Engineering Services and Costs				
Other Expenses	50,230	50,230	49,440	790
Planning Board				
Salaries and Wages	7,508	7,508	3,815	3,693
Other Expenses	27,500	32,500	29,152	3,348
Zoning Board of Adjustment				
Salaries and Wages	9,148	12,648	11,255	1,393
Other Expenses	3,184	4,184	2,374	1,810

BOROUGH OF HARRINGTON PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
OPERATIONS WITHIN "CAPS" (Cont'd)				
INSURANCE				
General Liability Insurance	$ 289,379	$ 290,379	$ 289,947	$ 432
Disability Insurance	10,000	9,000	7,669	1,331
Employee Group Health	534,687	534,687	449,451	85,236
Unemployment Insurance	5,000	5,000	208	4,792
Police				
Salaries and Wages	2,048,000	2,025,000	2,009,327	15,673
Other Expenses	65,280	75,280	71,701	3,579
Emergency Management Services				
Other Expenses	2,653	2,653	2,215	438
Aid to Volunteer Ambulance Companies	22,285	24,285	24,285	-
Fire				
Other Expenses	94,448	96,448	95,617	831
Fire Hydrant Services	100,970	100,970	100,970	-
Uniform Fire Safety Act				
Salaries and Wages	10,283	10,283	10,283	-
Other Expenses	3,693	3,693	1,926	1,767
Municipal Prosecutor				
Prosecutor- Contractual	8,160	8,160	8,000	160
PUBLIC WORKS FUNCTION				
Road Repairs and Maintenance				
Salaries and Wages	742,000	728,500	647,836	80,664
Other Expenses	67,626	73,626	70,262	3,364
Solid Waste Collection				
Garbage and Trash Removal - Contractual	757,000	761,000	697,362	63,638
Public Buildings and Grounds				
Other Expenses	22,082	24,082	21,391	2,691
Vehicle Maintenance				
Other Expenses	35,929	32,929	28,525	4,404
Other Public Works Function - Beautification				
Other Expenses	3,641	3,641	278	3,363

BOROUGH OF HARRINGTON PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
OPERATIONS WITHIN "CAPS" (Cont'd)				
HEALTH and HUMAN SERVICES				
Board of Health				
Salaries and Wages - Regular	$ 27,061	$ 27,061	$ 25,709	$ 1,352
Other Expenses	11,774	11,774	8,985	2,789
Environmental Commission				
Salaries and Wages	872	872	-	872
Other Expenses	2,200	2,200	1,642	558
PARK AND RECREATION				
Recreation Services and Programs				
Salaries and Wages	8,000	8,000	7,125	875
Other Expenses	5,306	5,306	-	5,306
Maintenance of Parks				
Other Expenses	10,612	10,612	9,479	1,133
Senior Citizen Activities	31,836	31,836	17,381	14,455
Municipal Court				
Salaries and Wages	15,000	15,000	15,000	-
Other Expenses	4,245	4,245	1,900	2,345
Public Defender				
Other Expenses	1,380	1,380	-	1,380
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)				
State Uniform Construction Code				
Salaries and Wages	116,733	113,733	104,210	9,523
Other Expenses	13,005	13,005	990	12,015

BOROUGH OF HARRINGTON PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
OPERATIONS WITHIN "CAPS" (Cont'd)				
UTILITIES EXPENSE AND BULK PURCHASES				
Electricity	$ 30,600	$ 36,600	$ 35,143	$ 1,457
Street Lighting	59,000	59,000	59,000	-
Telephone and Telegraph	32,450	32,450	31,036	1,414
Water	26,500	26,500	22,923	3,577
Natural Gas	13,250	13,250	9,529	3,721
Gasoline	64,610	54,610	31,363	23,247
Sewage Processing and Disposal	1,060	1,060	-	1,060
Total Operations Within "CAPS"	5,986,923	6,135,923	5,672,200	463,723
Detail:				
Salaries and Wages	3,334,110	3,283,110	3,156,710	126,400
Other Expenses	2,652,813	2,852,813	2,515,490	337,323
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"				
Statutory Charges				
Contribution to Public Employees' Retirement System	187,000	187,000	161,346	25,654
Social Security System (O.A.S.I.)	142,800	142,800	126,364	16,436
Police & Firemen's Retirement System of NJ	577,421	577,421	577,421	-
Contribution to Defined Contribution Retirement Program	10,404	10,404	400	10,004
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	917,625	917,625	865,531	52,094
Total General Appropriations for Municipal Purposes Within "CAPS"	6,904,548	7,053,548	6,537,731	515,817

BOROUGH OF HARRINGTON PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
OPERATIONS - EXCLUDED FROM "CAPS"				
NJPDES Permit - Stormwater Permit Engineering -Other Expenses	$ 4,978	$ 4,978	$ 1,625	$ 3,353
Bergen County Utilities Authority				
Operating	349,558	349,558	349,557	1
Debt Service	94,618	94,618	94,618	
EDUCATION FUNCTIONS				
Maintenance of Free Public Library	451,537	451,537	451,535	2
LOSAP	105,000	105,000	-	105,000
Employee Group Health	61,132	61,132	61,132	-
Total Other Operations - Excluded from "CAPS"	1,066,823	1,066,823	958,467	108,356
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
9-1-1 Interlocal Agreement	62,404	62,404	62,404	
Wood Chipping	35,000	36,000	36,000	
Municipal Court Administrator - Borough of River Vale	27,050	27,050	24,606	2,444
Total Interlocal Municipal Service Agreements	124,454	125,454	123,010	2,444
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES				
Clean Communities Grant	13,278	13,278	13,278	
Body Armor Replacement Program	1,238	1,238	1,238	
Recycling Tonnage Grant	5,656	5,656	5,656	
National Volunteer Fire Council	-	10,000	10,000	
Municipal Alliance Grant	1,287	1,287	1,287	
Municipal Alliance Grant - Local	322	322	322	-
Total Public and Private Programs Offset by Revenues	21,781	31,781	31,781	-
Total Operations Excluded from "CAPS"	1,213,058	1,224,058	1,113,258	110,800
Detail:				
Other Expenses	1,213,058	1,224,058	1,113,258	110,800

BOROUGH OF HARRINGTON PARK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"				
Capital Improvement Fund	$ 40,000	$ 40,000	$ 40,000	-
Total Capital Improvements Excluded From "CAPS"	40,000	40,000	40,000	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"				
Payment of Bond Principal	550,000	550,000	550,000	-
Interest on Bonds	164,550	164,550	164,550	-
Total Municipal Debt Service Excluded from "CAPS"	714,550	714,550	714,550	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,967,608	1,978,608	1,867,808	$ 110,800
Subtotal General Appropriations	8,872,156	9,032,156	8,405,539	626,617
Reserve for Uncollected Taxes	197,676	197,676	197,676	-
Total General Appropriations	$ 9,069,832	$ 9,229,832	$ 8,603,215	$ 626,617
Reference	A-2			A

	Reference	
Adopted Budget	A-2	$ 9,069,832
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	10,000
Special Emergency Authorizations (N.J.S.A. 40A:4-53)	A-27	150,000
		$ 9,229,832

	Reference	
Cash Disbursed	A-4	$ 8,189,962
Reserve for Uncollected Taxes	A-2	197,676
Transferred to Appropriated Grant Reserves	A-23	31,781
Transferred to Reserve for Approved Digital Tax Maps	A-28	150,000
Encumbrances Payable	A-15	33,796
		$ 8,603,215

BOROUGH OF HARRINGTON PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-3	$ 3,468	$ 2,516
OTHER TRUST FUND			
Cash	B-3	534,914	400,414
MUNICIPAL OPEN SPACE AND RECREATION TRUST FUND			
Cash	B-3	204,144	301,017
Due From Current Fund	A-17	384	315
		204,528	301,332
Total Assets		$ 742,910	$ 704,262

BOROUGH OF HARRINGTON PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
LIABILITIES AND RESERVES			
ANIMAL CONTROL TRUST FUND			
Reserve for Animal Control Fund Expenditures	B-4	$ 3,468	$ 2,516
OTHER TRUST FUND			
Due to Current Fund	B-6	250	250
Street Opening Deposits - Developers	B-8	2,000	2,000
Subdivision Applications - Developers	B-7	153,829	133,588
Reserve for Payroll	B-18	4,635	4,635
Dedicated Funds			
Cat License Fees	B-9	854	5,063
Tennis Program Reserve - Recreation	B-10	9,501	9,501
Unemployment Insurance Trust	B-15	22,654	22,654
Parking Offenses Adjudication Act	B-11	518	410
Recycling Program	B-12	1,413	704
Recreation Fees	B-13	69,847	61,223
Green Team/Environmental Commission-Donations	B-19	694	925
Police - Donations	B-20	1,142	1,142
Lead Paint	B-24	260	140
Beautification	B-21	7,753	8,549
Tree Fees	B-22	15,193	23,377
HP Community Business Alliance	B-23	14,201	14,525
Due to State of New Jersey			
Domestic Violence Fees	B-14	203	203
Tax Sale Premiums	B-25	134,600	-
Reserve for Affordable Housing - Developer's Fees	B-16	95,367	111,525
		534,914	400,414
MUNICIPAL OPEN SPACE AND RECREATION TRUST FUND			
Reserve for Open Space Expenditures	B-17	204,528	301,332
Total Liabilities and Reserves		$ 742,910	$ 704,262

The Accompanying Notes are an Integral Part of these Financial Statements

EXHIBIT B-1

BOROUGH OF HARRINGTON PARK
STATEMENT OF REVENUES - REGULATORY BASIS - MUNICIPAL OPEN SPACE AND RECREATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	2025 Realized	Variance
Amount to be Raised by Taxation	$ 94,222	$ 94,291	$ 69
	$ 94,222	$ 94,291	$ 69
Reference	B-2	B-17	

EXHIBIT B-2

STATEMENT OF EXPENDITURES - REGULATORY BASIS - MUNICIPAL OPEN SPACE AND RECREATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Paid or Charged	Variance
Maintenance of Land for Recreation and Conservation			
Other Expenses	$ 94,222	$ 133,225	$ (39,003)
Improvement Authorizations - Funded	-	57,870	(57,870)
	$ 94,222	$ 191,095	$ (96,873)
Reference	B-1	B-17	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF HARRINGTON PARK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
ASSETS			
Cash and Cash Equivalents	C-2,C-3	$ 96,178	$ 650,811
Grants Receivable	C-6	164,411	450,760
Deferred Charges to Future Taxation			
Funded	C-4	4,050,000	4,600,000
Unfunded	C-5	3,343,082	2,819,177
Total Assets		$ 7,653,671	$ 8,520,748
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds Payable	C-11	$ 4,050,000	$ 4,600,000
Improvement Authorizations			
Funded	C-10	702,165	721,298
Unfunded	C-10	1,597,094	1,565,375
Due to Current Fund	C-12	200,000	-
Contracts Payable	C-8	264,337	690,793
Reserve for Payment of Debt	C-9	727,202	727,202
Capital Improvement Fund	C-7	29,643	25,850
Fund Balance	C-1	83,230	190,230
Total Liabilities, Reserves and Fund Balance		$ 7,653,671	$ 8,520,748

There were bonds and notes authorized but not issued at December 31, 2025 and 2024 amounting to $3,343,082 and $2,819,177, respectively. (Exhibit C-13)

BOROUGH OF HARRINGTON PARK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
Balance, January 1	C	$ 190,230	$ 565,230
Decreased by:			
Current Fund Budget Appropriation	C-2	107,000	375,000
Balance, December 31	C	$ 83,230	$ 190,230

The Accompanying Notes are an Integral Part of these Financial Statements

EXHIBIT D

BOROUGH OF HARRINGTON PARK
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
General Fixed Assets		
Land and Land Improvements	$ 4,223,491	$ 4,223,491
Buildings and Building Improvements	1,900,671	1,900,671
Vehicles and Equipment	5,871,297	5,764,562
	$ 11,995,459	$ 11,888,724
Investment in General Fixed Assets	$ 11,995,459	$ 11,888,724

The Accompanying Notes are an Integral Part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Harrington Park (the "Borough") was incorporated in 1904 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

The Governmental Accounting Standards Board (GASB) requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer ambulance corps and volunteer fire company, which are considered a component unit under accounting principles generally accepted in the United States of America (GAAP)**.** Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

The financial statements of the Borough have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). 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 separate funds, which differ from the fund structure required by GAAP.

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements 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 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

Animal Control 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.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Municipal Open Space and Recreation Trust Fund - This fund is used to account for the receipts and disbursements relating to taxes raised to finance the maintenance, improvement and repair of the Borough's recreation facilities and to preserve open space.

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

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

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements 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 because their inclusion would make certain statements unduly complex and difficult to understand.

Financial Statements – Regulatory Basis

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the regulatory basis financial statements listed in the table of contents which are required by the Division, and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Borough of Harrington Park follows a modified accrual basis of accounting. 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 or permitted for municipalities by the Division ("regulatory basis of accounting") 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:

Cash, Cash Equivalents and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

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.

Property Tax Revenues/Receivables - 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. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of $10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. 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 December 31, 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 April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. 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 tax 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 (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Miscellaneous Revenues/Receivables - 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 (i.e., when they are both measurable and available).

Grant and Similar Award Revenues/Receivables - 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 as soon as all eligibility requirements imposed by the grantor or provider have been met.

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair 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 for interfunds and, therefore, does not recognize income in the year liquidated.

Deferred Charges – Certain expenditures and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

Appropriation Reserves – Appropriation reserves are recorded as liabilities and 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.

Expenditures – 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 cancelled 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, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that liabilities for compensated absences be recorded for leave that has not been used when the leave is attributable to services already rendered and the leave is more likely than not to be used for time off or otherwise paid in cash. Compensated absences liabilities are not recorded on the balance sheet.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. GAAP does not permit the deferral of unpaid school taxes to fund balance at year end.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of $1,000 and an estimated useful life in excess of two years.

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 sewerage and drainage systems are not capitalized.

General Fixed Assets purchased after December 31, 2002 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 2002 are stated as follows:

Land and Buildings	1986 Assessed Value
Buildings and Building Improvements	1986 Assessed Value
Machinery and Equipment	Estimated Historical Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets be recorded in the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Long-term Debt - The Borough's long-term debt is stated at face value. Additional information pertinent to the Borough's long-term debt is disclosed in Note 10 to the financial statements.

Length of Service Awards Program (LOSAP) - Financial reporting standards established by the Division exclude the financial information relating to a LOSAP program from the scope of the statutory audit. Accordingly, financial information relating to the Borough's LOSAP Program, a deferred income program created pursuant to Section 457 of the Internal Revenue Code for the benefit of the volunteers, is not reported as part of the Borough's basic financial statements. As the LOSAP Plan's assets remain the property of the Borough until withdrawn by participants, GAAP requires that the Plan's financial information be included in the Borough's basic financial statements. See Note 17 regarding the availability of LOSAP Plan financial information.

Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense – The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflow of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of the liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, municipalities may use the most recent available audited GASB 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 Public Employees' Retirement System Report and the 2024 Police and Firemen's Retirement System Report were the most recent reports available and therefore information for that year was disclosed accordingly. Refer to Note 12 to the Financial Statements for these disclosures.

Other Post-Employment Benefits Other Than Pensions – The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflow of resources, deferred inflow of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Borough does not follow GAAP, the GASB did not result in a change in the Borough's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs. The Borough maintains a sole-employer OPEB Plan. However, the Borough participates in a special funding situation with the State of New Jersey multi-employer plan. As it relates to the State of New Jersey multi-employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, municipalities may use the most recent available audited GASB 75 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of the date of audit, the 2024 Report was the most recent report available and therefore information for that year was disclosed accordingly. Refer to Note 13 to the Financial Statements for the disclosures.

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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

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

Animal Control Trust Fund
Other Trust Fund
General Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, 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. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. 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. During 2025 and 2024 the governing body increased the original Current Fund budget by $160,000 and $5,000, respectively. The 2025 Current Fund budget was increased for a special emergency authorization of $150,000 and additional state aid appropriated of $10,000. The 2024 Current Fund budget was increased for a additional state aid appropriated of $5,000. Expenditures may not legally exceed budgeted appropriations at the line-item level. The governing body approved several budget transfers during 2025 and 2024.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or $200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to $250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At December 31, 2025 and 2024, the book value of the Borough's deposits were $3,577,519 and $3,975,713 and bank and brokerage firm balances of the Borough's deposits amounted to $3,884,447 and $4.363,972, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account	Bank Balance 2025	Bank Balance 2024
Insured	$3,884,447	$4,363,972

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

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 does not have a formal policy for custodial credit risk. As of December 31, 2025 and 2024, none of the Borough's bank balances were exposed to custodial credit risk.

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

As of December 31, 2025 and 2024, the Borough had no investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough's investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer.

Interest earned in the General Capital Fund, Animal Control Trust Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Current		
Property Taxes	$ 197,651	$ 198,099
Tax Title Liens	56,648	48,467
	$ 254,299	$ 246,566

In 2025 and 2024, the Borough collected $207,053 and $137,721 from delinquent taxes, which represented 84% and 76%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	2025		2024	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	$ 200,250	$ 384	$ 250	$ 315
General Capital Fund		200,000		
Other Trust Fund		250		250
Municipal Open Space and Recreation Trust Fund	384	-	315	-
Total	$ 200,634	$ 200,634	$ 565	$ 565

The above balances are the result of expenditures being paid by one fund on behalf of another and/or revenues earned in one fund which are due to another fund.

The Borough expects all interfund balances to be liquidated within one year.

NOTE 6 DEFERRED SCHOOL TAXES

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2025 and 2024 are as follows:

	2025 Local District School	**2024** Local District School
Balance of Tax	$ 7,394,902	$ 7,005,352
Deferred Liability	7,302,173	6,912,623
Taxes Payable	$ 92,729	$ 92,729

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balance in the Current Fund is comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	2025		**2024**	
	Fund Balance December 31	Utilized in Subsequent Year's Budget (**A**)	Fund Balance December 31	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	$ 1,351,405	$ 765,000	$ 1,563,736	$ 755,000
Non-Cash Surplus	432,303	-	305,446	-
	$ 1,783,708	$ 765,000	$ 1,869,182	$ 755,000

(**A**) Represents the fund balance utilized in the 2026 introduced budget.

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following Funds:

	Balance December 31,	Funded by Subsequent Year Budget Appropriations	Balance to Succeeding Budgets
2025			
Current Fund			
Special Emergency Authorizations	$ 150,000	$ 30,000	$ 120,000
2024			
None	$ -	$ -	$ -

NOTE 9 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2025 and 2024.

	Balance, January 1, 2025	Additions	Retirements	Balance, December 31, 2025
2025				
Land and Land Improvements	$ 4,223,491			$ 4,223,491
Buildings and Building Improvements	1,900,671			1,900,671
Vehicles and Equipment	5,764,562	$ 320,674	$ 213,939	5,871,297
	$11,888,724	$ 320,674	$ 213,939	$11,995,459

	Balance, January 1, 2024	Additions	Retirements	Balance, December 31, 2024
2024				
Land and Land Improvements	$ 4,223,491			$ 4,223,491
Buildings and Building Improvements	1,820,382	$ 80,289		1,900,671
Vehicles and Equipment	5,907,727	175,473	$ 318,638	5,764,562
	$11,951,600	$ 255,762	$ 318,638	$11,888,724

NOTE 10 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds may be issued for general capital fund projects. 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 four months or retired by the issuance of bonds.

NOTE 10 MUNICIPAL DEBT (Continued)

The Borough's debt is summarized as follows:

	2025	2024
Issued		
General		
Bonds	$ 4,050,000	$ 4,600,000
Less Funds Temporarily Held to Pay		
Bonds and Notes	727,202	727,202
Net Debt Issued	3,322,798	3,872,798
Authorized But Not Issued		
General		
Bonds and Notes	3,343,082	2,819,177
Net Bonds and Notes Issued and Authorized		
But Not Issued	$ 6,665,880	$ 6,691,975

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .493% and .525% at December 31, 2025 and 2024, respectively.

	Gross Debt	Deductions	Net Debt
2025			
General Debt	$ 7,393,082	$ 727,202	$ 6,665,880
School Debt	562,602	562,602	-
Total	$ 7,955,684	$ 1,289,804	$ 6,665,880

	Gross Debt	Deductions	Net Debt
2024			
General Debt	$ 7,419,177	$ 727,202	$ 6,691,975
School Debt	689,265	689,265	-
Total	$ 8,108,442	$ 1,416,467	$ 6,691,975

NOTE 10 MUNICIPAL DEBT (Continued)

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	2025	2024
3-1/2% of Equalized Valuation Basis (Municipal)	$ 47,308,969	$ 44,550,441
Net Debt	6,665,880	6,691,975
Remaining Borrowing Power	$ 40,643,089	$ 37,858,466

A. Long-Term Debt

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

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	2025	2024
$4,890,000, 2023 Bonds due in annual installments of $570,000 to $580,000 through May 15, 2032, interest at 3.00% to 4.00%	$ 4,050,000	4,600,000

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2025 is as follows:

Calendar	Bonds		
Year	Principal	Interest	Total
2026	$ 570,000	$ 147,750	$ 717,750
2027	580,000	127,600	707,600
2028	580,000	104,400	684,400
2029	580,000	81,200	661,200
2030	580,000	58,000	638,000
2031-2032	1,160,000	46,400	1,206,400
	$ 4,050,000	$ 565,350	$ 4,615,350

NOTE 10 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2025 and 2024 were as follows:

	Balance January 1, 2025	Additions	Reductions	Balance, December 31, 2025	Due Within One Year
2025					
General Capital Fund					
Bonds Payable	$ 4,600,000	$ -	$ 550,000	$ 4,050,000	$ 570,000

	Balance January 1, 2024	Additions	Reductions	Balance, December 31, 2024	Due Within One Year
2024					
General Capital Fund					
Bonds Payable	$ 5,241,000	$ -	$ 641,000	$ 4,600,000	$ 550,000

NOTE 11 OTHER LONG-TERM LIABILITIES

Compensated Absences

Members of the Police Department after serving the required number of years and reaching the prescribed age as set forth by the Police and Firemen's Retirement System of the State of New Jersey are entitled to six (6) months leave with pay. This payout will be charged to the current year budget at that time.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate $395,040 and $384,215 at December 31, 2025 and 2024 respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit multiple employer public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 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.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which, if applicable, vest after 25 years of service or under the disability provisions of PERS.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 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 a least 25 years of service.

Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least $5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was $13.7 billion. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was $12.3 billion.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2025 and 2024 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's pensionable compensation.

For the years ended December 31, 2025, 2024 and 2023 for PFRS and PERS, which are cost sharing multiple employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2025, 2024 and 2023 were equal to the required contributions.

During the years ended December 31, 2025, 2024 and 2023, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

Year Ended December 31	PFRS	PERS
2025	$ 577,421	$ 186,988
2024	606,756	189,311
2023	599,463	182,373

For the years ended December 31, 2025, 2024 and 2023 the Borough had no required contributions for long-term disability insurance premiums (LTDI) for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2024. Employer allocation percentages have been rounded for presentation purposes.

Public Employees' Retirement System (PERS)

At December 31, 2025, the Borough reported a liability of $1,867,227 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough's proportionate share was .01374 percent, which was a decrease of 0.00042 percent from its proportionate share measured as of June 30, 2023 of .01416 percent.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (Continued)

For the year ended December 31, 2025, the pension system has determined the Borough's pension benefit to be $20,970 for PERS based on the actuarial valuations which is less than the actual contributions reported for 2024 in the Borough's financial statements of $189,311. At December 31, 2025, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2024 Deferred Outflows of Resources	2024 Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 37,404	$ 4,971
Changes of Assumptions	2,320	21,245
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		86,578
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions		143,255
Contribution Subsequent to the Measurement Date	186,988	-
Total	$ 226,712	$ 256,049

The $186,988 of deferred outflows of resources resulting from the Borough's contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense (benefit) on the GAAP basis as follows if GASB 68 were recognized:

Year Ended December 31,	Total
2025	$ (137,784)
2026	18,549
2027	(62,000)
2028	(34,604)
2029	(486)
	$ (216,325)

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2025 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

PERS

	2024
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%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2021.

The actuarial assumptions used in the July 1, 2023 valuations was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2025 are summarized in the following table:

	2024	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
U.S. Equities	28.00%	8.63%
Non – U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	8.00%	10.95%
Real Estate	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

Calendar Year	Measurement Date	Discount Rate
2025	June 30, 2024	7.00%

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	2024
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of June 30, 2024 calculated using the discount rate of 7.00% as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

2024	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Borough's Proportionate Share of the PERS Net Pension Liability	$ 2,481,086	$ 1,867,227	$ 1,344,837

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at June 30, 2024. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Special Funding Situation – PERS

Under N.J.S.A. 43:15A-15, the Borough is responsible for their own 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 365, P.L. 2001, and Chapter 133, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Special Funding Situation – PERS (Continued)

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 states proportionate share is 100% for PERS under this legislation. At December 31, 2025, the State's Proportionate share of the net pension liability attributable to the Borough for the PERS special funding situation is $0. For the year ended December 31, 2025, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PERS special funding situation is $6,020, which is equal to the actual contribution the state made on behalf of the Borough of $6,020. At December 31, 2025 (measurement date June 30, 2024) the State's share of the PERS net pension liability attributable through the Borough was 0.01381 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PERS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Police and Firemen's Retirement System (PFRS)

At December 31, 2025, the Borough reported a liability of $4,310,747 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough's proportionate share was .04174 percent, which was a decrease of .00384 percent from its proportionate share measured as of June 30, 2023 of .04558 percent.

For the year ended December 31, 2025 the pension system has determined the Borough pension expense to be $304,606 for PFRS based on the actuarial valuations which is less than the actual contribution for 2024 reported in the Borough financial statements of $606,756. At December 31, 2025, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2024	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference Between Expected and Actual Experience	$ 271,574	$ 147,576
Changes of Assumptions	6,814	126,600
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		33,739
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	290,680	402,597
Borough's Contribution Subsequent to the Measurement Date	577,421	-
Total	$ 1,146,489	$ 710,512

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

The $577,421 of deferred outflows of resources resulting from the Borough's contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense (benefit) on the GAAP basis as follows if GASB 68 were recognized:

Year Ending December 31,	Total
2025	$ (192,989)
2026	278,420
2027	(83,901)
2028	(94,901)
2029	(44,101)
2030	(3,972)
Thereafter	-
	$ (141,444)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2025 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2024
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through All Future Years	3.25% -16.25% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2021.

The actuarial assumptions used in the July 1, 2023 valuations was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2024 as reported for the year ended December 31, 2025 are summarized in the following table:

	2024	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	28.00%	8.63%
Non - US Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	8.00%	10.95%
Real Estate	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

Calendar Year	Measurement Date	Discount Rate
2025	June 30, 2024	7.00%

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

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of June 30, 2024 calculated using the discount rate of 7.00% as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

2024	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	$ 6,159,098	$ 4,310,747	$ 2,771,475

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at June 30, 2024. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

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 December 31, 2025, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is $849,855 (measurement date June 30, 2024). For the year ended December 31, 2025, 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 $97,769, which is equal to the actual contributions the State made on behalf of the Borough of $97,769. At December 31, 2025 (measurement date June 30, 2024) the State's share of the PFRS net pension liability attributable to the Borough was 0.04174 percent, which was a decrease of .00384 percent from its proportionate share measured as of December 31, 2024 (measurement date June 30, 2023) of .04558 percent. 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.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Borough.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual 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) retires 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) retires 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.

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

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 above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB 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 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. 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. 75 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. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2025, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is $4,270,673. For the year ended December 31, 2025 the plan has determined the State's proportionate share of the OPEB benefit and related revenue attributable to the Borough for the OPEB special funding situation is $413,756. At December 31, 2025, (measurement date June 30, 2024), the State's share of the OPEB liability attributable to the Borough was 0.087574 percent, which was a decrease of 0.008931 percent from its proportionate share measured as of December 31, 2024 (measurement date June 30, 2023) of .096505 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 14 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Harrington Park is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) 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 Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Borough.

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 the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was 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. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

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

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

Year Ended December 31	Opening Balance	Employee Contributions	Ending Balance
2025	$ 22,654		$ 22,654
2024	20,873	$ 1,781	22,654
2023	18,399	2,474	20,873

NOTE 15 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

NOTE 15 CONTINGENT LIABILITIES (Continued)

Pending Tax Appeals - Certain tax appeal cases were pending in the New Jersey Tax Court at December 31, 2025 and 2024. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2025 and 2024, the Borough reserved $1,345 and $1,345, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget, from fund balance and/or a refunding bond ordinance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2025 and 2024, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2025 and 2024, the Borough has not estimated its arbitrage earnings due to the IRS, if any.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Harrington Park Length of Service Award Program (the Program) was created by a Borough ordinance adopted on June 19, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Harrington Park approved the adoption of the Program at the general election held on November 7, 2000. The Volunteer Fire Company No. 1 implemented the Program in 2001.

The implementation of the Emergency Services Volunteer Length of Service Award Program for the Harrington Park Volunteer Ambulance Corps was created by a Borough ordinance adopted on June 16, 2014. The voters of the Borough of Harrington Park approved the adoption of the Program at the general election held on November 4, 2014.

The first year of eligibility for entrance into the Program was calendar year 2001 and 2015 for the Volunteer Fire Company No.1 and Volunteer Ambulance Corps, respectively. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Company No. 1 and the Volunteer Ambulance Corps, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a Program created by the governing body.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of $100 and a maximum contribution of $1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Harrington Park has elected to contribute up to a maximum of $1,821 and $1,766 for 2025 and 2024, respectively, for each eligible Volunteer Fire Company No. 1 member into the Program. The Borough also contributed up to a maximum of $1,542 and $1,493 for 2025 and 2024, respectively for each eligible Volunteer Ambulance Corps member into the Program. The total Borough contributions were $91,331 and $100,005 for 2025 and 2024, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Corebridge Financial (Corebridge), formerly Variable Annuity Life Insurance Company (VALIC) is the administrator of the Program. The Borough's practical involvement in administering the Program is essentially limited to verifying the eligibility of each participant and remitting the funds to the Program administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Program.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the Program in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Review Services.

NOTE 18 LESSOR REVENUES

The Borough has entered into certain leases for the use of Borough owned real property. The leases are due to the Borough in installments as outlined in each individual lease. The Borough recognizes the revenues on an annual basis based upon cash received. The following table represents the lease principle throughout the term of the lease.

Calendar Year	Annual Lease Payments
2026	$ 97,645
2027	98,096
2028	98,559
2029	37,826
2030	43,389
2031-2035	231,157
2036-2039	142,863
	$ 749,535

NOTE 19 SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2025 through the date of April 24, 2026, which is the date the financial statements were available to be issued. Based on this evaluation, the Borough has determined that there is no subsequent event has occurred which requires disclosure in the financial statements.

BOROUGH OF HARRINGTON PARK

BERGEN COUNTY

PART II

SUPPLEMENTARY INFORMATION REQUIRED BY THE DIVISION

YEAR ENDED DECEMBER 31, 2025

CURRENT FUND

BOROUGH OF HARRINGTON PARK
STATEMENT OF CURRENT CASH - TREASURER

Balance, January 1, 2025		$ 2,620,255
Increased by Receipts:		
Tax Collector Receipts	$ 30,956,082	
Revenue Accounts Receivable	1,283,141	
Miscellaneous Revenue Not Anticipated	60,223	
State of New Jersey Senior Citizens' and Veterans' Deductions	29,815	
Grants Receivable	34,430	
Unappropriated Grant Reserves	33,628	
Due to State - DCA Fees Payable	7,909	
		32,405,228
		35,025,483
Decreased by Disbursements:		
2025 Budget Appropriations	8,189,962	
2024 Appropriation Reserves	278,165	
Local District School Tax	14,214,792	
Regional High School Tax	5,975,278	
County Taxes	3,148,088	
Payments to Municipal Open Space and Recreation Trust Fund	94,222	
Appropriated Grant Reserves	71,600	
Tax Overpayment Refunds	71,988	
Due to State - DCA Fees Payable	7,321	
Payments to General Capital Fund	200,000	
Refund of Prior Year Revenues	35,952	
		32,287,368
Balance, December 31, 2025		$ 2,738,115

EXHIBIT A-5

BOROUGH OF HARRINGTON PARK
STATEMENT OF CASH - COLLECTOR

Increased by Receipts:		
Taxes Receivable	$ 30,708,939	
Tax Title Liens	8,954	
Revenue Accounts Receivable		
Interest and Costs on Taxes	56,354	
Tax Overpayments	68,850	
Prepaid Taxes	112,985	
		$ 30,956,082
Decreased by Transfers to Treasurer		$ 30,956,082

EXHIBIT A-6

STATEMENT OF CHANGE FUND

Office	Balance, December 31, 2024	Balance, December 31, 2025
Tax Collector	$ 200	$ 200

EXHIBIT A-7

STATEMENT OF PETTY CASH FUND

Balance, December 31, 2025 and 2024	$ 500

EXHIBIT A-8

BOROUGH OF HARRINGTON PARK
STATEMENT OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Balance, January 1, 2025		$ 10,322
Increased by:		
Cash Receipts		29,815
		40,137
Decreased by:		
Senior Citizens' Deductions Per Tax Billings	$ 1,750	
Veterans' Deductions per Tax Billings	28,000	
		29,750
Balance, December 31, 2025		$ 10,387

BOROUGH OF HARRINGTON PARK
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance January 1, 2025	2025 Levy	Collected in 2024	Collected in 2025	Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Overpayments	Transferred to Tax Title Liens	Balance, December 31, 2025
2024	$ 198,099	$ -	$ -	$ 198,099	$ -	$ -	$ -	$ -
	198,099	-	-	198,099	-	-	-	-
2025	-	30,839,786	84,815	30,510,840	29,750	405	17,135	197,651
	$ 198,099	$ 30,839,786	$ 84,815	$ 30,708,939	$ 29,750	$ 405	$ 17,135	$ 197,651

Analysis of 2025 Property Tax Levy

Tax Yield		
General Purpose		$ 30,817,127
Added Taxes (R.S. 54:4-63.1 et seq.)		22,659
		$ 30,839,786
Tax Levy		
Regional High School Tax (Abstract)		$ 5,975,278
Local District School Tax (Abstract)		14,604,342
County Tax (Abstract)	$ 3,011,063	
County Tax for Open Space Preservation	134,808	
County Tax for Added and Omitted Taxes (R.S. 54:4-63.1 et seq.)	2,217	
		3,148,088
Local Tax for Municipal Purposes (Abstract)	6,544,023	
Minimum Library Tax Levy (Abstract)	451,537	
Additional Tax Levied	22,227	
		7,017,787
Open Space Tax	94,222	
Additional Tax Levy - Open Space Tax	69	
		94,291
		$ 30,839,786

EXHIBIT A-10

BOROUGH OF HARRINGTON PARK
STATEMENT OF TAX TITLE LIENS

Balance, January 1, 2025	$	48,467
Increased by:		
Transfer from Taxes Receivable		17,135
		65,602
Decreased by:		
Cash Collections		8,954
Balance, December 31, 2025	$	56,648

EXHIBIT A-11

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2025 and 2024	$	59,720

EXHIBIT A-12

BOROUGH OF HARRINGTON PARK
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, 2025	Accrued in 2025	Collected	Balance, December 31, 2025
Licenses				
Alcoholic Beverages		$ 1,620	$ 1,620	
Other		5,465	5,465	
Fees and Permits		39,793	39,793	
Construction Code Official				
Fees and Permits		203,607	203,607	
Fines and Costs				
Municipal Court	$ 1,555	29,177	27,465	$ 3,267
Interest on Costs on Taxes		56,354	56,354	
Interest in Investments and Deposits		213,676	213,676	
Cablevision Fees		24,977	24,977	
Energy Receipts Taxes		453,077	453,077	
Watershed Moratorium Offset Aid		20,257	20,257	
Uniform Fire Safety Act		8,159	8,159	
Lease of Real Property - Cell Tower		93,262	93,262	
Donations - Borough Newsletter		1,875	1,875	
Verizon Video Fees		34,980	34,980	
Fund Balance - General Capital Fund		107,000	107,000	
Reimbursement BOE - Garbage / Trash		32,487	32,487	
Sewer Payments - Old Tappan	-	15,441	15,441	-
	$ 1,555	$ 1,341,207	$ 1,339,495	$ 3,267

Cash Receipts:	
Treasurer	$ 1,283,141
Collector	56,354
	$ 1,339,495

EXHIBIT A-13

BOROUGH OF HARRINGTON PARK
STATEMENT OF DUE FROM GENERAL CAPITAL FUND

Balance, January 1, 2025	$ -
Decreased by:	
Cash Disbursements	200,000
Balance, December 31, 2025	$ 200,000

BOROUGH OF HARRINGTON PARK
STATEMENT OF 2024 APPROPRIATION RESERVES

	Balance, January 1, 2025	Encumbrances Restored	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
Salaries and Wages						
Administrative and Executive	$ 6,000		$ (1,000)	$ 5,000		$ 5,000
Municipal Clerk	1,691			1,691		1,691
Financial Administration	4,968		(4,000)	968	$ 54	914
Revenue Administration	1			1		1
Assessment of Taxes	165			165	122	43
Planning Board	3,703			3,703	32	3,671
Zoning Board of Adjustment	50			50	50	-
Police	157		9,700	9,857	9,599	258
Road Repairs and Maintenance	-		5,500	5,500	5,346	154
Board of Health	2,276		30	2,306	60	2,246
Environmental Commission	14			14		14
Recreation Services and Programs	1,702			1,702		1,702
State Uniform Construction Code	8,153		(2,500)	5,653	118	5,535
Municipal Court	300			300		300
Other Expenses						
Administrative and Executive	1			1		1
Mayor and Council	83			83		83
Municipal Clerk	684			684		684
Financial Administration	5,132	$ 51	(4,000)	1,183	1,183	-
Audit Services	29,200			29,200	29,200	-
Computerized Data Processing	6,295		5,610	11,905	8,721	3,184
Website	5,610		(5,610)	-	-	-
Revenue Administration	2,575		(1,000)	1,575	344	1,231
Assessment of Taxes	2,890			2,890	1,384	1,506
Legal Services and Costs						
Special Counsel	10,795			10,795	213	10,582
Other Expenses	5,175			5,175		5,175
Engineering Services and Costs	-	1,640	(188)	1,452	1,250	202
Planning Board	1,284	12,000	188	13,472	12,760	712
Zoning Board of Adjustment	535			535	159	376
General Liability Insurance	36			36		36
Disability Insurance	15,000			15,000		15,000
Employee Group Health	62,605			62,605		62,605
Unemployment Insurance	1,241			1,241	988	253
Police	1,677	1,917		3,594	3,518	76
Aid to Volunteer Ambulance Companies	-		1,209	1,209	1,151	58
Fire - Other Expenses	33		5,566	5,599	5,591	8
Fire Hydrant Services	7,520			7,520		7,520
Uniform Fire Safety Act	918	5,575	(5,575)	918	249	669
Road Repair and Maintenance	21,162	752	(18,700)	3,214	2,437	777
Public Buildings and Grounds	1,599			1,599	168	1,431
Vehicle Maintenance	1,508			1,508	1,150	358
Other Public Works Function - Beautification	3,315			3,315	3,315	-
Board of Health	2,306		(30)	2,276	439	1,837
Environmental Commission	114			114		114
Maintenance of Parks	22	120		142	130	12
Senior Citizen Activities	13,654			13,654	1,927	11,727
Municipal Court	2,842	580		3,422	580	2,842

BOROUGH OF HARRINGTON PARK
STATEMENT OF 2024 APPROPRIATION RESERVES

	Balance, January 1, 2025	Encumbrances Restored	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
Other Expenses (continued)						
Public Defender	$ 1,353		$ (1,200)	$ 153		$ 153
State Uniform Construction Code	333			333	$ 80	253
Other Expenses:						
Utilities:						
Electricity	3,150		1,000	4,150	3,724	426
Street Lighting	1,695		11,000	12,695	11,889	806
Telephone and Telegraph	2,490			2,490	1,004	1,486
Water	4,155			4,155	754	3,401
Natural Gas	6,070			6,070	2,473	3,597
Gasoline	256		4,000	4,256	3,160	1,096
Sewage Processing & Disposal	40			40		40
Solid Waste Collection - Contracted Garbage Removal	45,658		15,000	60,658	60,658	-
Contribution to Public Employees' Retirement System	24,696			24,696		24,696
Contribution to Defined Contribution Retirement rogram	10,404			10,404		10,404
Social Security System (O.A.S.I.)	15,929		(15,000)	929		929
NJPDES Permit - Stormwater Permit	2,674			2,674		2,674
LOSAP	100,000			100,000	100,000	-
9-1-1 Interlocal Agreement	1			1		1
Wood Chipping	1,092			1,092		1,092
Municipal Court Administrator - Borough of Rivervale	2,396	-	-	2,396	2,185	211
	$ 457,383	$ 22,635	$ -	$ 480,018	$ 278,165	$ 201,853

Appropriation Reserves	$ 457,383
Encumbrances Payable	22,635
	$ 480,018

Cash Disbursements	$ 278,165

EXHIBIT A-15

BOROUGH OF HARRINGTON PARK
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2025	$	22,635
Increased by:		
Charged to 2025 Budget Appropriations		33,796
		56,431
Decreased by:		
Restored to Appropriation Reserves		22,635
Balance, December 31, 2025	$	33,796

EXHIBIT A-16

STATEMENT OF PREPAID TAXES

Balance, January 1, 2025	$	84,815
Increased by:		
Collection - 2026 Taxes		112,985
		197,800
Decreased by:		
Application to 2025 Taxes		84,815
Balance, December 31, 2025	$	112,985

EXHIBIT A-17

BOROUGH OF HARRINGTON PARK
STATEMENT OF DUE TO MUNICIPAL OPEN SPACE AND RECREATION TRUST FUND

Balance, January 1, 2025		$ 315
Increased by:		
Tax Levied	$ 94,222	
Added Taxes	69	
		94,291
		94,606
Decreased by:		
Payments to Municipal Open Space and Recreation Trust Fund		94,222
Balance, December 31, 2025		$ 384

EXHIBIT A-18

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2025		$ -
Increased by:		
County Tax	$ 3,011,063	
County Open Space Preservation	134,808	
Due County for Added and Omitted Taxes	2,217	
		3,148,088
		3,148,088
Decreased by:		
Payments		3,148,088
Balance, December 31, 2025		$ -

EXHIBIT A-19

BOROUGH OF HARRINGTON PARK
STATEMENT OF LOCAL DISTRICT SCHOOL TAX

Balance, January 1, 2025		
School Tax Payable	$ 92,729	
School Tax Deferred	6,912,623	
		$ 7,005,352
Increased by:		
Levy School Year July 1, 2025 to June 30, 2026		14,604,342
		21,609,694
Decreased by:		
Payments		14,214,792
Balance, December 31, 2025		
School Tax Payable	92,729	
School Tax Deferred	7,302,173	
		$ 7,394,902
2025 Liability for Local District School Tax		
Tax Paid		$ 14,214,792
Add Tax Payable, December 31, 2025		92,729
		14,307,521
Less Tax Payable, January 1, 2025		92,729
Amount Charged to Operations		$ 14,214,792

EXHIBIT A-20

STATEMENT OF REGIONAL HIGH SCHOOL TAX

Balance, January 1, 2025	$ -
Increased by:	
Levy - Calendar Year 2025	5,975,278
	5,975,278
Decreased by:	
Payments	5,975,278
Balance, December 31, 2025	$ -

EXHIBIT A-21

BOROUGH OF HARRINGTON PARK
STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2025 and 2024	$ 1,345

EXHIBIT A-22

STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, 2025	Accrued	Decrease	Balance, December 31, 2025
Municipal Alliance on Alcoholism and Drug Abuse-2017	$ 180			$ 180
Municipal Alliance on Alcoholism and Drug Abuse-2018	140			140
Municipal Alliance on Alcoholism and Drug Abuse-2019	5,853			5,853
Municipal Alliance on Alcoholism and Drug Abuse-2025		$ 1,287	$ 834	453
Recycling Tonnage Grant	4,207	5,656	5,458	4,405
CDBG - ADA Bathroom	75,000			75,000
Clean Communities Grant		13,278		13,278
Body Armor Grant		1,238		1,238
Fire Emergency Response - Safer Grant	193,239		38,310	154,929
Laternfly Chemical Treatment Grant - 2023	6,827			6,827
Laternfly Chemical Treatment Grant - 2024	20,000			20,000
National Volunteer Fire Council	-	10,000	10,000	-
	$ 305,446	$ 31,459	$ 54,602	$ 282,303

Transferred from Unappropriated	$ 20,172
Cash Receipts	34,430
	$ 54,602

EXHIBIT A-23

BOROUGH OF HARRINGTON PARK
STATEMENT OF APPROPRIATED GRANT RESERVES

	Balance, January 1, 2025	Increased By: Transferred from 2025 Appropriations	Decreased By	Balance, December 31, 2025
NJ-DOT-2010	$ 2,411			$ 2,411
Alcohol Education and Rehabilitation	3,648			3,648
Municipal Alliance Program - State	566	$ 1,287	$ 1,526	327
Municipal Alliance Program - Local	4,080	322		4,402
Recycling Tonnage Grant	24,660	5,656	2,469	27,847
CDBG - ADA Bathroom	55,893			55,893
Sustainable New Jersey	2,000			2,000
Body Armor Replacement Program	3,411	1,238		4,649
Highway Safety Grant	4,713			4,713
Bergen County Mini Grant	2,200			2,200
Senior Citizen Activities - CDBG	9,200			9,200
Fire Department - JIF Grant	3,845			3,845
Fire Emergency Response - Safer Grant	165,304		45,700	119,604
Laternfly Chemical Treatment Grant	16,392		2,000	14,392
Stormwater Management Grant	15,000			15,000
Clean Communities Grant	19,406	13,278	9,905	22,779
National Volunteer Fire Council	-	10,000	10,000	-
	$ 332,729	$ 31,781	$ 71,600	$ 292,910
	Cash Disbursements		$ 71,600	

EXHIBIT A-24

STATEMENT OF UNAPPROPRIATED GRANT RESERVES

Balance, January 1, 2025		$ 20,172
Increased by:		
Cash Receipts		33,628
		53,800
Decreased by:		
Revenue Realized in 2025 Budget		20,172
Balance, December 31, 2025		$ 33,628
	Stormwater Assistance Grant	$ 10,000
	Recycling Tonnage Grant	13,170
	Clean Communities Grant	5,458
	William Pipeline Tethered Drone Grant	5,000
		$ 33,628

EXHIBIT A-25

BOROUGH OF HARRINGTON PARK
STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2025		$ 31,943
Increased by:		
Overpayments in 2025	$ 68,850	
Transferred from Taxes Receivable	405	
		69,255
		101,198
Decreased by:		
Overpayments Refunded		71,988
Balance, December 31, 2025		$ 29,210

EXHIBIT A-26

STATEMENT OF DUE TO THE STATE OF N.J. - DCA FEES PAYABLE

Balance, January 1, 2025	$ 2,831
Increased by:	
Cash Receipts	7,909
	10,740
Decreased by:	
Cash Disbursements	7,321
Balance, December 31, 2025	$ 3,419

EXHIBIT A-27

STATEMENT OF DEFERRED CHARGES - N.J.S.A. 40A:4-53 SPECIAL EMERGENCY AUTHORIZATIONS

Balance, January 1, 2025	$ -
Increased by:	
Special Emergency Authorization (N.J.S.A. 40A:A-53)	150,000
Balance, December 31, 2025	$ 150,000
1/5 of Net Amount Authorized	$ 30,000

EXHIBIT A-28

STATEMENT OF RESERVE FOR APPROVED DIGITAL TAX MAPS

Balance, January 1, 2025	$ -
Increased by:	
Transferred From 2025 Budget	150,000
Balance, December 31, 2025	$ 150,000

TRUST FUNDS

BOROUGH OF HARRINGTON PARK
STATEMENT OF CASH - TREASURER

	Animal Control Trust Fund		Other Trust Fund		Municipal and Recreation Trust Fund	
Balance, January1, 2025		$ 2,516		$ 400,414		$ 301,017
Increased by:						
Dog License Fees, Late Fees And Other Fees	$ 7,665					
Due State of New Jersey						
Dog License Fees	585					
Domestic Violence Fees			$ 800			
Open Space Taxes					$ 94,222	
Subdivision Applications			71,720			
Cat License Fees			370			
Tree Fees			2,105			
Dedicated Parking Offenses Adjudication Act			108			
Recycling Program Receipts			1,805			
Harrington Park Community Business Alliance			4,020			
Dedicated Recreation Fees			107,401			
Reserve for Payroll			4,471,682			
Beautification Reserve			4,216			
Green Team/Environmental Commission - Donations			980			
Affordable Housing			13,149			
Lead Paint			120			
Tax Sale Premiums	-		134,600		-	
		8,250		4,813,076		94,222
		10,766		5,213,490		395,239
Decreased by:						
Due State of New Jersey						
Domestic Violence Fees			800			
Dog License Fees	585					
Animal Control Fund Expenditures	6,713					
Subdivision Applications			51,479			
Cat License Expenditures			4,579			
Reserve for Payroll			4,471,682			
Recycling Program Expenditures			1,096			
Dedicated Recreation Fees			98,777			
Tree Fees			10,289			
Harrington Park Community Business Alliance			4,344			
Green Team/Environmental Commission - Expenditures			1,211			
Affordable Housing			29,307			
Open Space Expenditures					133,225	
Beautification Reserve			5,012			
Due to General Capital Fund	-		-		57,870	
		7,298		4,678,576		191,095
Balance, December 31, 2025		$ 3,468		$ 534,914		$ 204,144

EXHIBIT B-4

BOROUGH OF HARRINGTON PARK
STATEMENT OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES
ANIMAL CONTROL FUND

Balance, January 1, 2025		$ 2,516
Increased by:		
Dog License Fees Collected	$ 3,784	
Late Fees and Other Fees	3,881	
		7,665
		10,181
Decreased by:		
Expenditures Under R.S. 4:19-15.11		6,713
Balance, December 31, 2025		$ 3,468

License Fees Collected

Year	Amount
2024	$ 3,934
2023	4,294
	$ 8,228

EXHIBIT B-5

STATEMENT OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL FUND

Increased by:		
State License Fees	$ 430	
Pilot Clinic Fees	86	
Animal Population Fees	69	
		$ 585
Decreased by:		
Cash Disbursements		$ 585

EXHIBIT B-6

STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND

Balance, December 31, 2025 and 2024	$ 250

EXHIBIT B-7

BOROUGH OF HARRINGTON PARK
STATEMENT OF SUBDIVISION APPLICATIONS - DEVELOPER'S
OTHER TRUST FUND

Balance, January 1, 2025	$	133,588
Increased by:		
Cash Receipts		71,720
		205,308
Decreased by:		
Cash Disbursements		51,479
Balance, December 31, 2025	$	153,829

EXHIBIT B-8

STATEMENT OF STREET OPENING DEPOSITS - DEVELOPER'S
OTHER TRUST FUND

Balance, December 31, 2025 and 2024	$	2,000

EXHIBIT B-9

STATEMENT OF DEDICATED CAT LICENSE FEES
OTHER TRUST FUND

Balance, January 1, 2025	$	5,063
Increased by:		
Cash Receipts		370
		5,433
Decreased by:		
Cash Disbursements		4,579
Balance, December 31, 2025	$	854

EXHIBIT B-10

STATEMENT OF TENNIS PROGRAM RESERVE - RECREATION
OTHER TRUST FUND

Balance, December 31, 2025 and 2024	$	9,501

EXHIBIT B-11

BOROUGH OF HARRINGTON PARK
STATEMENT OF DEDICATED PARKING OFFENSES ADJUDICATION ACT
OTHER TRUST FUND

Balance, January 1, 2025	$	410
Increased by:		
Cash Receipts		108
Balance, December 31, 2025	$	518

EXHIBIT B-12

STATEMENT OF RECYCLING PROGRAM
(DEDICATED UNDER R.S. 40:12-8)
OTHER TRUST FUND

Balance, January 1, 2025	$	704
Increased by:		
Cash Receipts		1,805
		2,509
Decreased by:		
Cash Disbursements		1,096
Balance, December 31, 2025	$	1,413

EXHIBIT B-13

STATEMENT OF DEDICATED RECREATION FEES
OTHER TRUST FUND

Balance, January 1, 2025	$	61,223
Increased by:		
Cash Receipts		107,401
		168,624
Decreased by:		
Cash Disbursements		98,777
Balance, December 31, 2025	$	69,847

EXHIBIT B-14

BOROUGH OF HARRINGTON PARK
STATEMENT OF DUE TO STATE OF NEW JERSEY - DOMESTIC VIOLENCE FEES
OTHER TRUST FUND

Balance, January 1, 2025	$	203
Increased by:		
Cash Receipts		800
		1,003
Decreased by:		
Cash Disbursements		800
Balance, December 31, 2025	$	203

EXHIBIT B-15

STATEMENT OF DEDICATED UNEMPLOYMENT INSURANCE TRUST
OTHER TRUST FUND

Balance, December 31, 2025 and 2024	$	22,654

EXHIBIT B-16

STATEMENT OF RESERVE FOR AFFORDABLE HOUSING - DEVELOPER'S FEES
OTHER TRUST FUND

Balance, January 1, 2025	$	111,525
Increased by:		
Cash Receipts		13,149
		124,674
Decreased by:		
Cash Disbursements		29,307
Balance, December 31, 2025	$	95,367

EXHIBIT B-17

BOROUGH OF HARRINGTON PARK
MUNICIPAL OPEN SPACE AND RECREATION TRUST FUND

Balance, January 1, 2025		$ 301,332
Increased by:		
2025 Tax Levy	$ 94,222	
Added Tax Levy - Due From Current Fund	69	
		94,291
		395,623
Decreased by:		
Improvement Authorization Funded - General Capital Fund	57,870	
Expenditures	133,225	
		191,095
Balance, December 31, 2025		$ 204,528

EXHIBIT B-18

STATEMENT OF RESERVE FOR PAYROLL
OTHER TRUST FUND

Balance, January 1, 2025		$ 4,635
Increased by:		
Cash Receipts		4,471,682
		4,476,317
Decreased by:		
Cash Disbursements		4,471,682
Balance, December 31, 2025		$ 4,635

Analysis of Balances

FSA Balance	$ 4,635
	$ 4,635

EXHIBIT B-19

BOROUGH OF HARRINGTON PARK
STATEMENT OF RESERVE FOR GREEN TEAM/ENVIRONMENTAL COMMISSION - DONATIONS
OTHER TRUST FUND

Balance, January 1, 2025	$	925
Increased by:		
Cash Receipts		980
		1,905
Decreased by:		
Cash Disbursements		1,211
Balance, December 31, 2025	$	694

EXHIBIT B-20

STATEMENT OF RESERVE FOR POLICE DONATIONS
OTHER TRUST FUND

Balance, December 31, 2025 and 2024	$	1,142

EXHIBIT B-21

BOROUGH OF HARRINGTON PARK
STATEMENT OF RESERVE FOR BEAUTIFICATION
OTHER TRUST FUND

Balance, January 1, 2025	$	8,549
Increased by:		
Cash Receipts		4,216
		12,765
Decreased by:		
Cash Disbursements		5,012
Balance, December 31, 2025	$	7,753

EXHIBIT B-22

STATEMENT OF RESERVE FOR TREE FEES
OTHER TRUST FUND

Balance, January 1, 2025	$	23,377
Increased by:		
Cash Receipts		2,105
		25,482
Decreased by:		
Cash Disbursements		10,289
Balance, December 31, 2025	$	15,193

EXHIBIT B-23

STATEMENT OF RESERVE FOR HARRINGTON PARK COMMUNITY BUSINESS ALLIANCE
OTHER TRUST FUND

Balance, January 1, 2025	$	14,525
Increased by:		
Cash Receipts		4,020
		18,545
Decreased by:		
Cash Disbursements		4,344
Balance, December 31, 2025	$	14,201

EXHIBIT B-24

STATEMENT OF RESERVE FOR HARRINGTON PARK LEAD PAINT
OTHER TRUST FUND

Balance, January 1, 2025	$	140
Increased by:		
Cash Receipts		120
Balance, December 31, 2025	$	260

BOROUGH OF HARRINGTON PARK
STATEMENT OF RESERVE FOR TAX SALE PREMIUMS
OTHER TRUST FUND

Balance, January 1, 2025	$ -
Increased by:	
Cash Receipts	134,600
Balance, December 31, 2025	$ 134,600

GENERAL CAPITAL FUND

BOROUGH OF HARRINGTON PARK
STATEMENT OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS - TREASURER

Balance, January 1, 2025		$ 650,811
Increased by Receipts:		
Budget Appropriation		
Capital Improvement Fund	$ 40,000	
Deferred Charges Future Taxation Unfunded	92,953	
Due from Current Fund	200,000	
Grants Receivable	400,379	
Due from Municipal Open Space and Recreation Trust Fund	57,870	
		791,202
		1,442,013
Decreased by Disbursements:		
Improvement Authorizations	1,238,835	
Fund Balance Anticipated in Current Fund Budget	107,000	
		1,345,835
Balance, December 31, 2025		$ 96,178

EXHIBIT C-3

BOROUGH OF HARRINGTON PARK
ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS

	Balance, December 31, 2025
Fund Balance	$ 83,230
Capital Improvement Fund	29,643
Contracts Payable	264,337
Reserve for Payment of Debt	727,202
Grants Receivable	(164,411)
Due to Current Fund	200,000
Improvement Authorizations:	
598 Acquisition of DPW Equipment	6,463
665 Dredging & Restoration of Blanch Brook	40,777
698 Various Capital Improvements	22,919
713 Various Roadway Improvements and Acquisition of Certain Fire Department Equipment	78,848
720 Various Capital Improvements	8,356
724 Acquisition of Various Mobile and Portable Radios and Related Equipment and Accessories	16,750
733 Acquisition of Two (2) Fire Trucks & Miscellaneous Equipment	1,017
745 Various Capital Improvements	91,375
747 Various Capital Improvements	6,601
755/759 Various Capital Improvements	184,103
763 Various Capital Improvements	244,956
771 Various Capital Improvements	(534,203)
779 Various 2024 Capital Improvements	(585,430)
783 Various Improvements to Highland Field and the Acquisition of Various Police and Fire Department Vehicles and Other Miscellaneous Equipment	(262,125)
787 Various 2025 Capital Improvements	(364,230)
	$ 96,178

EXHIBIT C-4

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, January 1, 2025	$ 4,600,000
Decreased by:	
2025 Budget Appropriations:	
Serial Bonds	550,000
Balance, December 31, 2025	$ 4,050,000

BOROUGH OF HARRINGTON PARK
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION- UNFUNDED

Ord. No.	Improvement Description	Balance, January 1, 2025	2025 Authorizations	Cash Receipts: Municipal Open Space and Recreation Trust Fund	Cash Receipts: Funded by Grant Proceeds	Balance, December 31, 2025	Analysis of Balance December 31, 2025: Expenditures	Analysis of Balance December 31, 2025: Unexpended Improvement Authorizations
665	Dredging and Restoration Blanch Brook	$ 71,424				$ 71,424		$ 71,424
698	Various Capital Improvements	473				473		473
720	Various Capital Improvements	511,564				511,564		511,564
731/738	Various Capital Improvements	369,350				369,350		369,350
745	Various Capital Improvements	937				937		937
755/759	Various Capital Improvements	1,146				1,146		1,146
771	Various Capital Improvements	796,379			$ 87,038	709,341	$ 534,203	175,138
779	Various 2024 Capital Improvements	801,904				801,904	585,430	216,474
783	Various Improvements to Highland Field and the Acquisition of Various Police and Fire Department Vehicles and Other Miscellaneous Equipment	266,000				266,000	262,125	3,875
787	Various 2025 Capital Improvements	-	$ 674,728	$ 57,870	5,915	610,943	364,230	246,713
		$ 2,819,177	$ 674,728	$ 57,870	$ 92,953	$ 3,343,082	$ 1,745,988	$ 1,597,094

EXHIBIT C-6

BOROUGH OF HARRINGTON PARK
STATEMENT OF GRANTS/OTHER ACCOUNTS RECEIVABLE

		NJDOT		Bergen County Open Space Grant	Space Grant	CDBG	ARP	NJDCA	NJDCA
	Total	Ord. 763 - Various Roadway Repairs and Improvements Norma Road	Ord. 779- Various 2024 Capital Improvements	Ord. 787 - Municipal Park Improvement Program	Ord. 731 - Highland Field Park Project	Ord. 755 - Various Capital Improvements	Ord. 779- Various 2024 Capital Improvements	Ord. 783- Various Improvements and Acquisitions	Ord. 779- Various 2024 Capital Improvements
Balance, January 1, 2025	$ 450,760	$ 1,876	$ 36,349		$ 10,259	$ 9,276	$ 75,000	$ 68,000	$ 250,000
Increased by:									
Grant Awards	114,030	-	-	$ 114,030	-	-	-	-	-
	564,790	1,876	36,349	114,030	10,259	9,276	75,000	68,000	250,000
Decreased by:									
Cash Receipts	400,379	-	36,349	114,030	-	-	-	62,500	187,500
Balance, December 31, 2025	$ 164,411	$ 1,876	$ -	$ -	$ 10,259	$ 9,276	$ 75,000	$ 5,500	$ 62,500

Analysis of Balance

Pledged to Ordinance	
Ord. 731	$ 10,259
Ord. 755	9,276
Ord. 763	1,876
Ord. 779	137,500
Ord. 783	5,500
	$ 164,411

EXHIBIT C-7

BOROUGH OF HARRINGTON PARK
STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2025	$ 25,850
Increased by:	
2025 Budget Appropriation	40,000
	65,850
Decreased by:	
Appropriations to Finance Improvement Authorizations	36,207
Balance, December 31, 2025	$ 29,643

EXHIBIT C-8

STATEMENT OF CONTRACTS PAYABLE

Balance, January 1, 2025	$ 690,793
Increased by:	
Charges to Improvement Authorizations	264,337
	955,130
Decreased by:	
Payables Restored to Improvement Authorizations	690,793
Balance, December 31, 2025	$ 264,337

EXHIBIT C-9

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2025 and 2024	$ 727,202

BOROUGH OF HARRINGTON PARK
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

	Improvements	Ordinance Amount	Balance, January 1, 2025 Funded	Balance, January 1, 2025 Unfunded	2025 Improvement Authorizations	Contracts Payable Restored	Expended	Balance, December 31, 2025 Funded	Balance, December 31, 2025 Unfunded
598	Acquisition of DPW Equipment	$ 200,000	$ 6,463			$ 100	$ 100	$ 6,463	
665	Dredging & Restoration of Blanch Brook	420,000	40,777	$ 71,424				40,777	$ 71,424
698	Various Capital Improvements	24,155	22,919	473				22,919	473
713	Various Roadway Improvements and Acquisition of Certain Fire Department Equipment	515,200	78,848					78,848	
720	Various Capital Improvements	1,282,375	8,356	511,564				8,356	511,564
724	Acquisition of Various Mobile and Portable Radios and Related Equipment and Accessories	132,670	16,750					16,750	
731/738	Various Capital Improvements	930,030		369,350					369,350
733	Acquisition of Two (2) Fire Trucks & Miscellaneous Equipment	1,403,020	1,017					1,017	
745	Various Capital Improvements	830,975	91,375	937				91,375	937
747	Various Capital Improvements	137,500	6,601					6,601	
755/759	Various Capital Improvements	1,385,987	184,103	1,146				184,103	1,146
763	Various Capital Improvements	1,320,867	264,089			41,628	60,761	244,956	
771	Various Capital Improvements	1,038,020		78,661		45,411	(51,066)		175,138
779	Various 2024 Capital Improvements	1,312,397		369,112		419,362	572,000		216,474
783	Various Improvements to Highland Field and the Acquisition of Various Police and Fire Department Vehicles and Other Miscellaneous Equipment	347,000		162,708		184,292	343,125		3,875
787	Various 2025 Capital Improvements	824,965	-	-	$ 824,965	-	578,252	-	246,713
			$ 721,298	$ 1,565,375	$ 824,965	$ 690,893	$ 1,503,272	$ 702,165	$ 1,597,094

Debt Authorized	$ 674,728
State and Federal Grants	114,030
Capital Improvement Fund	36,207
	$ 824,965

Cash Disbursements	$ 1,238,935
Contracts Payable	264,337
	$ 1,503,272

BOROUGH OF HARRINGTON PARK
STATEMENT OF GENERAL SERIAL BONDS PAYABLE

Issue	Date of Issue	Amount of Original Issue	Maturities Outstanding December 31, 2025 Date	Amount	Interest Rate	Balance, January 1, 2025	Decreased	Balance, December 31, 2025
General Improvement Bonds	5/2/2023	$ 4,890,000	5/15/2026	$ 570,000	3.00%	$ 4,600,000	$ 550,000	$ 4,050,000
			5/15/2027	580,000	4.00%			
			5/15/2028	580,000	4.00%			
			5/15/2029	580,000	4.00%			
			5/15/2030	580,000	4.00%			
			5/15/2031	580,000	4.00%			
			5/15/2032	580,000	4.00%	-	-	-
						$ 4,600,000	$ 550,000	$ 4,050,000
					Paid by Budget Appropriation		$ 550,000	

EXHIBIT C-12

BOROUGH OF HARRINGTON PARK
STATEMENT OF DUE TO CURRENT FUND

Balance, January 1, 2025	$ -
Increased by:	
Cash Receipts	200,000
Balance, December 31, 2025	$ 200,000

BOROUGH OF HARRINGTON PARK
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance, January 1, 2025	2025 Improvement Authorizations	Grant Proceeds	Balance, December 31, 2025
665	Dredging and Restoration Blanch Brook	$ 71,424			$ 71,424
698	Various Capital Improvements	473			473
720	Various Capital Improvements	511,564			511,564
731/738	Various Capital Improvements	369,350			369,350
745	Various Capital Improvements	937			937
755/759	Various Capital Improvements	1,146			1,146
771	Various 2023 Capital Improvements	796,379		$ 87,038	709,341
779	Various 2024 Capital Improvements	801,904			801,904
783	Various Improvements to Highland Field and the Acquisition of Various Police and Fire Department Vehicles and Other Miscellaneous Equipment	266,000			266,000
787	Various 2025 Capital Improvements	-	$ 674,728	63,785	610,943
		$ 2,819,177	$ 674,728	$ 150,823	$ 3,343,082

BOROUGH OF HARRINGTON PARK

BERGEN COUNTY

PART III

SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2025 AND 2024

BOROUGH OF HARRINGTON PARK
SUPPLEMENTARY DATA

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - CURRENT FUND

Revenue and Other Income Realized	Year 2025 Amount		Year 2024 Amount	
Fund Balance Utilized	$ 755,000	2.27%	$ 740,000	2.28%
Miscellaneous - From Other Than Local Property Tax Levies	1,431,177	4.31%	1,856,282	5.71%
Collection of Delinquent Taxes and Tax Title Liens	207,053	0.62%	137,721	0.42%
Collection of Current Tax Levy	30,625,000	92.19%	29,432,010	90.52%
Other Credits	201,853	0.61%	346,468	1.07%
Total Income	33,220,083	100.00%	32,512,481	100.00%
Expenditures				
Budget Expenditures:				
Municipal Purposes	9,032,156	27.62%	9,093,165	28.59%
County Taxes	3,148,088	9.63%	2,982,291	9.38%
Local & Regional School Taxes	20,190,070	61.74%	19,632,851	61.73%
Municipal Open Space Taxes	94,291	0.29%	94,790	0.30%
Other Charges	235,952	0.72%	-	
Total Expenditures	32,700,557	100.00%	31,803,097	100.00%
Excess in Revenues	519,526		709,384	
Adjustments to Income Before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	150,000		-	
Statutory Excess to Fund Balance	669,526		709,384	
Fund Balance January 1	1,869,182		1,899,798	
	2,538,708		2,609,182	
Less: Utilization as Anticipated Revenue	755,000		740,000	
Fund Balance December 31	$ 1,783,708		$ 1,869,182	

BOROUGH OF HARRINGTON PARK
SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2025	2024	2023
Tax Rate:	$3.271	$3.127	$3.031
Apportionment of Tax Rate:			
Municipal (Includes Municipal Library)	0.741	0.709	0.675
Municipal Open Space Tax	0.010	0.010	0.011
County (Includes County Open Space Tax)	0.335	0.316	0.302
Regional High School Tax	0.635	0.632	0.615
Local School District Tax	1.550	1.460	1.428

Assessed Valuation:

2025	$ 942,223,850		
2024		$ 947,144,750	
2023			$ 943,587,550

*Per Abstract of Ratables, Bergen County, NJ

Note: Under the provisions of Chapter 73, L.1976, the County Board of Taxation estimated the amount of approved Veterans and Senior Citizens Tax Deductions for 2025 to be $29,750.

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

		CURRENTLY	
Year	Tax Levy	Cash Collections	Percentage of Collection
2025	$ 30,839,786	$ 30,625,000	99.30%
2024	29,641,007	29,432,010	99.29%
2023	28,653,918	28,492,367	99.44%

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2025	$ 56,648	$ 197,651	$ 254,299	0.82%
2024	48,467	198,099	246,566	0.83%
2023	43,688	137,721	181,409	0.63%

BOROUGH OF HARRINGTON PARK
SUPPLEMENTARY DATA

Property Acquired by Tax Title Lien Foreclosure

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

The value of property acquired by liquidation of tax title liens on December 31, was as follows:

Year	Amount
2025	$ 59,720
2024	59,720
2023	59,720

Comparative Schedule of Fund Balance

	Year Ended	Balance December 31,	Utilized in Budget of Succeeding Year	
Current Fund	2025	$ 1,783,708	$ 765,000	(A)
	2024	1,869,182	755,000	
	2023	1,899,798	740,000	
	2022	1,917,573	740,000	
	2021	1,859,995	659,000	

(A) - This represents the fund balance anticipated in the 2026 introduced budget.

BOROUGH OF HARRINGTON PARK
SUPPLEMENTARY DATA

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME		TITLE
Joon L Chung	-	Mayor
Jordan Nick Pedersen	-	Council President
Gregory Evanella	-	Councilperson
Allan Napolitano	-	Councilperson
Diane Walker	-	Councilperson
Joon Chung	-	Councilperson
Bill Blackinton	-	Councilperson
Carolyn Lee	-	Acting Borough Clerk/Registrar of Vital Statistics (Effective March 5, 2025)
Leena Abaza	-	Borough Clerk/Registrar of Vital Statistics (Resigned February 17, 2025)
Kunjesh Trivedi	-	Administrator, Chief Financial Officer, Tax Collector, QPATax Search Officer
Jody Wasson	-	Payroll/Construction Clerk
Patrick Wilkins	-	Assessor
Scott Wickersheim	-	Construction Official
Steven Nappi	-	Superintendent of Public Works
Robert Murphy	-	Chief of Police
Matthew Fierro	-	Magistrate
Katherine Viger	-	Court Administrator

The Bergen County Municipal Joint Insurance Fund provides public employee dishonesty coverage for all employees other than statutory employees in the amount of $50,000.

The Bergen County Municipal Excess Liability Joint Insurance Fund provides public employee dishonesty coverage in the amount of $950,000 for all employees, except for statutory employees which have coverage in the amount of $1,000,000.

BOROUGH OF HARRINGTON PARK

BERGEN COUNTY

PART IV

SUPPORTING DATA

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

BOROUGH OF HARRINGTON PARK

GENERAL COMMENTS

Current Year Unresolved Comments

Finding:

During our testing, we noted purchase orders were approved after receipt of goods and/or services.

Recommendation:

It is recommended that purchase orders be created and approved prior to the purchase of goods and/or services.

Contracts and Agreements Required To Be Advertised For N.J.S. 40A:11-4

N.J.S. 40A:11-4 states, "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement".

If the Borough's purchasing agent is qualified pursuant to subsection b. of Section 9 of P.L. 1971, c.198 (C.40A:11-9), the Borough may establish the bid threshold up to a maximum of $53,000 (effective July 1, 2025). The bid threshold prior to July 1, 2025 was $44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Governing Body has designated the Chief Municipal Finance Officer as the qualified purchasing agent, and approved the bid threshold of $53,000.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed $53,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishings or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed to determine whether any clear-cut violations existed and no violations of the Local Public Contracts Law were found.

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 4, 2025, adopted the following resolution authorizing interest to be charged on delinquent taxes:

> "BE IT RESOLVED, by the Mayor and Council of the Borough of Harrington Park, that pursuant to Title 54:4-67 of the Revised Statutes of New Jersey, the Mayor and Council hereby fixed the rate of interest to be charged for the non-payment of taxes and assessments on or before the date when the same would become delinquent at the rate not to exceed 8% per annum on the first $1,500 of the delinquency, and 18% per annum of any amount in excess of $1,500 becoming delinquent after the due date.

Collection of Interest on Delinquent Taxes and Assessments (Continued)

> BE IT FURTHER RESOLVED, that after the 10 day grace period, interest reverts back to the due date at the rate of 8% on the first $1,500, etc.

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

Suggestions to Management

- The custodian listed on the Division’s approved petty cash report be revised and a formal petty cash policy be approved annually.
- Current Fund grants receivable and appropriated reserve balances be reviewed and cleared of record.

Delinquent Taxes And Tax Title Liens

There was a tax sale on December 18, 2025.

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

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

Year	Number of Liens
2025	6
2024	6
2023	5

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

BOROUGH OF HARRINGTON PARK

RECOMMENDATIONS

* It is recommended that purchase orders be created and approved prior to the purchase of goods and/or services.

Status of Prior Years' Audit Findings/Recommendations

A review was performed on the prior years recommendation and corrective action was not taken on the prior year recommendation as denoted with an asterisk above.

* * * * * *

Acknowledgment

We received the complete cooperation of all officials of the Borough, and we greatly appreciate the courtesies extended to us.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP
Certified Public Accountants

Gary W. Higgins, CPA
Registered Municipal Accountant
RMA Number 405